SANCTIONS — 1992

JANUARY — MARCH

No pot of gold at the boycott's end

W/Mail 3/1-9/1/92 (280)

Was this month's Paul Simon tour born at the right time?
ARTHUR GOLDSTUCK *looks at why the easing of the cultural boycott doesn't mean international acts will flood back to South Africa*


Paul Simon

NEXT Friday Paul Simon kicks off his South African tour with the highest grossing concert in this country's history. But the realities of politics and economics are already beginning to crowd out the euphoria of the beginning of the end of the cultural boycott.

With an anticipated audience of 40 000 fans paying from R40 to R80 for tickets, the box office take for the first concert at Ellis Park will dwarf anything yet seen in this country.

The total ticket allocation for the five-concert South African leg of the "Born at the Right Time" tour at this stage is 150 000, suggesting a potential total income of more than R6-million — a seemingly powerful incentive for foreign artists.

However, the pot of gold at the end of the boycott is not as lucrative as it seems.

"A tour to South Africa can't be profitable," says Andrew Zwick of Harvey Goldsmith International, booking agents for Paul Simon in Europe and Africa. "Ticket prices are at best 50 percent of what they would be anywhere else in the world. Yet, the costs of bringing a tour out here are three to four times higher than anywhere else. And the 48 percent tax on any profits is also crippling. For American artists, who get taxed again when they get home, this means double taxation.

"One positive thing is that technical infrastructure is going ahead by leaps and bounds. In areas like sound, lighting and staging, it has mushroomed overnight. That's a major plus. People like Attie van Wyk (head of Network Entertainment Group, local promoters of the tour) are investing in first-class foreign equipment. Eventually they won't have to airfreight their equipment here, and the costs will fall."

Zwick handled the booking for most of the major southern African concerts outside this country in the past five years, including the Graceland, Amnesty International and UB40 concerts in Harare, and the Eric Clapton tour of the region.

None of those, he says, was profitable for the artists. "For every single show, the artists paid for the privilege. Not one took money home."

However, this does not mean South Africa will be a no-go area for leading acts.

"It's a political question," says Zwick. "Major American acts would not find this territory attractive for financial reasons, but many will be motivated by other reasons.

"Major artists could demand huge prices and people would pay. But for many artists that is not desirable — it would exclude a major part of the potential audience.

"Paul Simon is going to lose money on this tour, but for him it's a statement, on many levels. Artists like Peter Gabriel and Sting would play this region because they want to play Africa."

Not everyone is delighted at Simon's magnanimity. For one, the Azanian Youth Organisation — youth wing of the Azanian People's Organisation — feels the tour was not born at the right time.

In an open letter to Simon last week, Azayo president Thami Mcerwa said there had been insufficient change in South Africa, and therefore there could be "no normal sport and cultural exchanges in an abnormal society".

"Should you, however, insist on coming, please be informed that you will be coming to a hostile climate and certainly not conducive for your performance."

A Network Entertainment Group spokesman responded that the invitation to Simon had been made seven months ago by the South African Musicians' Alliance (Sama), and there had been no protest then.

Asked why there had been no protest at the time of the invitation, Mcerwa told *The Weekly Mail* that a forum — on which Sama and each of the liberation groups are represented — intended to vet and approve visiting artists, had been "sabotaged".

"The forum must ensure that every organisation participates in how funds are channelled to particular projects. The forum held an initial meeting where our position was that we did not mind a benefit show being staged for advancement of local culture.

"The intention was that several meetings would be scheduled to discuss this. Those meetings were sabotaged, and they never took place. We tried to put them back on track, but without success. Then, to our surprise, we heard the African National Congress had approved a Paul Simon tour.

"We had to revisit our position — whether the show should go on — at our national congress in December. The congress felt there was a reneging of an agreement from the ANC and Sama, and we had to do something about it," said Mcerwa.

The boycott call thus appears to be a political decision, rather than one of principle, and exposes Azayo to dog-in-the-manger accusations.

At the time of going to press, Sama, host of the tour, was due to meet Azayo to discuss their differences.

DEADLOCKED

ANC 'compromise' fails to move hardliners in UK's Equity union

SENSITIVE negotiations between the ANC and the British actors' union, Equity, to lift the ban on TV drama and documentary programmes to South Africa have collapsed.

The battle to end one of the most controversial and emotive boycotts is now heading for a showdown in the High Court in London on January 13. A key compromise deal among rival factions in the left-wing dominated Equity should have been announced today — 16 years to the day after TV was introduced in South Africa on January 5 1976.

By IAN HOBBS
London

The deal would have led to the case being adjourned to allow an executive delegation from the International Federation of Actors (FIA) to consult with South African TV unions and companies at the end of this month on a limited end to the boycott.

But FIA's Australian general-secretary, Mr Michael Crosby, who would have led the delegation with its British vice-president Mr Peter Pluviez, said yesterday Equity was insisting that moderates had to drop any threat of legal action before it would agree to the FIA intervention.

Mr Crosby said his delegation would still be going to South Africa, but unless there was an 11th-hour change, it would restrict talks on granting affiliation to the new, unified South African show-business union, Professional Arts Workers' Equity.

An Equity spokesman declined to discuss the stalled secret negotiations or claims that its hard-line position was damaging to the ANC, which was ready for compromise.

There will, however, be a last-ditch attempt to revive a negotiated end to the boycott. This deal would maintain restrictions on state-controlled SABC TV's right to buy film, but would free independent companies like M-Net.

Equity's ruling executive council meets in London on Tuesday to discuss this compromise.

If that fails, Equity moderates, led by veteran classical actor Marius Goring, will fight the issue in the High Court.

The overwhelming indications on legal precedent are that the moderates would win in court, with Equity crippled by the legal bill and the ANC, which has so far played a flexible and positive role, losing the political high ground.

The radical British Musicians' Union, also involved in the talks, has confirmed it is ready to end its cultural boycott — which also influences the sale of films — in consultation with the ANC and the South African music industry.

Legal defeat for Equity would allow South Africa's TV services, including the SABC, to buy foreign film without any restrictions.

Hurting

Said Goring: "The tragedy is that we have tried to respect the sensitivity of the situation of change in South Africa and have offered any number of olive branches in compromise.

"The visit to South Africa by FIA was the ideal situation to work out a reasonable end to the boycott in consultation with the unions and industry and with the ANC, which has played a most responsible role.

"I think everyone with commonsense agrees that the cultural boycott has turned into a tragedy hurting most of the people it was devised to help.

"I am fighting it to the finish and am winning more support by the day. This tragic boycott must be brought to an end," he said.

Senior Equity member Fred Keeling, a Goring supporter, said: "Equity is behaving like an ass. It is sad and destructive and the incredible irony is that it is damaging the interests of the ANC, which could now lose influence over the considered sale of TV film.

"I am certain the Goring position will win if this goes to court. I only hope Equity sees reason and allows the FIA delegation to become involved."

Bush backs down in sanctions row

C|Pnews 5|1|92.

(280)

By JJ SANTA RITA

THE Bush administration has backed off from earlier threats to take US local authorities to court for refusing to lift sanctions against South Africa.

However, the American government has not ruled out the possibility of indirectly being involved in court actions against local authorities which refuse to lift sanctions.

When President George Bush lifted sanctions against South Africa a few months ago, the Justice Department said it was studying the possibility of starting legal action against local authorities which refused to lift sanctions.

The investigation was launched because the Bush administration felt that foreign policy, including the implementation and lifting of sanctions, was the prerogative of the federal government.

Despite the federal government's decision to lift sanctions, though, scores of local authorities – from state to county and city administrations – continue to enforce sanctions, making it difficult for local businessmen to start trade contacts with South Africa.

Many counties and cities prevent their pension funds from investing in businesses which deal with South Africa.

Others do not award contracts to firms dealing with South Africa and do not deal with banks which have investments here.

"We are not planning to go to court over this matter. However, we reserve the right to support anybody who might challenge the sanctions imposed by local authorities," the sources said.

It is not clear why the Bush administration backed off from its earlier threat.

However, it is understood that the legal problems involved would entail a bruising legal battle which the Bush administration thought would not be politically profitable to be involved in.

Turning to the Codesa talks. the sources said the US government had "no recommendation" on what type of constitution South Africa should have.

The US would like to see a non-racial democratic institution "where there are no vetoes for any particular ethnic group".

Japan set for full SA ties

(280)

CT 7/1/92

Own Correspondent

JOHANNESBURG.—Japan is set to re-establish full diplomatic relations with South Africa, probably as soon as next week, sources have said.

After ambassadorial relations are resumed, the two countries are expected to negotiate details of a trip by President F W de Klerk to Japan sometime before June

Japanese consul-general Mr Masatoshi Ohta said yesterday the resumption of full diplomatic relations was imminent, but he would not speculate on exactly when the agreement would be reached.

But news reports from Toyko suggest the two countries will resume diplomatic ties as early as next week, Sapa reports

Relations between South Africa and Japan have been limited to the consular level since World War II

A foreign affairs spokesman said: "We are in constant touch with the Japanese government on the status of our relationship, but it is too early to make a statement."

Denmark poised to lift curbs on imports from SA

Star 8/11/92

COPENHAGEN — Denmark is ready to lift a veto on imports into the European Community of South African iron, steel and gold coins and to scrap some of its own sanctions, opposition politicians said yesterday.

The minority Danish government wanted to go along with other EC nations when they voted to lift the ban in April.

But the three opposition parties made it retain the veto until now

"The three parties agree developments (in South Africa) have been positive moderate political forces have begun talks on a new democratic constitution without apartheid and the first phase of the Danish sanctions should be lifted," a statement by the three parties said.

Denmark must retain its own ban on goods trade with South Africa until the three parties are satisfied the country is firmly on the road to democracy, said Social Democrat MP Pernille Forchhammer.

President de Klerk's demand for a referendum among the white minority on planned constitutional changes "creates doubts over the strength of the Government's commitment to create a new constitution that removes all racial separation," the tripartite statement said.

"We'll look at the position after the next Codesa meeting," Mr Forchhammer said

Denmark's parliamentary Foreign Policy Committee will approve the scrapping of the sanctions tomorrow. — Sapa-Reuter.

Denmark to lift sanctions

COPENHAGEN. — Denmark is ready to lift a veto on imports to the European Community of South African iron, steel and gold coins and to scrap some of its own sanctions, say opposition MPs. ARG 8/1/92

The minority centre-right Danish government wanted to go along with other Community nations when they voted to lift the EC trade ban in April, but three opposition parties, which together have a majority in parliament, made it retain the veto.

"The three parties agree developments (in South Africa) have been positive. Moderate political forces have begun talks on a new democratic constitution and the first phase of the Danish sanctions should be lifted," a statement by the three parties said.

The Social Democrats, Socialist People's Party and Radical Liberals have agreed to lift Denmark's veto on imports to the EC and to scrap Danish bans on trade in services and investment in South Africa.

Denmark must retain its own ban on goods trade with South Africa until the three parties are satisfied the country is firmly on the road to democracy, said Social Democrat MP Mr Pernille Forchhammer.

Denmark's key parliamentary Foreign Policy Committee will approve the scrapping of the sanctions tomorrow, but Denmark must then consult its Nordic Council partners, Sweden, Norway, Finland and Iceland, before taking action.

● In Pretoria the Department of Foreign Affairs said that Minister Pik Botha welcomed the Danish statement. — Sapa-Reuter. (286)

Danes set to lift EC import ban

(286) CT 8/1/92

COPENHAGEN. — Denmark is ready to lift a veto on imports into the European Community of South African iron and steel and gold coins and to scrap some of its own sanctions, opposition politicians said yesterday.

The minority centre-right Danish government wanted to go along with other community nations when they voted to lift the EC trade ban last April. But three opposition parties, which together have a majority in parliament, made it retain the veto until now

"The three parties agree developments (in South Africa) have been positive...moderate political forces have begun talks on a new democratic constitution without apartheid...and the first phase of the Danish sanctions should be lifted," a statement by the three parties said.

The Social Democrats, Socialist People's Party and Radical Liberals have agreed to lift Denmark's veto on the EC imports and to scrap the country's own ban on trade in services and investment in South Africa.

Denmark must retain its own ban on goods trade with South Africa until the three parties are satisfied the country is firmly on the road to democracy, said Social Democrat MP Mr Pernille Forchhammer.

"We will look at the position again after the next meeting of Codesa." — Sapa-Reuter

Danish opposition relents on SA sanctions

B1Day 8/11/92

(280)

COPENHAGEN — Three Danish opposition parties yesterday reversed their position on anti-SA sanctions, finally making it possible for the EC to scrap barriers against the importation of SA iron, steel and gold coins

In addition to agreeing to lift Denmark's veto on the EC imports, the Social Democrats, Socialist People's Party and Radical Liberals had also decided the country's own ban on trade in services and investment should be scrapped, Sapa reports.

The minority centre-right Danish government wanted to go along with other EC nations when they voted to lift the EC trade ban last April. But the three opposition parties, which together have a majority in parliament, made it retain the veto.

"The three parties agree developments (in SA) have been positive ... moderate political forces have begun talks on a new democratic constitution without apartheid ... and the first phase of the Danish sanctions should be lifted," a statement by the three parties said.

ANDREW GILL reports Safto CE Wim Holtes said the move was an extremely positive one and paved the way for further optimism in foreign trade.

The effective 5% growth in exports forecast for 1992 could be increased by "a couple of notches" as a result of the expected lifting of EC sanctions, he said.

Broadly speaking, he said, Europe accounted for about 30% of SA's growth rate.

While there may still be other restraints in terms of quotas, it was unlikely that the relatively low volumes of SA exports would be affected by these.

Europe would be starting with a new slate because of the common market and SA could capitalise on this, he said.

Denmark must retain its own ban on goods trading with SA until the three parties were satisfied the country was firmly on the road to democracy, said Social Democrat MP Pernille Forchhammer

☐ To Page 2

Sanctions

B1Day 8/11/92

(280)

☐ From Page 1

President F W de Klerk's demand for a referendum among the white minority on planned constitutional changes "creates doubts over the strength of the government's commitment to create a new constitution that removes all racial separation", the tripartite statement said.

"We will look at the position again after the next meeting of Codesa," Forchhammer said.

Denmark's key parliamentary foreign policy committee will approve the scrapping of the sanctions tomorrow — but Denmark must then consult its Nordic Council partners — Sweden, Norway, Finland and Iceland — before taking action.

Foreign Minister Uffe Ellemann-Jensen had said Denmark was playing into the hands of SA's right-wing white extremists by keeping sanctions in place so long, and Danish business leaders said they were losing lucrative trade deals

But opposition parties say Denmark must use the ban to maintain pressure on De Klerk to make democratic reforms irreversible.

Foreign Affairs Minister Pik Botha yesterday welcomed the call by opposition parties in the Danish parliament for a partial end to sanctions on SA, a Foreign Affairs Ministry statement said.

Philippines, Thailand lift SA trade curbs

THE Philippines has lifted trade sanctions against SA and Thailand has removed the restrictions it placed on trade with this country when it lifted sanctions 18 months ago, Safto confirmed yesterday.

Although the Department of Foreign Affairs had not received official confirmation yesterday, Safto manager (Asia) Graham Limerick said he had received reports announcing the two Pacific Rim countries' decisions.

A report in a leading Philippino newspaper on January 1 announced government's approval of the resumption of limited trade with SA. This could result in bilateral

LESLEY LAMBERT

trade worth $100m this year, Philippine Trade and Industry Undersecretary Tomas Alcantara was reported as saying.

In another development, Limerick said the Thai government had lifted the restrictive permit system introduced when it lifted sanctions against SA in 1990. It had also decided to open a consular general office in SA.

The Philippine department of trade and industry had approved the direct export to SA of sporting goods, garments and canned

☐ To Page 2

Trade curbs

☐ From Page 1

pineapples and would promote the shipment of other products like refined copper and coconut oil to SA, Limerick said.

The Philippines would, in turn, source part of its coal and phosphate rock requirements from SA, he said. Phosphate rock is used to manufacture fertiliser.

The resumption of limited trade with Thailand 18 months ago had resulted in a "marked increase in trade between the two countries", with SA exporting chemicals, engineering machinery, tools and equipment, mining technology and equipment, construction materials, technology and professional consulting services in construction, Limerick said.

There was also demand in Thailand for SA wines and spirits, automotive parts and packaging materials and equipment.

Products likely to be imported by SA from Thailand included rice, spices, rubber products, travel and sporting goods, garments, giftware, toys, cane furniture and electronic parts.

Philippines, Thailand lift SA trade curbs

THE Philippines has lifted trade sanctions against SA and Thailand has removed the restrictions it placed on trade with this country when it lifted sanctions 18 months ago, Safto confirmed yesterday.

Although the Department of Foreign Affairs had not received official confirmation yesterday, Safto manager (Asia) Graham Limerick said he had received reports announcing the two Pacific Rim countries' decisions.

A report in a leading Philippino newspaper on January 1 announced government's approval of the resumption of limited trade with SA. This could result in bilateral

LESLEY LAMBERT

trade worth $100m this year, Philippine Trade and Industry Undersecretary Tomas Alcantara was reported as saying.

In another development, Limerick said the Thai government had lifted the restrictive permit system introduced when it lifted sanctions against SA in 1990. It had also decided to open a consular general office in SA.

The Philippine department of trade and industry had approved the direct export to SA of sporting goods, garments and canned

☐ To Page 2

Trade curbs

☐ From Page 1

pineapples and would promote the shipment of other products like refined copper and coconut oil to SA, Limerick said.

The Philippines would, in turn, source part of its coal and phosphate rock requirements from SA, he said. Phosphate rock is used to manufacture fertiliser.

The resumption of limited trade with Thailand 18 months ago had resulted in a "marked increase in trade between the two countries", with SA exporting chemicals, engineering machinery, tools and equipment, mining technology and equipment, construction materials, technology and professional consulting services in construction, Limerick said.

There was also demand in Thailand for SA wines and spirits, automotive parts and packaging materials and equipment.

Products likely to be imported by SA from Thailand included rice, spices, rubber products, travel and sporting goods, garments, giftware, toys, cane furniture and electronic parts.

ling on the R23 between Benoni and Sapa

Philippines lifts trade sanctions

CT 9/1/92 Own Correspondent (280)

JOHANNESBURG. — The Philippines has lifted trade sanctions against South Africa, and Thailand has removed the restrictions it placed on trade when it lifted sanctions 18 months ago.

Although the Department of Foreign Affairs had not received official confirmation yesterday, Mr Graham Limerick, manager (Asia) of the SA Federation of Trade Organisations, said he had received reports announcing the two countries' decisions.

A report in a leading Philippines newspaper on January 1 announced government's approval of the resumption of limited trade with South Africa.

In another development, Mr Limerick said, the Thai government had lifted the restrictive permit system introduced when it lifted sanctions against South Africa in 1990. It had also decided to open a consulate in the Republic.

Township, homeland visits for Dutch tourists planned

STAR 10/11/92.

THE HAGUE — Dutch tourists with South Africa in mind are being offered a holiday with a difference — a grand tour of SA with stopovers in Soweto and Alexandra and visits to the homelands.

The tours are the brainchild of Dutch businessman Michael Bender, who spent 14 years in SA. And they have been given the enthusiastic backing of the Dutch anti-apartheid organisation KZA, the SA Tourist Board (Satour) and SAA.

Described as "all-over" tours, the first visits are being planned for later this year. Brochures spelling out the itinerary are due to be published at the beginning of next month. The holidays will be targeted at religious organisations and anti-apartheid sympathisers.

Mr Bender says he wants to take tourists to "behind-the-scenes" South Africa and to show them how the majority of South Africans live.

Sietse Bosgra, of the KZA, said: "Now that the boycott on tourism has been lifted, this is an excellent opportunity to see how the South African man-in-the-street lives and works."

An SAA spokesman in Amsterdam commented: "If people want to discover South Africa in this way, that's okay with me. They will see the country in all its facets."

Satour warned, however, about a possible accommodation problem in the townships and the homelands. A spokesman said there were relatively few hotels or boarding houses in the townships, but Mr Bender's initiative could change all that.

Traditional tourist attractions would not be ignored, however. Vists to beaches and game reserves would still feature on the itinerary. — Star Foreign Service.

Codesa view on sanctions 'affects US'

STAR 10/1/92

Political Staff

Visiting United States congressman David McCurdy has called on participants in Codesa to take a stand on the economic sanctions issue.

Speaking in Pretoria yesterday, Mr McCurdy said before sanctions could be lifted the parties within Codesa would have to indicate what they thought on the issue.

Mr McCurdy said the issue of the Gramm Amendment — which prevents South Africa from obtaining an International Monetary Fund loan — would be raised in Congress on the 5-man delegation's return.

South Korea lifts some economic sanctions on SA

(280)

STAR 10/1/92

SEOUL — South Korea will partially lift economic sanctions on South Africa from today, a Foreign Ministry spokesman said yesterday.

He said Seoul was partially lifting its trade embargo, imposed more than 10 years ago in protest against apartheid. An embargo on sales of weapons and oil would remain, the spokesman said.

South Korea cut diplomatic and economic relations with South Africa in 1978. The spokesman said there was no change in diplomatic relations. — Sapa-Reuter.

As isolation ends, SA must prepare to join global market

B/Day 10/1/92

STUART MORRIS

280

A MAJOR change in the way the Americans view international trade has significant implications for South Africans as we emerge from decades of inward-looking isolation. The bumper sticker slogan that sums up this attitude is "think global, act local".

In the '60s and '70s, global business meant establishing an international presence under the "multinational" banner. Host countries were only too glad to receive the attention of the vice-president of its region.

Based in sumptuous offices in towns and cities typically located in the American midwest, executives relished the opportunity to leave their snowbound homes in winter to visit warm southern hemisphere branches. Those were the days when American business dominated the world economy and it was deemed essential for any company thought by its board as being significant, to compete with its domestic peers in international markets.

The new thinking has been forced upon American business by a series of thunderous waves that have beaten down on the domestic economy and business environment with increasing intensity. The once powerful domestic economy has slowed to such an extent that growth of its GDP is now among the lowest of any major nation in the world. The country faces huge trade and fiscal deficits that inhibit its ability to compete in world markets.

But most significant is the force of foreign competition that not only has diminished the strength of the once mighty American multinational abroad, but which has entered the home market to compete successfully with local industry.

The fact is that, large or small, domestic or international, American companies are faced with global competitors. These are firms that have recognised the existence of a single world market in which to trade and from which to source the best and most reasonably priced material and component supplies. Moreover they have the support of their governments who encourage free trade; do not place limiting trade practices in their way and assist by providing education and security to the work force.

Singapore is a most interesting example. Against the trend of the time two decades ago when centrally planned economies, over-generous state welfare and massive government influence were the order of the day, its government embraced free enterprise. Today, as socialist communities around the world collapse and attempt to reform their ravaged economies with the principles they once despised, Singapore reaps the benefits.

In a recent speech to an international conference, the deputy prime minister of Singapore, B G Lee Hsien Loong, summed up his government policy at the time in these words: "We promoted foreign investment by multinational companies because they brought jobs and exports. Instead of going against market signals, we freed up markets and relied on them to allocate resources efficiently, to where they were most urgently needed. We raised wages, not by legislating minimum wage levels but by giving the workforce useful skills and relying on market demand to push up their wages. As a reward for our heresy, our economy grew and our practices became the new conventional wisdom."

By opening its economy and by viewing the world as a single market, Singapore — which is a fraction the size of SA, has become a major global player (for example, it is the world's largest exporter of computer disk drives) and has produced stability and wealth for all its people.

It remains to be seen if a future SA government will adopt this enlightened point of view. The hope is that we are not destined to be exposed to some painful lessons without benefiting from the experience of others.

American businesses, however, are re-evaluating their own strategies and are prepared to learn from successful nations in the global market context.

They talk today not of the geographic concept of business but of applying the business concept globally. Thus, they will headquarter their firm where it makes the most business sense; purchase the materials they require to manufacture where they are most reliably and economically available; and produce where they can find the least expensive energy, raw materials and labour which is cost effective and productive.

The epithet "not invented here" is being discarded. It used to imply mistrust of anyone not a native of the US. Information was closely guarded and others were disallowed from participating in the production process. The new approach says that everyone who needs to know must be told, no matter where or who.

If a business wishes to trade in a country, it must enter that country seriously and identify with its market. The aim is to become an insider in each market rather than an outsider looking in.

Global competition is driven to a large extent by a flow of new and improved products. Markets demand constantly improving quality and cost reductions. This means research and development. The resources required to compete in this technologically advanced area are dauntingly large enough for the massive American market to carry.

Global marketing expands the consumer base, introducing economies of scale that make major investment in R & D more palatable. For many US companies this is not even an option. To survive they must compete and only by tapping the quantum of the world market are they in a position to do so.

Value added networks (VAN) and electronic data interchange (EDI) are just two of the computer-based technologies that allow global companies to communicate in real time with their staff, suppliers and clients, wherever they may be based. They can provide instant access to databases and through them information and documentation can be exchanged instantly and accurately. The ability to participate in these networks is not only the key to global knowledge, but is rapidly becoming a prerequisite to global partnership.

Writing in the US Journal of Commerce recently, journalist Paula Green states that "many US firms are looking, albeit cautiously, at the nation's investment opportunities as they assess the SA government's moves to a post-apartheid world" The question is: are SA businessmen ready to receive the approaches from American and other global players?

In an ideal SA, government would take a leaf from the countries that have succeeded in growing their economies and improving the lives of their people. It would free the economy from controls and interference; provide massive education and training to prepare the community to play its part in the industrialisation of the country; and reduce personal and corporate tax rates to encourage the entrepreneur.

Business would capitalise on the attention being paid to our country as we regain respectability but would recognise the entry requirements to becoming a global player.

It would use to the full the few competitive advantages we have, identified by Sacob as electricity and mining and to a lesser extent labour and agriculture; look to beneficiation of our abundant raw materials for new and more profitable market opportunities; install advanced computer networking systems to allow firms to communicate directly with global partners, suppliers and customers; and seek out the global companies and become local and international partners with them, contributing to their worldwide operations and representing them here at home.

A new wave is breaking over the global business community. This time South Africans can be a part of it.

☐ Morris is deputy CE of KPMG Aiken & Peat, and is a member of the KPMG international strategic planning committee.

South Korea lifts anti-SA sanctions

LESLEY LAMBERT

SOUTH Korea has lifted economic sanctions imposed on SA since 1978, opening the way for investment by Korean companies and increased trade between the countries.

From today, state-run and private Korean companies will be permitted to establish branches and corporations in SA and to provide financial support for the country, spokesmen from the South Korean foreign ministry confirmed yesterday.

Reuter reports South Korean aircraft will also be allowed to fly to Johannesburg, but the UN ban on sales of arms and petroleum to SA will remain in place, the spokesmen said. B|Bday 10/11/92

A recent survey shows the lifting of sanctions is unlikely to trigger immediate investment in SA by large Korean companies but small to medium-sized companies are keen to invest, largely because of comparatively lower labour rates.

Samsung Electronics Johannesburg branch manager Hongjun Lee said yesterday there was "definitely scope for increased import and export between the two countries once Korean companies invest in SA". (280)

Safto manager (Asia) Graham Limerick said there was likely to be an increase in the sourcing of SA raw materials, while SA importers would probably concentrate on Korean textiles and electronic products.

The survey also found SA was well placed to be a springboard for Korean companies into Africa.

☐ To Page 2

Sanctions go B|Bday 10/11/92

☐ Denmark's all-party foreign affairs committee decided yesterday the pace of reform in SA now justified the lifting of EC sanctions, and of Denmark's own ban on investment in and services trade with SA, Sapa-Reuter reports.

This follows Monday's decision by three opposition parties to change their stance on the issue. Denmark's minority government wanted to join its 11 EC partners when they voted last April to lift the ban.

(280)

☐ From Page 1

Denmark's goods trade ban will remain until the opposition parties assess the results of the next Codesa meeting Danish Chamber of Commerce deputy director Vagn Jensen said his country could have exports of about $330m within a year or two if its sanctions were lifted.

Our Own Correspondent reports a Danish spokesman said "it should not take long for the EC resolution to come into force"

South Korea lifts economic sanctions

CT 10/1/92 280

SEOUL. — South Korea has decided to lift economic sanctions imposed on South Africa since 1978 but will comply with a UN ban on sales of arms and petroleum, the Foreign Ministry said yesterday.

Beginning today, state-run and private firms will be allowed to establish branches and corporations in South Africa as well as provide financial support to the country, ministry officials said.

South Korean aircraft will be permitted to fly to Johannesburg, they added.

"The government believes removal of the sanctions will contribute to enhancing the welfare of the black community and to the regional development of South Africa," a ministry statement said.

It also said South Korea supports an early settlement of constitutional negotiations in South Africa. — Sapa-AP

CT 10/11/92 (288)

Danes lift ban on SA imports

COPENHAGEN. — Denmark is to lift its ban on imports of South-African iron, steel and gold "as soon as possible".

The ban was imposed in 1986.

However, the ban on coal imports remains in force, a spokesman for the Danish Foreign Ministry said.

He could not say when the coal question was likely to be reviewed or what conditions Denmark attached to lifting the embargo.

Today a representative of the Danish government will formally tell a meeting of the European Council in Brussels of the decision to go along with the Community's relaxation of sanctions. — Sapa-Reuter and Own Correspondent

● Korea lifts economic sanctions. — Page 8

CT 10/11/92 (286)

Danes lift ban on SA imports

COPENHAGEN. — Denmark is to lift its ban on imports of South African iron, steel and gold "as soon as possible".

The ban was imposed in 1986.

However, the ban on coal imports "remains in force", a spokesman for the Danish Foreign Ministry said.

He could not say when the coal question was likely to be reviewed or what conditions Denmark attached to lifting the embargo.

Today a representative of the Danish government will formally tell a meeting of the European Council in Brussels of the decision to go along with the Community's relaxation of sanctions. — Sapa-Reuter and Own Correspondent

● Korea lifts economic sanctions — Page 8

C

Scandinavia relaxes sanctions

wlmail 10/1 – 16/1/92 (280)

The obstacles to the lifting of European sanctions have been removed as Scandinavian countries ease their stance on South Africa.

By CHRISTER PETTERSSON

With all the attention on Paul Simon the Swedish cultural boycott was swept away on Tuesday when the Swedish jazz group, Contemporary Be Bop Quintet, with homecoming South African Gilbert Matthews on drums, started its tour in South Africa at Kippie's — while the attention of proponents of the cultural boycott was concentrated on the Paul Simon tour.

Even hard-line Scandinavian countries this week softened their stand on sanctions. The Danish parliamentary opposition dropped its veto on trade between the European Community and South Africa, removing the last obstacle for the re-emergence of full-scale economic relations between South Africa and the EC countries. A Swedish parliamentary delegation will visit South Africa next month and is likely to recommend full or partial lifting of trade sanctions.

"This must be the first performance by a Swedish group in a very long time," said Robert Rydberg of the Swedish Legation in Pretoria. Rydberg opened the event, sponsored by the Swedish government Aid agency, for an audience that included a substantial number of African National Congress and trade union officials.

Swedish sanctions are among the harshest still in force, with a comprehensive trade embargo and a prohibition on investments. However, the new Swedish centre-right government and its prime minister, Carl Bildt, is likely to move swiftly to remove obstacles for trade, as neighbouring Finland already has. Next month's delegation includes two former ministers of trade and its recommendation is likely to be followed.

The Danish government, which has given the EC the go-ahead to drop coal, iron and steel sanctions, is still keeping sanctions on a bilateral basis.

That won't end before Codesa II has started and irreversibility, as the Danish government judges the situation, is a matter of fact. The Danish opposition, which holds the veto against the minority Danish centre-right government, is concerned about President FW de Klerk's vagueness on an interim government time span and what role the government wants the tricameral parliament to play.

Although the days when Scandinavia could be counted on as a bastion of unreserved ANC support seem to be numbered, the ANC officials at Kippie's on Tuesday did not seem to be troubled.

"It's marvellous, it's marvellous," said Barbara Masekela of the Cultural Desk, when asked about the Scandinavians at last appearing on the South African cultural stage.

And foreign affairs director Thabo Mbeki said he had told the Swedish Foreign Ministry, when asked about the planned tour a few months ago, that he had no objections.

Denmark allows EC to drop sanctions

COPENHAGEN — Parliament yesterday decided to ease Denmark's long-standing economic sanctions against South Africa and allow other European Community countries to lift bans on SA iron, steel and gold coins.

Denmark, the only EC member maintaining sanctions, had blocked the other 11 countries from removing the final trade bans on SA products and trade.

Foreign Minister Uffe Ellemann-Jensen can announce at an EC meeting in Brussels, Belgium this weekend that Denmark will retract its veto on other EC countries importing metals from South Africa, said Jorgen Winther, chairman of parliament's all-party Foreign Affairs Committee.

Denmark itself will maintain its ban on South African coal and some other goods until parliament determines that a referendum on a new South African constitution will be open to blacks as well as whites.

In the meantime, a majority of the party representatives on the Foreign Affairs Committee gave the government permission to lift bans on investment, trade, air travel and other services with South Africa.

A majority in parliament had thwarted the Conservative-led minority government's desire to remove the sanctions.

The opposition parties had expressed scepticism about the Pretoria government's willingness to end apartheid and allow blacks full democratic rights.

Conrad Sidego, South Africa's new ambassador to Denmark, said that the sanctions no longer served any purpose. — Sapa-AP.

Visitors to tackle Gramm Amendment

PRETORIA — US congressmen visiting SA are to raise the issue of the Gramm Amendment — which prevents SA from obtaining an IMF loan — in congress on their return home. B(Dav) 10/11/92

Chairman of their fact-finding mission, David McCurdy, said at a news conference in Pretoria yesterday that most of the elements of the Gramm Amendment had been complied with, but the IMF provision prevented it from being lifted.

The issue of the Amendment was raised at a meeting with Foreign Minister Pik Botha yesterday.

McCurdy said if parties to Codesa would indicate what they believed should be done about the issue, "that would be most helpful. (ANC president Nelson) Mandela enjoys a lot of credibility in the US and any statement he would make would have a lot of impact." (280)

He said there was hope in the US after real signs of progress in resolving outstanding conflicts in the move towards a democratic society. "We will take this message back to Washington."

Botha said he had had a useful exchange of views with the delegation. "I do hope they will go back to the US with the kind of perspective which will assist us in lifting whatever sanctions remain." — Sapa.

(280) FM 10/1/92

You can be my bodyguard

Paul Simon is a great rock star and South Africans have had a unique affinity with him since back in the Eighties he slipped into town and borrowed a few local rhythms to enrich his repertoire and career. He has immense drawing power — 500 000 flocked to see him in Central Park last year — and his 1992 SA tour ought to be an occasion for rejoicing as well as an opportunity to turn an honest buck.

The ANC — whose anti-apartheid proxies once hounded Simon for his contacts with SA musicians — has authorised the tour. Foreign Minister Pik Botha, no less, says he hopes it all goes off well. Why then the bitterness among certain black groups and threats of public violence at Simon's presence? The answer has some disquieting implications for what might happen as broader economic sanctions wane.

The cultural boycott, believe it or not, has *not* been called off. The retinue of agents, producers, hucksters and groupies who surround Simon — like the court of a king — have been careful to clear his visit in accordance with the dictates of ANC cultural bureaucrats who stage-manage what they like to call the selective boycott of this country by overseas stars. This means that Simon — though probably not in person — will provide "workshops" in the townships (teaching comrades to sing *Sounds of Silence*?) and cash for something called the SA Musicians' Alliance.

The PAC, Azapo and the Azanian Youth Organisation say the ANC was wrong to clear Simon and they threaten action. They want no exceptions to the cultural boycott. So what was to have been a triumphal return — and a showcase for SA talent, playing with Simon — has been irrevocably soured. Fears of violence will deplete takings and spoil the atmosphere.

Whose fault is it? Quite clearly it is the ANC's for having instituted a cultural boycott in the first place. Firstly for lowering the national intelligence in the name of defeating apartheid; secondly for believing it could orchestrate such an insidious programme of censorship backed ultimately by personal intimidation. Now that the ANC wants to phase it out, certain elements balk and a mess is ensured.

The ANC also wants sanctions — which lower the national ability to create jobs — to be phased out according to some unspecified timetable. Someone or other will always cry foul and plead for the revolutionary purity of deprivation to continue. So it goes. Blacklists and recrimination will endure — and overseas luminaries and investors alike will never really know where they stand or what is expected of them. The temptation will be simply to write off SA. ■

Legal suit over Equity ban on SA broadcasts

GARNER THOMSON

LONDON — Actor Marius Goring's bid to force the British actors' union, Equity, to allow broadcast sales to South Africa reaches the High Court here on Monday.

Behind-the-scenes attempts to settle out of court have failed.

Equity is "vigorously" defending the action, said a spokesman.

Earlier this week insiders in the Goring camp claimed the actor — a long-time campaigner against Equity's anti-sales stand — had offered an olive branch by approaching the International Federation of Actors. The federation is leading a delegation to South Africa to discuss affiliation with talent union PAWE.

Mission

Mr Goring promised to stop the court action if the delegation agreed to set up a fact-finding mission to establish to what extent professional, rather than political, reasons motivated Equity.

But the delegation insists that any request for assistance had to come from Equity.

Meanwhile, the industry's weekly newspaper The Stage and Television Today reported yesterday that Bruce Bennett, a Goring supporter, has sought the permission of the High Court to withdraw from the case because of mounting costs.

Printing training accepted

5 Times (Bus) 12/1/92

SOUTH Africa is again enjoying the benefits of international co-operation in education and training as a result of the lifting of most academic sanctions against it.

Latest to take advantage of this is John Barnes, director-general of City and Guild of London Institute, who is visiting SA in response to the many industries, training and education institutions which have expressed a wish to work more closely with his organisation.

City and Guild, founded in 1878, is Britain's leading technical testing and awarding body. It is involved in testing standards and vocational qualifications which are recognised internationally.

Modular

Mr Barnes will sign a joint agreement on vocational training with the Printing, Newspaper and Packaging Industry Training Board. It will introduce, for the first time in SA, a modular training methodology.

It will also meet technological changes in the industry and will have international acceptance.

The training board has in a short space of time achieved full accreditation with the Department of Manpower and has effectively privatised artisan training in the industry.

D-Day tomorrow for Equity ban on films

ST Times 12/1/92 (280)

THE 15-year ban on the sale of British TV drama and documentary film to South Africa is expected to be lifted tomorrow. This weekend the British actors' union, Equity, was planning to end the ban ahead of a court action due to start tomorrow, according to industry sources.

They said Equity would agree to a compromise deal which would be submitted to High Court judge Mervyn Davies tomorrow.

Earlier, veteran actor Marius Goring, who is bringing the action, offered to suspend tomorrow's proceedings for six months if

By CHARMAIN NAIDOO
London

Equity would allow the International Federation of Actors (FIA) — due to visit SA this month — to consult the Performing Arts Workers' Equity and to be bound by a report of its findings.

The FIA delegation, comprising general secretary Michael Crosby and vice-president Peter Plouviez, said it could not talk to the South Africans unless Goring completely dropped his legal action.

Indications are that the FIA is putting pressure on Equity to save itself huge legal costs and come to an out-of-court settlement with Goring tomorrow.

The end of the Equity ban — which even radicals like award-winning actress Janet Suzman have criticised as self-defeating — would also end similar bans enforced by unions in Commonwealth countries like Australia and Canada.

The end of the ban will mean almost immediate access (for non-SABC broadcasters) to some of Britain's best television and documentary material, acknowledged as the best in the world.

SA gears up as Arabs take softer trade line

STimes (Buss) 12/11/92

By ZILLA EFRAT

AN Arab League meeting, due to be held in Cairo in March, is expected to drop sanctions against South Africa.

The move will open SA trade in Persian Gulf nations which have a population of 87-million and import goods worth $66,2-billion a year

Lebanon — not an Arab stronghold — is well disposed to SA and could support the lifting of sanctions, says Safto Middle East manager Gyfford Fitchat.

Johannersbug-based Islamic Business Chamber director Abdul Gani says the likelihood of sanctions going is shown by the number of approaches being made to SA by Arab interests.

But Breyer Development Services managing director John Bell warns that a prime factor that will influence any decision is SA's ties with Israel

Surprise

There are signs of a thaw between SA and Arab countries. Some of SA's most vehement critics in the Arab world are believed to have visited SA to review the changes taking place

A major development was President De Klerk's surprise stop-over in Oman last November when he met the oil-rich nation's Foreign Minister, Yusuf Bin Alawi Bin Abdullah.

A senior Safto manager was well received by high-ranking officials on a visit to Dubai and Egypt last October.

SA has been exporting small quantities of goods to the Arab countries through third parties.

There are signs of increasing Saudi Arabian investment in SA.

The Al Baraka Bank, half-owned by a Saudi company, will open its second branch in SA in March. The Saudi Arabian Dallah group took control of the Durban-based Elangeni group, which makes soap and edible oils, in October.

The Saudis are believed to have invested in some luxury retreats on the Garden Route.

The Islamic Business Chamber is gearing up for the end of sanctions and Safto will take a group visit to Oman and the United Arab Emirates in February.

Several official and private organisations are keen to meet the SA delegates, says Mr Fitchat.

Some SA companies have also been invited to the international commercial vehicle and plant equipment exhibition at the Dubai World Trade Centre in April

Safto plans a "big splash" of SA products at the Dubai World Trade Centre exhibition later this year High-profile representation is expected from official and industrial organisations.

Hotels

A business delegation from Dubai will arrive in SA to investigate shipping links in a couple of days.

Mr Fitchat believes further Arab investment in SA will be forthcoming, especially in hotel chains and resorts. Arabs could also provide venture capital for mining exploration.

He says that in the past, SA companies exported to the Persian Gulf region under third-party brand names and had to pay a political premium

Mr Fitchat says the Persian Gulf region, which has a high standard of living, has few natural resources other than crude oil and has to import most commodities.

He believes that SA fresh produce, processed food, grain, livestock and frozen chickens would be competitive in this market.

The oil-refining industry in the region is making large investments to produce value-added chemicals, an area in which SA has expertise.

In the long term, SA engineering suppliers should be able to get contracted work from international companies already in place in the region.

Patience

Mr Fitchat says countries that offer a good starting point for SA exporters are the United Arab Emirates, Oman and Bahrain. Saudi Arabia, Iran and Qatar could be served from them.

Safto's starting point is Dubai because it is the centre of imports and re-exports in the region. It plays a pivotal role in the region's cargo movements.

Dubai is expected to become the Hong Kong of the region and its Jebel Ali Free Zone attracted $1-billion in investment from international companies in 1991.

However, Mr Fitchat warns that because it takes time and patience to enter the Arab market, SA exporters should start working on their plans now.

n camouflage
the stadium's
gh which the

THE SINGER NOT THE SONG . . . a protester outside the stadium Picture: JUHAN KUUS

Tour controversy fuelled by money and political jostling

THE SUNDAY MORNING ASSESSMENT
by Charlene Smith

MONEY and political grandstanding are at the crux of the fuss over Paul Simon's tour.

It is these ingredients which help explain the otherwise bizarre dispute that has broken out over the singer's visit.

Both the Commonwealth and the United Nations have recommended he lifting of the cultural boycott. The ANC has significantly eased urbs as part of its ending of people-to-people" sanctions.

None of the other foreign enterainers currently in the country has roused even a murmur of controersy. US star Whoopi Goldberg is re filming Mbongeni Ngema's ay *Sarafina*; there are two Rusan circuses, a large number of assical musicians and a variety of her foreign entertainers.

Debacle

Azapo said Goldberg's visit had racted no controversy because it s also sanctioned by the Perform- Artists and Writers Equity. The anisation criticised the profits ion would make.

ndustry sources have noted that ldberg would make about 0 000 from the SA film and was of an American production , while Simon's 17-piece band prised US, SA and Latin Ameri- musicians. It was also expected that the tour — because of low ticket prices compared with the First World — would lose between R250 000 and R700 000.

Money has been the key soft-talker in the whole debacle. The ANC-linked SA Musicians' Alliance earlier this week sacked executives Jabu Ngwenya and Charles Mabaso because, it claimed, the two had not informed Sama of the tour. However, Sama happily accepted the visit once Simon's management had handed over a R100 000 donation.

On Friday, Simon and his group were involved in workshops with 50 SA musicians as part of agreements with the ANC cultural affairs department.

The ANC denounced Tuesday night's grenade attack by the Azanian National Liberation Army (which has links to the external lunatic-fringe Black Consciousness Movement of SA, and the Azanian People's Organisation) on the offices of the sound company contracted for the tour.

ANC cultural affairs head Wally Serote said that while demonstrations and protests were acceptable, bombings and violence "in the present political climate are not".

Azapo and its youth wing, Azayo, claimed the tour was a contravention of the cultural boycott (which the ANC initiated a decade ago and has since all but removed). Simon and his management held two meetings with them, but cut off further talks when money again reared its head.

Azapo and Azayo said they would back the tour if Simon added some unscheduled concerts to his tour under their banner.

Arrogant

The Pan Africanist Congress, more than a little miffed, entered the fray, saying it did not want "30 pieces of silver" from Simon — but noted it was the PAC which had pleaded in 1987 at the United Nations for Simon not to be blacklisted for visiting SA while compiling his *Graceland* album.

PAC national organiser Maxwell Nemadzivahanani said Simon was arrogant and an opportunist. "The responsibility of giving artists permission to perform here lies with the oppressed".

But precisely who the oppressed are, and whose permission would be acceptable to all, became less clear

□ To Page 2

Tour controversy

□ From Page 1

the tour and called on Azapo and Azanla to desist from "self-destruction and marginalisation".

The tour received full backing from a variety of groups including Inkatha and the government.

The ANC criticised the media saying — probably correctly — that "the threat to the tour is not as great as the media makes it out to be, when the capacity of those who are issuing the threats is taken into account".

Simon's bassist, South African Ray Phiri, said the controversy surrounding the tour had made him feel as if he were on trial.

Simon said he had no political motive in coming to South Africa, and merely wanted people to enjoy the music. In an emotional aside, he said he would visit the grave of slain Ladysmith Black Mambazo bass singer Headman Shabalala — who became a friend of his after collaborating on *Graceland*.

Mr Shabalala was shot dead last month near Durban, allegedly by a white security officer.

Mr Simon has criticised the R1 000 bail granted to the guard, saying the figure seemed inappropriate for someone accused of murder. "It seems to indicate life is cheap for a black man."

Safto chief optimistic about year's growth prospects

Lifting of sanctions will not bring about a dramatic increase in exports, but growth of 18 percent in nominal terms is nonetheless possible this year, says the South African Foreign Trade Organisation (Safto).

Executive director Dr Wim Holtes says this would represent a growth rate of five per cent in real terms, which should have a positive impact on the economy.

Dr Holtes believes all sanctions will crumble by the end of the year.

South Korean state corporations and other companies now have permission to establish branches in South Africa and to invest in other ways.

The lifting of sanctions by South Korea follows hard on the heels of Denmark clearing the way for the European Community to lift its ban on imports of SA iron, steel, coal and gold coins. — Sapa.

Star 13/11/92

Japan, SA restore relations

PRETORIA. — Japan will re-establish diplomatic relations with South Africa today when letters are exchanged between Foreign Minister Mr Pik Botha and Japan's Deputy Prime Minister and Foreign Minister Mr Michio Watanabe.

A statement issued by Mr Watanabe here said Japan decided to resume diplomatic relations because of the positive developments in South Africa towards establishing democratic institutions. — Sapa

(280) CT 13/1/92

Equity moves to block ban action

STAR 14/1/92 (282) (280)

LONDON — British actors' union Equity yesterday moved to block a High Court case by actor Marius Goring who is fighting to overturn the longstanding ban on the sale of UK television and radio programmes to South Africa.

Goring, a veteran member of Equity, decided to go to the High Court after a referendum of union members in July decided to maintain the ban.

When Goring launched his case yesterday, Equity asked Mr Justice Mervyn Davies to throw it out on grounds that it was an abuse of court process.

James Goudie, QC, representing Equity, said the matter should have been raised several years ago when Goring challenged the union's ban on members working in South Africa.

Goring won a High Court ruling in 1986 that Equity had exceeded its powers because the ban had a sectarian purpose which did not promote the professional interests of union members.

Mr Goudie said that at the time Mr Goring had not challenged the legality of the ban on TV and radio programmes.

Now he was trying to make such a challenge on the basis of the judgment in the 1986 case.

Mr Goudie said it was an abuse of process to raise in subsequent proceedings matters which could and should have been litigated in the earlier proceedings.

The hearing continues today. — Sapa.

Japanese wary as SA, Tokyo restore links

The South African Consulate-General in Tokyo will become the South African Embassy with immediate effect, Foreign Minister Pik Botha announced yesterday.

Mr Botha said this was a result of the re-establishment of formal diplomatic relations between South Africa and Japan.

A similar change in status would be effected with regard to the Japanese Consulate-General in Pretoria, the minister added.

A statement by Japanese Foreign Minister Michio Wanatabe said Tokyo had decided to resume diplomatic relations because of the positive developments in South Africa towards democracy.

The Japanese business community said there would not be any big increase in trade and investment, which depended on political stability.

"We have received a lot of requests from South Africa about business plans, particularly since Japan lifted economic sanctions against Pretoria last October," said an official of a major trading house in Tokyo.

"But, frankly speaking, we don't expect a drastic increase in trade between the two countries overnight."

Ironically, the political situation in South Africa has looked more unstable since Pretoria announced sweeping reforms regarding its race policies, the official added.

"The political picture during apartheid was the conflict between the white Government and black groups.

"But the blacks are not speaking with one voice now and we can expect even civil war between them. That makes us hesitate to commit much to the country," he said. — Sapa-Reuter.

SA the star of Equity's courtroom drama

LONDON — British actors' union Equity went to the High Court yesterday to fight to retain its 15-year ban on the sale of TV, film and radio programmes to SA.

The case, expected to last three to five days and cost at least R1m, opened after the left-wing dominated union rejected the offer of an out-of-court settlement that would have resulted in an immediate but only partial lifting of the ban.

Veteran classical actor Marius Goring, the leader of Equity moderates opposed to any form of cultural boycott, is now going for a winner-takes-all battle.

14/11/92 Bilbury

IAN HOBBS

He claims that the Equity ban on SA is illegal, political and sectarian and that through it, the union is not carrying out its duty to serve members' interests.

The case opened with a surprise technical attack from James Goudie QC, counsel for Equity, who claimed that Goring's case was "an abuse of legal process".

Goudie said that in 1986, Equity executive council member Goring won an action in the High Court ruling that Equity abandon as unlawful its previous policy of banning members from performing in SA. Goudie said the ban on the sale of film was so closely tied to the ban on performing in SA that Goring should have put both issues to the court at the same time.

White-haired, 79-year-old Goring was confronted by a small group of Equity protesters when he entered the court.

They accused him of going against the wishes of the majority of his own union. A spokesman said: "Nelson Mandela's is not the only voice that counts. We believe the majority of (black) South Africans want the cultural boycott to stay."

A case for beauty ... hopefuls for the Miss Inter-High Schools beauty pageant do their
High), Lindy Brits (Westonaria High), Joelene Neilson (Parktown High) and Hesta du Ples

Equity loses Round One

Star Bureau STAR 15/11/92

LONDON — Veteran actor Marius Goring has won the first round of his fight against the ban on the sale of recorded British radio and television material to South Africa.

The British acting union Equity yesterday failed in a bid to block a High Court action by Mr Goring against the union ban.

Mr Justice Mervyn Davies threw out the Equity move after a two-day hearing and opened the way for Mr Goring to launch his case today.

Equity this week called for Mr Goring's action to be dismissed as an "abuse of the court process" because, the union argued, it had been brought too late.

James Gouldie, QC, told the hearing that Mr Goring had successfully forced Equity to drop its ban on members working in South Africa.

But, he argued, Mr Goring had not challenged the parallel boycott on the sale of radio and television programmes at the original hearing in 1986. Now it was too late.

However, Mr Justice Mervyn told Equity yesterday that he saw no grounds for striking out the case at this stage.

"But it is possible that I might change my view in the context of the facts of the whole action as they emerge," the judge warned.

Yesterday's ruling concedes the first round of what promises to be a bitter confrontation over Equity's continuing, unbending attitude to South Africa.

The union insists the rule is not political and was devised to protect the interests of black and Asian actors who might find themselves discriminated against by British directors in order not to compromise sales in South Africa.

Mr Goring (80), who claims Equity's rule is illegal in terms of the union's constitution, was ordered to begin the full hearing of his action today.

Equity loses first stage of fight

LONDON — Classical actor Marius Goring yesterday won the first stage of his battle in the London High Court to end the British actors' union Equity's 15-year ban on the sale of films and television and radio programmes to SA.

Judge Mervyn Davies rejected a motion by Equity to throw out Goring's action on the grounds that it was an abuse of the legal process.

The rebuff to Equity, after two days of painstaking procedural argument at a cost of up to R500 000, has again raised the possibility of an out of court settlement and negotiated end to the film ban.

But the judge instructed both parties to appear in court today and counsel for Equity, James Goudie QC, said if the case went to conclusion it could last another week or more.

IAN HOBBS

Goudie had argued that Goring's allegation that the film ban was unlawful, sectarian and in breach of Equity's duty as a union to serve the best interests of its members, was identical to a High Court action he brought in 1986.

In 1986 white-haired Goring, 79, who has been a member of Equity's executive council since 1948, won an injunction that forced the union to end a ban on members performing in SA.

Goudie said Goring should have included action to end the film ban in that case. He now wanted to "have his cake and eat it" by bringing an action in abuse of legal procedure.

But John McDonnell, counsel for Goring, dismissed Equity's motion as "absurd" and "impudent." He said if Equity had acted responsibly, it would have ended the ban itself after losing the 1986 case.

He said Goring was back in court only because of Equity's "obstinate persistence", in alleged unlwful dereliction of their duty to their members, by maintaining the film ban. SA was an "important territory" for British works.

Bid to heal Dutch-ANC rift

(28) Own Correspondent 16/11/92

JOHANNESBURG. — Dutch ambassador to South Africa Mr Piet van Buuren yesterday met ANC international affairs director Mr Thabo Mbeki to try to heal a diplomatic rift between the organisation and its staunchest European backer.

The meeting was interpreted in diplomatic circles as an ANC attempt to put pressure on Dutch Prime Minister Mr Ruud Lubbers not to accompany Foreign Minister Mr Hans van den Broek on a visit to South Africa next month. As a compromise, the ANC apparently wanted Mr Van den Broek to visit alone.

A diplomatic source said the Dutch were insisting that Mr Lubbers make the visit if the Dutch government were to influence South Africa's transitional period.

The ANC says the visit is premature and will confer legitimacy on the SA government.

Mr Lubbers was invited by President F W de Klerk during Mr De Klerk's visit in October 1990.

● Cosatu yesterday published an open letter in the Dutch press to protest against the visit by Mr Lubbers. They threatened to publicly protest against the visit. — Sapa-Reuter

...chain... ...ps to... ...y this, an area close to the labo... ratory was found to be "highly contaminated".

Equity accused of depriving actors

(280) Own Correspondent (2992)

LONDON — Actors' union Equity was accused in the High Court yesterday of depriving British entertainers of millions of pounds by banning the sale of TV and radio programmes to SA.

The accusation was made by veteran actor Marius Goring, who is seeking a court order to stop the 41 000-strong union continuing the cultural boycott.

In a statement read to Mr Justice Mervyn Davies, Goring said SA was potentially a major buyer of UK programmes. The star of several TV series, including The Scarlet Pimpernel and The Expert, said: "Millions of pounds could have been earned from SA over the past years." B/Day 16/1/92

The extent of the demand was shown by widespread pirating of BBC and independent TV programmes on SA's black market. The boycott, "directly adverse to Equity members' economic interests", had been "unlawfully imposed by Equity for the 'sectarian' purpose of opposing apartheid".

Goring said he shared the abhorrence of apartheid but did not think the cultural ban was the right way to oppose it.

A member of Equity since 1933, he had fought a long battle against the union's policy towards SA.

In 1986 he successfully challenged the ban on Equity members working in SA. The High Court ruled that it had a sectarian purpose which did not promote Equity members' professional interests. This judgment led Goring to challenge the embargo on programmes.

The hearing continues.

Equity cost members millions – Goring

STAR 16/11/92 250

By Garner Thomson
Star Bureau

LONDON — Actor Marius Goring has accused the British actors' union, Equity, of depriving members of millions of pounds in fees through its ban on the sale of broadcast material to South Africa.

In a statement read out in the High Court yesterday on the first day of his action against Equity, he said South Africa was potentially a major buyer of British radio and television shows.

The extent of the demand was shown by the widespread pirate industry in the country.

John McDonnell, QC, reading the 80-year-old actor's statement, said the boycott was directly adverse to members' economic interests.

It had, he added, been unlawfully imposed by a non-sectarian union for the sectarian purpose of opposing apartheid

Mr Goring stressed his hatred of apartheid, but said that stopping the sale of British programmes was not the way to oppose it.

In 1986 Mr Goring successfully challenged Equity's ban on its members performing in South Africa.

The High Court ruled at the time that the cultural boycott had a sectarian purpose which did not promote the professional interests of Equity members and was therefore outside its powers.

Now, in an action expected to last five days, Mr Goring hopes to overturn the sales ban and with it bring an end to all action by the union against South Africa.

president Nelson Mandela said "The new [illegible] caucus meeting next week".

Judge in Equity case weary of debate on SA

LONDON — A High Court judge yesterday berated counsel on both sides as classical actor Marius Goring's action seeking to force British actor's union Equity to end its ban on the sale of TV film to SA went into its fourth day.

Mr Justice Mervyn Davies lost his patience, saying he did not want to hear any more repetitive argument on the history of the cultural boycott of SA.

He said the nub of the case was whether

IAN HOBBS

or not Equity's boycott was lawful within the rules of the union.

James McDonnell QC, counsel for Goring, maintained that since reform only a radical minority in SA still wanted the ban.

The case continues today amid more speculation, following the judge's impatience, that it could come to a sudden end with an out of court but binding settlement — or even Equity's submission.

Double Dutch and trouble

By PAT SIDLEY

IT was a chance slip of the tongue by the Dutch foreign minister which sparked the row that erupted this week between the African National Congress and the Dutch government over what would have been the first official visit here in decades by the head of a Western government

Foreign Minister Hans van den Broek inadvertently told a Dutch journalist he would be unavailable between February 18 and 20 because he was going to South Africa with the prime minister. The news was published in Holland.

Although the visit of Van den Broek and Dutch Prime Minister Ruud Lubbers is technically still on, it could still be cancelled or postponed. If it does go ahead it will draw protest and disapproval from the ANC — long seen as allies of the Dutch government, which in turn has been seen as a leading foe of apartheid.

The problem is the ANC had not been told — let alone asked — whether it had any views on the prime minister making an official visit here. Lubbers' visit would herald a new era of defrosted relations and certainly a promising start to economic ties, high on the agenda between the two countries.

It was an extraordinary gaffe, with a note of extraordinary arrogance. The Dutch said they were only going to "inform" the ANC of their impending visit. They never had any intention of "consulting" as the Canadians and Australians had; and both Canada and Australia acceded to the ANC request not to send their prime ministers here.

Once the dates had been fixed and invitations issued and accepted for the Dutch visit, it remained to defuse the row. The Dutch ambassador tried in vain to reach Nelson Mandela. Eventually he was told the organisation was on holiday.

Finally the ANC announced it was "disappointed" and would not accept a visit from a prime minister. It would accept a visit from a foreign minister, but only with consultation — and the organisation noted a visit from a prime minister was almost a "state visit".

Meanwhile, in the Netherlands all three anti-apartheid organistion were galvanised into action — aided by the fact that the ANC's Carl Niehaus was there on a scholarship. A part-time ANC spokesman in Amsterdam, he also wrote an article on the topic in the influential Amsterdam newspaper *Volkskrant*, suggesting the only possible compromise would be to send the foreign minister on his own, a possibility now under consideration.

The present Dutch government is a coalition and the less conservative of the partners are unhappy at the prospect of the Netherlands "opening the floodgates" and "giving the wrong signals" about the South African government. The Dutch cabinet met at the end of last week and a debate is scheduled for the next few days in the Dutch parliament.

One would think the row is causing some concern in the South African government which was on the verge of a major diplomatic coup when the Dutch foreign minister put his foot in it. But South African Foreign Affairs official Vaughan Dewing told a Dutch news agency there was no row in the Netherlands, only a few "fringe groups ... who are not significant any longer". He was emphatic that the trip was on. But if it goes ahead, it is likely to face the disapproval of the SA Council of Churches, protests from Cosatu and a refusal by high-ranking ANC officials to meet the prime minister.

Lawyers urged to move on as Equity case bogs down

Star Bureau STAR 17/1/92

LONDON — Marius Goring's action against the British actor's union, Equity, looks set to drag on into another week.

A day in court yesterday left settlement no nearer — and counsel for both sides were urged to put forward arguments regarding the legality of the union's ban on programme sales rather than on the history of the cultural boycott.

Mr Justice Mervyn Davies is striving to establish if Equity's ban is lawful in terms of its own rules, or whether Mr Goring's claim that the union is acting against the interests of its members as a sectarian, rather than a non-sectarian, trade union can be supported.



Marius Goring . . . union is acting against interests of its members.

280

Reports last week that the two parties would settle out of court still seem unfounded.

Equity's bid on Monday to have the action dismissed on the grounds that it was brought too late failed.

That put Mr Goring's action back two days, and yesterday's arguments were an attempt to resolve the issue speedily.

Weinberger positive on investment

STAR 18/11/92

280

FREDERICK CLEARY, Foreign Editor

FORMER United States defence secretary Caspar Weinberger flew home to Washington last night highly impressed by political change taking place in South Africa and firmly believing America and other countries should reinvest here.

"This country is a good place for investment, and it's getting better all the time", he said. "United States businessmen should reinvest here, although I am not so sure that the South African businessmen who bought US companies at bargain prices when they pulled out some years ago will be all that interested in reselling."

Now publisher of the influential Forbes business magazine (circulation 750 000) and for many years a powerful figure in Washington as a lawyer, businessman and as President Nixon's budget director and secretary for health before taking on responsibility for defence in 1981 for his close friend president Ronald Reagan, Mr Weinberger (74) was in the country for three days meeting leading businessmen and Foreign Minister Pik Botha.



WEINBERGER: SA is going the right way.

In May, Forbes will be publishing a special feature on this country, embracing economic and political surveys.

On his first visit here, Mr Weinberger said he had been most impressed by what he had seen and heard. He could see no financial risk in overseas companies looking in this country's direction, and politically there was increasing stability and an increasing recognition abroad that South Africa was going the right way to remove factors that caused political instability.

Changes had been made and reforms put into effect which needed a lot of encouragement, especially as the wrenching changes that were required had been implemented so quickly.

"This does not mean in any way that I supported or endorsed previous policies," he said. "But one has to recognise the fact that when a party (National Party) has been in power for such a long time, and when it changes so drastically and does it very quickly, and shows every goodwill to continue that change, I think that needs encouragement, not only by the United States capital but also from other countries."

He agreed that South Africa could be the gateway for development in Africa, particularly as it had such an advanced economy. Its strength had been demonstrated during the sanctions era when it managed to increase its exports.

"All these factors could give South Africa the leadership role which, as far as I can gather, it is anxious to shoulder."

Speaking on the first anniversary of the Gulf War, Mr Weinberger, who as defence secretary was largely responsible for building America's awesome weaponry which so amply demonstrated its capabilities in

● TO PAGE 2.

Investment

● FROM PAGE 1.

the liberation of Kuwait, believes President Bush was wrong to end hostilities when he did.

"If I had had any influence I would have continued for three more days, which would have been time enough to get troops and equipment into Baghdad, despose Saddam Hussein and chase him into the hills somewhere.

"We then could have replaced him with an Arab army of occupation ... Saudi, Egyptian and Kuwaiti troops. That was the only way one could have got a complete finish to that action.

"There were probably very good reasons why we did not do just that, but I do not know what they were."

STAR 18/11/92 280

ANTI M
cent it

Appeal to Dutch

PIETERSBURG — The Azanian People's Organisation has called for pressure from the Dutch to force the cancellation of the visit of Dutch Premier Ruud Lubbers.

Azapo secretary-general Don Nkadimeng said the Dutch, "as the forebearers of our present oppressors, should be much more sensitive to the feelings of the oppressed here". — Sapa.

India relaxes visa bar on SA whites

STAR 20/1/92

Own Correspondent

White South Africans, previously barred from entering India unless in special circumstances, may now visit the country at will and a number of whites have already made inquiries about travelling to the country, according to a leading local travel agent.

M K "Bobby" Naidoo, director of Bobby Naidoo Travel Agency in Durban, said India had lifted the ban on white South Africans from this month.

The ban had originally been imposed because of South Africa's apartheid policy.

He said that although South African Indians were allowed to visit India whenever they wished, the Indian Government often rejected most of the applications from white South Africans.

Mr Naidoo said that previously it took a minimum of three months for a white South African to obtain a visa, which was granted only if the visitor were recommended by an organisation or body or if he were known to reject apartheid.

With the situation changed, local whites could now obtain visas within a week.

He said: "I have received numerous calls from local whites requesting information about India and expressing an interest in visiting the country now that they are no longer barred.

"To cater for their needs, we will be organising special trips to India," said Mr Naidoo.

He said India's lifting of the ban would boost business for the local travel industry

Norman Beeson, managing director of Norman Beeson Travel said the latest update indicated that there were sufficient visas for people wanting to visit India either on business or as tourists.

He said the Indian authorities had also eased the requirements for white South Africans wanting to enter India.

Visas were obtainable within three weeks, but in special circumstances they could be obtained within a week, he said.

Mr Beeson said he had also received inquiries from white South Africans interested in visiting India and there were already a number of people preparing to leave for India.

Lubbers may postpone his visit to SA

PATRICK BULGER

DUTCH Prime Minister Ruud Lubbers would still visit SA, but the tour could be postponed following pressure from the ANC, which staunchly opposed his visit, a senior diplomatic source said at the weekend.

"A visit will certainly take place," the source said.

Dutch ambassador Pieter van Buuren met ANC international affairs director Thabo Mbeki last week. No statement was issued, but the ANC has said Nelson Mandela would refuse to meet Lubbers.

A Dutch diplomatic source said it was unlikely that a compromise had been reached to allow Dutch Foreign Minister Hans van den Broek to visit SA without Lubbers. He said Lubbers felt it was important that he visit SA next month to give "impetus to the process of change initiated by the negotiations on a new SA".

Lubbers and Van den Broek have said they have no intention of cancelling the trip.

The ANC has accused the Dutch government of going ahead with preparations for the visit without the ANC's approval.

ANC, Hague differ on visit

STAR 21/1/92

By Helen Grange
Pretoria Bureau

Confusion still surrounds the planned visit to South Africa by Dutch Prime Minister Ruud Lubbers — with the ANC saying the visit is definitely off and Dutch embassy sources saying the Dutch government has not yet made a decision.

Yusuf Saloojee of the ANC's international affairs department said the visit was "definitely off" as it was not appropriate for any head of government to visit South Africa given that Codesa was in the process of working out a new foreign policy.

However, a senior diplomatic source in the Dutch embassy said yesterday that the Dutch government was still reconsidering whether the visit should go ahead.

Debate

A short debate would be held today in the Dutch parliament about the matter.

The source said Dutch Foreign Minister Hans van den Broek had had a lengthy telephone conversation with ANC leader Nelson Mandela — who is strongly opposed to the visit — but added that Mr Mandela had expressed gratitude for the support of the Netherlands in the struggle against apartheid.

Mr Mandela had urged Mr van den Broek to postpone the visit until the establishment of an interim government in South Africa.

Mr Saloojee said visits by foreign heads of state should take place only after consultation with Codesa, and if the Dutch prime minister wished to visit, it should only be in accordance with the wishes of all the Codesa players.

He added that the ANC appreciated the Dutch government's support for the changes in South Africa but that the organisation was acting consistently with its policy of a phased lifting of sanctions.

Judgment reserved in Goring-Equity hearing

By Garner Thomson
Star Bureau STAR 21/1/92

LONDON — The issue of whether the Equity ban on the sale of television and radio programmes to South Africa is illegal or not remained unresolved yesterday, the sixth day of the action brought by actor Marius Goring against the British actors' union in the High Court.

Despite earlier indications that a decision might be reached yesterday in the bitter fight that has dragged on between Mr Goring and Equity for several years, Mr Justice Mervyn Davies reserved judgment.

His decision came after Equity's counsel, James Goudie, QC, claimed "there was still some way to go" before apartheid was dead.

He told the court that the ban remained justified because the professional interests of union members, especially black actors, still needed protection.

Asked by the judge whether the ban was now redundant following the recent UN decision to lift the voluntary ban on cultural, scientific and academic exchanges, Mr Goudie said the UN had stipulated that the resumed ties should be with "democratic anti-apartheid organisations and individuals".

ANC again warns on foreign loans

STAR 22/1/92 (280)

By Sven Lünsche

The ANC has once again warned that a future government could renege on the debt repayments of foreign loans entered into by the present Government.

In reaction to South Africa's latest R890 million loan issue on the Eurobond market, the ANC said in a statement yesterday that foreign loans were in gross violation of financial sanctions on Pretoria.

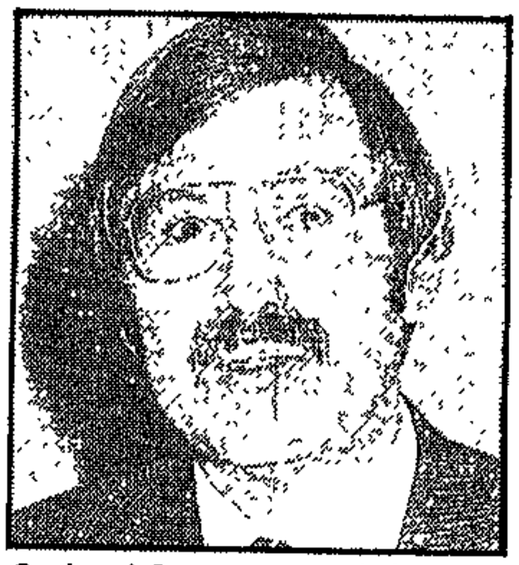
ANC general secretary Cyril Ramaphosa caused an outcry among local and overseas bankers in October when he warned that a future government would "not be keen" to honour past international loans.

After a flurry of contradictory statements by various officials, the ANC said it reserved the right to evaluate loans to the "apartheid Government".

In its statement yesterday, the ANC said: "We are bound to declare that a democratic government will carefully assess its obligations to service and take responsibility for debts contracted by the SA Government and its various agencies prior to the formation of an interim government and the formal request for the lifting of economic sanctions by such a government."



Cyril Ramaphosa . . . caused an outcry.



Gerhard Croeser . . . defending latest loan issue.

The ANC also hit out at the Government for "curbing the economic options of a future democratic government through the imposition of a costly burden of indebtedness on the economy".

The bond issue of 250 million European currency units (ecus) carries an interest rate of 10,375 percent for five years — an extremely attractive rate for international investors as it is 2 percent above the normal interest rate charged on Eurobond loans.

Since South Africa's foreign loan repayment record is excellent, the higher yield more than compensates for a country that still has the "political risk" classification.

Last year's DM400 million bond by SA was also pitched at a much higher yield than comparable issues, and the bond was snapped up by mainly German retail investors.

In its statement the ANC alleged that Transnet was also planning to issue an equity-linked financial instrument to foreign investors which could provide a rate of return of as high as 25 percent.

"These onerous interest rates represent a heavy burden on the SA economy," the ANC said.

Defending the latest loan issue, Director-General of Finance Gerhard Croeser said the money would be used to finance the national Budget, "which is increasingly directed to the upliftment of the less advantaged segments of the community".

● Ecu bond attractive — Page 18

Canada drops export restrictions to SA

STAR 22/11/92

By Hugh Roberton
Star Bureau

WASHINGTON — Canada has relaxed sanctions against South Africa and will permit the export of a range of industrial and strategic products which it previously prohibited.

The only restriction is that the end users of the goods may not be the South African Defence Force, the police or security organisations.

In a notice, the Department of External Affairs and International Trade said civilian aircraft, helicopters, aircraft parts and engines, electronic and telecommunications equipment are among the goods which can now be sent to South Africa.

Restrictions still apply on munitions, atomic energy goods and technology and related goods.

The notice said the change in policy was "in keeping with the United Nations Security Council Resolutions 418 and 591 and with commitments made to Commonwealth heads of government and the Commonwealth Committee of Foreign Ministers".

Violence high on Major's agenda for De Klerk visit

IAN HOBBS

LONDON — John Major yesterday said concern about escalating crime and violence in SA would be high on the agenda when he held talks in London early next month with President F W de Klerk.

Major told parliament economic growth was an antidote, but remaining sanctions were harmful. He said his government would fight for their removal.

Responding to MPs who expressed concern about rampant violence in SA, he said he would discuss the issue with De Klerk during his visit next month.

"I believe that all parties have a role to play in implementing the peace accord, but of course the South African government has the primary responsibility for the maintenance of law and order," Major said.

Replying to a Labour backbencher who urged that "no precipitate action" be taken over sanctions while the "delicate" peace process was under way, the prime minister rebuffed him and said: "One of the great difficulties faced by the SA government and the SA people at the moment is the need to see some growth in their economy. "It runs at the moment with no growth, and a population growth of around 3% a year. That is leading to very real economic hardship for all the people of South Africa, most noticeably those who have least."

Australia poised to scrap ban on trade, says envoy

Business Day 22/11/92

280 [illegible]

LINDEN BIRNS

AUSTRALIA was likely to lift trade sanctions once agreement on an interim government for SA had been reached, Canberra's ambassador to Pretoria Colin McDonald said yesterday.

He was speaking after a news conference held by Qantas to mark the resumption of the Australian airline's services to Johannesburg after a 14-year interval.

"We are fairly confident Codesa will lead to an agreement on interim government and that trade sanctions will go during the course of this year," said McDonald.

He described the reinstatement of Qantas flights as "a symbolic moment for the restoration of normal relations" between SA and Australia, and praised the SA cricket team's decision to travel to Australia with Qantas.

"That will ensure they get there in good shape, although I am quite sure they are in for a couple of hidings," he said.

Despite the official ban, Australian/SA trade was worth between R600m and R700m a year, with the recent balance of trade being more or less equal, McDonald said.

"In the past the trade surplus was in Australia's favour by give or take A$30m," he added.

The major import items from Australia were bauxite and alumina, most of which was shipped to Alusaf in Richards Bay. McDonald said there was probably room for Australian wines on the SA market.

SA's major exports to Australia were fish, special papers and some special alloys. Technology, agricultural products and mining processes were common items traded between the two countries, he said.

He said the reintroduction of Qantas flights would open the way for increased business and trade collaboration and travel. The airline's Africa manager Jeff Murdoch said that in the short term Qantas would rely on "visiting friends and relatives" travelling on its Sydney-Johannesburg route.

A Qantas Boeing 747-400 carrying 303 passengers touched down at Jan Smuts Airport shortly after 5.15am yesterday. The red-and-white aircraft took off from Jan Smuts on its nine-and-a-half-hour return flight at about 2.15pm.

Murdoch said advance bookings were healthy and that there were few discount tickets left for seats on flights in the period immediately prior to the World Cup cricket tournament, to be played in Australia and New Zealand from mid-February.

He said criticisms which he raised last week regarding Jan Smuts's immigration facilities were not aimed specifically at the airport.

"Any airport having to cope with the introduction of nine airlines' services in six to eight months will experience a strain on its facilities," Murdoch said.

Sanctions demands rejected

STAR 22/1/92 (280)

LONDON — Prime Minister John Major yesterday rejected opposition demands to retain some financial sanctions on South Africa.

He said the South African Government had the prime responsibility for stopping the country's violence.

South Africa's stagnant economic growth rate and population increase "is leading to real hardship for all the people, most notably those who have the least", Mr Major added. — Sapa-Associated Press.

Sanctions relaxed

The Argus Foreign Service

280 ARG 22/1/92

WASHINGTON. — The Canadian government has relaxed sanctions against South Africa and will permit the export of a range of industrial and strategic products which it previously prohibited.

The only restriction is the end-users of the goods in South Africa may not be the Defence Force, the police or private security organisations.

Canada, one of the first countries to impose sanctions, has until now been one of the most consistent supporters of continued measures.

The External Affairs and International Trade Department — in a notice sent to Canadian exporters — has announced that civilian aircraft, helicopters, aircraft parts and engines, electronic and telecommunications equipment, data processing equipment and software are among the goods which can now be sent to South Africa.

Major rejects sanctions demands

LONDON. — Prime Minister Mr John Major, due to meet President F W de Klerk early next month, yesterday rejected opposition demands to retain some financial sanctions against South Africa.

"In order to encourage the growth that the South African economy desperately needs, we shall continue to work for the removal of the remaining economic and financial sanctions."

Britain has scrapped almost all sanctions against South Africa. It is pressing other countries to drop their diminished embargoes without waiting for the establishment of an interim government.

Strategic

The Minister of Foreign Affairs, Mr Pik Botha, last night confirmed that Mr De Klerk would meet Mr Major next month.

● Canada is about to ease controls on the export of strategic goods to South Africa, including aircraft, helicopters, telecommunications and computer equipment.

● The Commonwealth Parliamentary Association, which last year visited South Africa for the first time in nearly two decades, has vowed to give practical support and advice to prepare the country for its transition to full democracy. — Sapa-AP

● **Business boost for SA, Australia — Page 14**

grammie started this quarter

Poor tin prices also mean that the group's Rooiberg tin mine is in danger of closure, while low lead prices have eaten

R139m, with attributable earnings down only 0,7% at R133m, against R134m last year

Canada to ease controls on exports

WASHINGTON — The Canadian government is about to ease controls on the export of strategic goods to SA in line, it says, with the policies of its Commonwealth partners. B1Day 22/11/92

In an official notice expected to be published early next month, the external affairs department says Canadian firms can now sell SA a broad range of hitherto embargoed items including aircraft, helicopters, telecommunications equipment, computer hardware and software and four-wheel-drive vehicles.

The exports will still have to be licensed

SIMON BARBER

on a case-by-case basis, and may not go to the military, police or any other "public or private" security agency (280)

A senior external affairs official downplayed the significance of the move, saying it represented no change in Canada's sanctions policy

Instead, the new regulations were merely designed to "level the playing field" for Canadian exporters who found themselves at a competitive disadvantage because Ot-

☐ To Page 2

Canada B1Day 22/11/92 (280)

☐ From Page 1

tawa was implementing Commonwealth sanctions in a more "draconian" manner than other member states.

The main effect of the shift was that exporters would no longer have to justify exports of the covered items on health, educational or humanitarian grounds.

Licences will still not be granted for munitions, nuclear technology, certain chemicals, advanced pumps and servo-valves, and "equipment that suppresses electronic signals"

The official stressed that Canada was still committed to the Commonwealth policy of lifting only "people-to-people" sanctions until there had been further progress towards the establishment of a transitional government The latest move was not be read as implying Canada believed such progress had been made.

Pik praises Canada

FOREIGN Affairs Minister Pik Botha yesterday welcomed the lifting of Canadian sanctions relating to the sale of certain strategic industrial goods to SA, saying it was "an important further step towards the normalisation of trade relations between SA Canada".

B|Day 23/1/92 (280)

REPORTS: Sapa Political Staff

Pik welcomes lifting of Canadian sanctions

Political Staff

CANADA's decision to lift sanctions on the sale of strategic industrial goods to South Africa was yesterday welcomed by Minister of Foreign Affairs Mr Pik Botha.

Aircraft parts and engines, helicopters, electronic and telecommunications equipment, data processing equipment and software can now be exported to South Africa on condition that they are not for the use of the defence force, the police or security organisations. CT 23/11/82

UK firms helped to break oil boycott

Weekly Mail Reporter

BRITAIN seems to be at the heart of the boycott-busting shipments of oil to South Africa.

And the oil is coming from Arab countries supposedly committed to the embargo.

Since 1989 a few shipping groups based in Hong Kong and London-based Greek shipping groups have dominated crude oil shipping to South Africa, in defiance of the United Nations embargo.

This is revealed in the just-published report of the Amsterdam-based Shipping Research Bureau for the period January 1989 to July 1991, with some preliminary findings for the second half of 1991.

How successful has the veil of secrecy drawn over oil imports been? The bureau estimates it has accounted in 1989 for 84 percent of the 14-million tons of crude it guesses South Africa imports each year, 61 percent in 1990 and 72 percent in the first half of 1991.

The Hong Kong-based World-Wide Shipping Group tops the list of shipments to South Africa, with 60 deliveries identified.

The volume of oil shipped by Worldwide during the period was 14,4-million tons — more than half the total of oil imports identified.

Greek shipping companies, their commercial operations often based in the UK, were involved in 48 of the 121 crude oil deliveries (10,7-million tons or 37 percent of the total volume.)

The UK is clearly at the centre, because it holds sovereignty over Hong Kong. "In one way or another the UK is linked to 112 of the 121 deliveries, thus accounting for no less than 93 percent of the total volume identified."

The oil came mostly direct from the Middle East: 118 of the 121 tankers which delivered a total of 27,9-million tons of crude oil to South Africa.

In recent years the United Arab Emirates played a prominent role with 63 tankers sailing from that Arab country, accounting for more than half the volume identified. Twenty-one tankers sailing from Egypt accounted for almost 17 percent.

Good music, bad timing

By SEKOLA SELLO

THE music's over, but one sour note seems to linger on: the Paul Simon tour was a largely elitist, all-white affair.

No matter how hard Paul Simon, his adoring black South African supporting artists, the ANC, the government and any others who supported the tour tried to justify the sanctions-busting extravanganza; no matter how much black political infighting churned in it's wake, the Simon tour went down as the one most blacks could not afford to see – except on state televison, of course.

Now, with the controversy-dogged circus mercifully behind us – the American singer's last concert took place in Cape Town yesterday – a number of hard questions are being asked.

One question begging an answer is what are the full implications of the political cacophony it generated here?

Did Simon's presence open the floodgates for more visits by top-flight artists?

Or, as some believe, have the dismal black attendance figures and political controversy rudely stubbed out that international interest.

At the heart of the problem is the issue of the cultural and sports boycott. Ought this tactic to isolate South Africa still be maintained or must it now be considered a thing of the past?

Blacks snub Simon show

Since the United Nations and the Commonwealth decided to lift the ban on "person-to-person" (sports and cultural) contact with South Africa the anti-apartheid movement has been in a quandary.

On the one hand, the ANC endorses the positions taken by these two world bodies, while the PAC and Azapo argue that sanctions should be maintained until majority – read 'black' – rule is achieved.

The Azanian Youth Organisation (Azayo) says the UN and 'The Club' (Commonwealth) took the decision to lift person-to-person sanctions "too prematurely". This sentiment is echoed by its elder relatives, the PAC and Azapo.

Azayo – principal campaigners against the Simon tour – came under strong criticism from concert promoters, musicians, the ANC and its satellite structures, the cultural desk and the Youth League.

Predictably the government and Inkatha supported pro-tour lobbyists.

There is an argument doing the rounds that the ANC's decision to support the lifting of person-to-person sanctions enjoys black majority support and that both Azapo and the PAC are out of step with this mood.

The proponents of this view charge that Azayo's threat to disrupt the tour with massive demonstrations in Johannesburg, Port Elizabeth, Durban and Cape Town, was hollow, rhetorical drum-beating.

True, protestors did not emerge "in their thousands". Instead at Simon's first concert at Johannesburg's Ellis Park an estimated 200 placard-wielding demonstrators pitched for a peaceful picket.

Strangely enough, a show of support came from another quarter altogether: an estimated 45 000 white fans, dwarfing about 1 000 blacks, bustled through the turnstiles.

Even fewer black demonstrators – about 100 – picketed the PE concert.

This, crowed the critics, exposed the organisation's lack of black support. Furthermore, they said, we can add this to Azapo and the PAC's failure to seriously disrupt the ATP tennis tournament in December. The two organisations could only muster a handful of demonstrators and the show went on.



I HAD DIVISION . . . Paul Simon sought harmony, but blacks appeared divided and most stayed away.

A few days before the start of Simon's Johannesburg concert, one ANC official disdainfully dismissed Azayo's protest rumblings, saying the organisation lacked the capacity to put rhetoric into action.

The ANC Youth League also waded into Azapo and the PAC accusing them variously of "dabbling in showmanship and gimmicks", and "(engaging in) a publicity stunt aimed at returning them to the mainstream of politics".

Azayo president Thami Mcerwa dismisses the critics. He argues that theirs was an "excellent" campaign and goes on to say that the fact there were very few blacks at the concerts shows blacks back Azayo.

Flushed with this confidence, Mcerwa says Azayo will continue to protest against visiting artists and sportsmen whose presence "gives comfort to the white regime".

Mcerwa, who was imprisoned for seven days for his leading role in the tour protest, says they will lobby artists in the UK and Britain to stay away.

However, while it's true that very few blacks attended the concerts, it is highly debatable that this signals an all-out endorsment of Azayo's anti-tour call

With the benefit of hindsight, it is now possible to piece together some of the reasons for the stayaway.

Firstly, despite the popularity of Simon's *Graceland* album, is Simon's music that hot among blacks?

Secondly, those concert ticket prices – ranging from R40 to R80 – although low by international standards, were way out of reach of most blacks.

Other factors might also have been at work. Given that the image of the government is poor among blacks, Pik Botha's decision to publicly endorse the tour might have also put off other potential (black) concertgoers.

There were other minor logistical considerations. Chief among them was that the main attraction, Paul Simon, performed late in the evening – posing transport problems for blacks returning to the townships.

Looking more broadly, one must wonder if the latest world political developments have not made the position of isolationists a losing ticket – even if one is arguing against apartheid.

Is it possible that the ANC changed tactics after they realised that they could not fight a world tide?

Azayo, Azapo and the PAC lack the sort of connections in Europe and the US to give back their continued support for the sports and cultural boycotts. That the UN and the Commonwealth have also decided to lift these sanctions, makes their task that much harder.

South Africa's return to the international sports arena is now a reality. Is there anybody out there who genuinely hopes to successfully disrupt a soccer international between, say, a South African national side and recent World Cup heroes, Cameroon?

Mcerwa, however, remains undaunted. He says at the end of the day it is not the UN or any other international body who are "the final determinants of our struggle. We are the final decision-makers concerning our problems".

Perhaps, when all is said and done, it matters little what any of the black resistance movements have to say about visiting entourages: what the megastars see is the turmoil and trauma surrounding Paul Simon's tour.

And, after all babe, if you had it all and more, would YOU risk visiting South Africa?

EC's SA oil ban 'sabotaged'

LONDON — The EC's embargo on exporting oil to South Africa has been sabotaged by a group of seven companies, a new report claims.

Half of recent crude oil shipments to the Republic have been supplied by six shipping companies based in London. A seventh, based in Hong Kong, has supplied almost all the rest. Star 27/1/92

The claim, by the reputable Shipping Research Bureau in Amsterdam, is backed by figures that show between January 1989 and the end of last year, 137 large carriers delivered crude oil or petroleum products to South Africa. This amounted to about 25 million tons of crude — or 75 percent of SA's estimated needs for that period.

London's Independent on Sunday reported, 48 of the total 121 deliveries came from the Greek companies based in London — Star Bureau.

ARCS 27/1/92 (280)

'Sanctions sabotage'

UK-based companies shipping oil to SA, says report

GARNER THOMSON
The Argus Foreign Service

LONDON — The EC's embargo on exporting oil to South Africa has been sabotaged by a group of seven countries, an authoritative new report claims.

Half of recent crude oil shipments to the Republic have been supplied by six shipping companies based in London. A seventh, based in Hong Kong, has supplied almost all the rest

The claim, by the reputable Shipping Research Bureau in Amsterdam, is backed by figures that show that between January 1989 and the end of last year, 137 large carriers delivered crude oil or petroleum products to South Africa.

This amounted to something like 25-million tons of crude — nearly 75 percent of South Africa's estimated needs for that period.

According to further reports 48 of the total 121 deliveries came from six Greek shipping companies based in London Sixty more deliveries were conveyed by tankers belonging to Worldwide Shipping of Hong Kong

British ships are said to have been linked to 112 of the 121 crude deliveries

Almost all the crude shipments originated in the Middle East, the reports say — particularly in the United Arab Emirates.

Until the middle of 1990, Norway dominated the "illegal" shipments of oil to South Africa Following a government ban, that country has given way to a Turkish company, Marti Shipping and Trading.

The ships usually return to Europe carrying South African coa[illegible]

Win sends Jim Courier off the deep end



SWIM[illegible]
rec[illegible]

DAVE BEATTIE
The Argus Foreign Service

MELBOURNE.— Jim Courier went off the deep end minutes after collecting the Australian Open tennis title at Flinders Park.

Delighted with his four-set win over Stefan Edberg yesterday, the American hurried out of the stadium and across the park, where he and one of his coaches Brad Stine, dived into the brown wate of the Yarra river.

Asked why, when most people be pushed into the Yarra, he w tarily, the new champion "Well, we've been runni match along the river, the quarters, Brad s thing, he'd dive. I too"

Asked wh "Really d Press b the t

UK fund managers shun SA investment

(280) SHERIDAN CONNOLLY

ONLY one in 20 UK fund managers are in favour of investing in SA despite improving commercial opportunities and a widespread recognition that SA companies have some of the best management in the world. BIDay 27/1/92

These were the findings of a survey published today by Financial Dynamics, a leading UK financial communications consultancy, which showed that uncertainty and acute lack of confidence continue to hold back UK investments in SA.

The survey found that given the size, importance and growing potential of the SA market, UK fund managers were far more reluctant to invest in SA than were stockbroking and corporate finance communities.

Commenting on the survey, Financial Dynamics' CE Nick Miles said he viewed the expanding SA economy as the gateway to investment opportunities in Africa.

"London's corporate finance and broking communities are already alert to the potential of this emerging market ... Our real worry should be whether Britain's institutions are moving quickly enough to grasp their share of the opportunities that

☐ To Page 2

UK managers

BIDay (280) ☐ From Page 1

are available" Miles said. 27/1/92

In the longer term, however, fund managers are more optimistic with three in four expecting a higher level of institutional investment over the next three years.

The survey showed earnings to be the most important investment criterion, with exposure to black consumers, political stability and an improvement in the world economy identified as important factors in stimulating investment in SA.

The survey attributed the positive stance being adopted by analysts and corporate finance departments to the growing number of South Africans employed in leading UK banks and broking firms. By contrast, the survey did not identify a single SA fund manager.

With no SA ties, almost half the fund managers surveyed rated their knowledge of SA as either non-existent or basic at best.

Singing all kinds of boycott tunes

STAR 28/1/92 (280)

Confusion clouds the "death" of the cultural boycott, reports MICHAEL SPARKS.

THE CULTURAL boycott is dead Long live the cultural boycott

This is the message that has led to confusion reigning supreme on the controversial boycott issue over the past few weeks, as Paul Simon arrived to play in South Africa and herald the end of this country's musical isolation

As Simon was the first international superstar to visit after the UN and the Commonwealth last year dropped their opposition to cultural ties with this country, musical promoters said teething problems were inevitable

The ANC said problems were inevitable and people needed to bear in mind the level of support for groups protesting against the tour.

But ANC cultural head Wally Serote said in some ways the furore over the Simon tour was good He believes the debate it encouraged on democracy and nonracialism in the country made it worthwhile

In clarifying the position of the ANC to the cultural boycott, Mr Serote said the ANC had shifted from supporting a selective boycott to allowing all to come to South Africa. He said his organisation hoped the exposure to events and personalities in the international community would encourage the democratic process

However, Mr Serote said the ANC was still in favour of apartheid cultural structures being sidelined, while interaction with democratic cultural structures should be encouraged

But the message coming from the Pan Africanist Congress clouded the clarity the ANC were trying to provide. They went so far as to blame the ANC for much of the confusion

PAC secretary for sports and culture Fitzroy Ngcukana said his organisation had called for a moratorium on tours last year to create a cultural board representing various groups who would then decide on the criteria for artists to visit South Africa

During the course of negotiations, the ANC gave the Moscow State Circus the go-ahead to tour, which resulted in negotiations collapsing, Mr Ngcukana said

"It is the power struggle between internal organisations which is delaying the resolution of the problem," he added

Denying any knowledge of a moratorium, Mr Serote, in turn, blamed the Azanian People's Organisation for not calling a meeting for more than three months of what he described as an ad hoc committee

Oupa Ngwenya of Azapo's cultural secretariat said that since one single cultural organisation did not yet exist, all tours were on hold He added that Azapo would look at who came to the country, and if that person "supported the culture of resistance, they would be embraced"

"(But) this cannot be decided by an outside organisation like the UN The cultural boycott is a weapon of struggle and we know locally what is best"

Mr Serote said groups who wanted to tour the country should approach any group who could then report to the ad hoc committee and the issue would be taken from there

Mr Serote said anyone who did tour should bear in mind that many South Africans had been disadvantaged by decades of apartheid and they should make an effort to redress those imbalances

He said the workshops Paul Simon conducted were precisely the kind of thing he was referring to He added that people needed to follow up the workshops here with regular efforts

It was also important for concerts to be affordable to those who wanted to attend, he said □

Lifting of ban a blow to ANC

CAPE TOWN — The European Community's abandonment of sanctions against South Africa is being viewed in government circles as further evidence that the ANC and its allies are fast losing the sanctions battle.

Foreign Minister Pik Botha today welcomed the EC lifting its remaining sanctions on gold coins, iron and steel. — Political Staff.

EC lifts remaining sanctions on SA

(280) (SEA 3681)

CHRIS BATEMAN

LONDON — The last EC sanctions on importing SA products — iron and steel and gold coins — were lifted yesterday.

The move followed the Danish parliament's capitulation late last month. Denmark had become the only country still blocking the change.

The decision was formally ratified by the EC agriculture ministers.

Individual countries have retained certain sanctions measures as political bargaining tools. One example is the French refusal to import SA coal. The blanket arms embargo also remains in force.

SA ambassador to London Kent Durr hailed the elimination of the remaining EC sanctions as "significant".

"I don't think the SA steel industry will rush into Europe but will rather follow a thoughtful, responsible and careful policy," he said. Bloomy 28/11/92

Iscor spokesman Piet du Plessis said the move was good news, but Iscor would return to EC markets in an "orderly fashion".

The European iron and steel markets were depressed and with Iscor's order books full, the demise of sanctions would help improve the group's margins rather than market share in the long term.

Highveld Steel & Vanadium chairman Leslie Boyd said SA now had access to all the world's markets for its steel exports, although the industry would proceed with caution. He said the world steel market was not in a particularly good condition.

Chalker arrives for talks

By Thabo Leshilo (280)

The British Minister of State for Foreign and Commonwealth Affairs and Minister for Overseas Development, Lynda Chalker, arrived in South Africa today for a two-day visit.

Speaking to reporters during a brief stop-over at Jan Smuts airport, Mrs Chalker said she would meet President de Klerk, Foreign Affairs Minister Pik Botha, ANC President Nelson Mandela, KwaZulu Chief Minister Mangosuthu Buthelezi and "anyone willing to talk to me about the process of Codesa and changes towards multiparty democracy".

She is scheduled to meet President de Klerk, Mr Botha and Mr Mandela today. She hopes to be able to meet the PAC and Azapo as well.



Here for dialogue . . . Lynda Chalker
STAR 28/11/92

"It is good to see more people because that way I get more dialogue."

She was interested in how relations between South Africa and its neighbouring states were proceeding and will, therefore, also visit Lusaka and Angola.

She said Britain was keen to see the South African economy get moving and believed all sanctions against the country should go. That way more foreign investment could be attracted to South Africa and help solve the high unemployment rate.

She will also visit the Alexandra Clinic and other British government-aided projects. Britain's development expenditure amounted to £12 million (about R60 million) in 1991/1992.

EC lifts SA ban

Sowetan 29/1/92

BRUSSELS – European Community member states have lifted their last economic sanctions against South Africa on imports of gold coins and iron and steel products.

Community Ministers formally approved the ending of sanctions without debate on Monday after Denmark stopped blocking the decision first taken in April last year.

The sanctions were imposed in 1986 in protest against apartheid. 280

The EC wanted to lift them in recognition of President FW de Klerk's moves to scrap apartheid laws, but opposition parties with a majority in the Danish parliament objected that reforms had not gone far enough.

Copenhagen lifted its veto earlier this month.

United Nations sanctions on crude oil exports and arms trade with Pretoria remain in force. - *Sapa-Reuter.*

EC lifts SA ban

Sowetan 29/1/92

BRUSSELS - European Community member states have lifted their last economic sanctions against South Africa on imports of gold coins and iron and steel products.

Community Ministers formally approved the ending of sanctions without debate on Monday after Denmark stopped blocking the decision first taken in April last year.

The sanctions were imposed in 1986 in protest against apartheid.

The EC wanted to lift them in recognition of President FW de Klerk's moves to scrap apartheid laws, but opposition parties with a majority in the Danish parliament objected that reforms had not gone far enough.

Copenhagen lifted its veto earlier this month.

United Nations sanctions on crude oil exports and arms trade with Pretoria remain in force. - *Sapa-Reuter.*

ILO to look into Cosatu gripe

Sowetan 29/1/92

A THREE-MAN fact-finding mission from the International Labour Organisation will arrive in South Africa next week to investigate a complaint by Cosatu lodged against the Government in 1988.

The ILO's Fact Finding and Conciliation Commission, which will be in the country from February 6 to 23, will also "deliberate" on other labour-related matters.

The term of reference was broadened after the Government agreed to this.

By IKE MOTSAPI

Former Minister of Labour, Mr Eli Louw, last year told a Press conference in Pretoria that the ILO was satisfied all parties had agreed to broaden the complaint.

Commission

Former Ghanaian Supreme Court judge, Sir William Douglas, who is now High Commissioner for Barbados in London, will chair the commission.

He will be assisted by Judge Kirby of New Zealand and Judge Lallah of Mauritius.

Cosatu lawyer Mr Hilton Cheadle said the organisation had lodged a complaint against the Government after it had introduced the Labour Relations Amendment Act of 1988.

The Act attempted to remove the rights that workers and their unions had gained over unfair labour practices and the right to strike.

Pik defers challenge to ban on IMF loans

LINDA ENSOR

CAPE TOWN — The time was not right to risk a congressional debate in Washington on the Gramm Amendment, which blocked SA's access to IMF loans, Foreign Minister Pik Botha told a news briefing yesterday.

"I would be hesitant to risk a debate now as I am not yet convinced that the majority in the House of Representatives would vote in favour. But there might be other means to achieve the same purpose," Botha said.

He said that in order to compile a Budget that would stimulate economic growth in SA it was necessary for government to have the reassurance that SA would be able to draw on IMF facilities if it ran into balance of payments problems in 18 to 24 months' time.

Botha said that SA had complied with all the political conditions of the Gramm Amendment but did not presently have balance of payments problems for it to qualify for an IMF loan.

Our political staff reports Botha yesterday acknowledged that he was thinking of retirement.

The second-longest serving foreign minister in the world after Germany's Hans-Dietrich Genscher, Botha will have held his post for 15 years on April 1.

Questioned at a news conference yesterday about whether he hoped to serve in a soon-to-be established interim government, Botha smilingly allowed that he was "getting on in years".

Talking about the time when he would finally step down, he said: "I can feel it in my bones — it's approaching."

But he added that whether he served in an interim government had little to do with his personal preference.

Foreign Affairs insiders said last night dismissed speculation that the 59-year-old Botha might soon call it a day.

ARG 29/1/92 (280)

Tutu credits CNN for trade curbs

ATLANTA. — Archbishop Desmond Tutu has credited the CNN television network with helping to persuade Western countries, particularly the United States, to impose economic sanctions on South Africa.

He called CNN a "phenomenon that shrunk the world" and helped publicize the anti-apartheid struggle.

"You have helped our struggle immensely by reporting what was taking place," he told 230 journalists yesterday at a CNN-sponsored luncheon. "We did not have the resources to tell our story.

"You beamed into living rooms pictures of South African police and soldiers laying into South African demonstrators," said Archbishop Tutu, who won the 1984 Nobel Peace Prize for his anti-apartheid work. "People saw their brutality."

Archbishop Tutu, on sabbatical in Atlanta at Emory University, said television reporters played an important role because of their large audience.

"You helped create a moral climate by turning a spotlight on an environment many had conspired to conceal from the world," he said.

He said television news also had exposed what he called "the dark side of the system" in the US and "the casualties of capitalism" — the homeless and unemployed. — Sapa-AP.

EC lifts last restrictions

BRUSSELS. — European Community member states have lifted their last economic sanctions against SA on imports of gold coins and iron and steel products. (280) CT 29/11/92

Community farm ministers formally approved the ending of sanctions without debate on Monday after Denmark stopped blocking the decision first taken in April last year. The sanctions were imposed in 1986 in protest against apartheid.

UN sanctions on crude oil exports and arms trade with Pretoria remain in force. — Reuter

Chalker urges ANC to lift sanctions

BILLY PADDOCK

CAPE TOWN — British Development Aid Minister Lynda Chalker has urged ANC president Nelson Mandela and his organisation to lift sanctions.

After meeting President F W de Klerk she said the ANC "must give up the totem pole of sanctions" so that investor confidence in SA could grow. The call for sanctions was being used merely as a binding force for the organisation because most measures were being lifted anyway.

Chalker said there was a great deal of impatience among international investors for the correct signs to come from SA.

She said sanctions were delaying economic growth and there was little chance of success unless they were lifted and SA could get access to IMF and World Bank loans and investors were confident that it was a good investment.

She was very pleased with Codesa's progress but urged De Klerk to move quickly because of investor impatience.

Sapa reports that after meeting Chalker, Mandela said rejoining the Commonwealth would be a "logical step" for a future SA. "Why not? It's our history," he added.

SOWETAN Friday January 31 1992

Blacks have to pay the price with their lives

(280)

Sowetan 31/1/92



NELSON MANDELA



FD DE KLERK



OLIVER TAMBO



CHRIS HANI

SANCTIONS have caused untold misery and hardship to people they were intended to help.

They were imposed as a result of the many rallies and campaigns the liberation movements had launched against the white minority regime.

The Western countries have not been co-operative or keen enough in maintaining them.

The World Monitor Television reported last month that the United Nations said sanctions must go. However, apartheid is still alive and kicking and there is no peace in sight.

Reform has brought more violence to the townships than what Umkhonto we Sizwe delivered. There is no more any talk about the soft or hard targets.

When MK hit Government targets, South Africa, the international press and their governments pressurized the ANC to issue statements or give explanations at whom their operations were targeted.

"Today more blacks and not whites, Indians or coloureds are dying. Whites are arming themselves more and more in the name of white supremacy. Black life has become less and less valuable in the eyes of the ruling clique.

The UN maintains that the Government has "met its obligations" and fulfilled its promises. It released Nelson Mandela, unbanned liberation movements and allowed constitutional talks to take place.

How can one possibly explain why black people should die in such big numbers.

STEVE ABDUL,
Toronto, Ontario,

Equity asks SABC for proof of change

STAR 31/1/92

By Garner Thomson
Star Bureau

LONDON — Louis Mahoney, chairman of Equity's Afro-Caribbean committee, has called on the SABC to prove that its policy on screening programmes featuring black and Asian artists has really changed.

In what looks like the first positive step to overcome Equity's ban on the sale of recorded material to South Africa — upheld last week by a High Court judge — Mr Mahoney said communication between the British actors' union and the SABC was the only way the ban could be confidently lifted.

Equity has always claimed that the ban is intended to protect the interests of its black and Asian members, rather than comprising part of the cultural boycott of South Africa.

Referring to actor Marius Goring's failed High Court bid to get the ban reversed, Mr Mahoney said: "It's a shame that he wants to appeal as it's clear the judge took the view that a section of the membership would be disadvantaged.

"To appeal now is to create the impression that he doesn't give a toss about Afro-Asian members and it would also add to the considerable costs now facing Mr Goring."

However, Mr Mahoney added: "I think the SABC should come to the union with a package of programmes that show that its policy has changed on cross-colour barriers and show Afro-Asians in main roles.

"The SABC is the linchpin in this situation as they are the people who have caused the policy to be as it is and reflects the policy of the SA Government."

And in another hint of good news for South African theatre-lovers, Cameron Mackintosh said he might revive his plan to stage "Les Miserables" if "sense will reign in the not too distant future".

He blamed the "intransigence" of the Performing Arts Workers Equity (PAWE) and insufficent talent in South Africa for the collapse of his pioneering bid to be the first British producer to take a current West End hit to South Africa.

Mr Mackintosh told the trade newspaper Stage and Television Today that he ran into problems with the proposed staging of his hit musical when auditions revealed most of the performers were "totally unsuitable".

He said: "People don't have the experience of doing a show of this sort and therefore there isn't the same talent pool immediately available. The situation was the same when we first opened 'Les Mis' in London."

However, he blamed PAWE for depriving many of its members of the chance of work by its stance.

The union suggested that Mr Mackintosh might have been deterred from going ahead with the show because of political turmoil in South Africa.

New code on mining

WINDHOEK — Namibian authorities, excited at the news that an SA company intends developing a major copper mine in the country, are preparing a mining code for investors. BIDay 3/11/92

Mines and energy permanent secretary Leake Hangala said the government was preparing mining legislation, a mining tax policy and a labour code to promote mining and energy exploration

He said he hoped the legislation would be enacted during the current session of the national assembly.

He described as "exciting" the announcement that Revere Resources SA would spend R280m developing the Haib porphyry-copper-molybdenum deposit. — Reuter.

ANC rebukes envoy's 'tone on sanctions'

BTDay 3/11/92

CAPE TOWN — The ANC took a dim view of British Minister for Overseas Development Lynda Chalker's hectoring tone when she sought to lecture its president, Nelson Mandela, on sanctions, said ANC western Cape chairman Allan Boesak. (280)

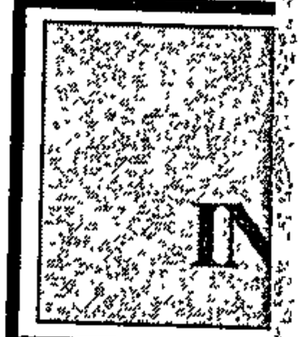
"Her tone is reminiscent of that of Mr F W de Klerk's when he chose to lecture the ANC at the inaugural Codesa meeting," Boesak said in a statement.

"The content is the same old stodge served up by the Tory government which we reject with contempt."

Meanwhile, Chalker yesterday held talks in Lusaka in the first visit to Zambia by a British minister since the new government took office.

"(Chalker) is here to see for herself the peaceful changes that have taken place and to see ways in which we can assist. She will be discussing both bilateral and regional assistance," a British embassy official said.

Chalker met President Frederick Chiluba on Wednesday night after her arrival and announced the release of $18m in aid frozen last September when Zambia failed to implement crucial measures in its economic restructuring programme. — Sapa-Reuter.



Annou

The directors

INCOME S

Gross wri

Underwriti
Investment
Investment
Computer

Operating

Taxation

Net incom

members o
Dividends

Retained i

Earnings pe
Dividend p
Dividend c
Net asset va
Solvency m

The effect of
and cost of
absence of m

Improved cas

Equity poised to rethink SA film ban

(280) (16) (17) - ST Times 2/2/92

By IAN HOBBS: London

THE British actors' union Equity is to reconsider its blanket ban on the sale of television film and radio programmes to South Africa.

A meeting of Equity's ruling council on Tuesday will hear proposals, supported by its radical Afro-Asian section, that the union respond to reform and the ANC's suspension of the cultural boycott.

Afro-Asian section chairman Louis Mahoney set the ball rolling last week by offering to have talks with the SABC — although he feels first priority should be given to making British film available to an independent service like M-Net.

Union officials also admit the High Court judgment in London 10 days ago, when Equity defeated an action by veteran star Marius Goring calling for an end to the ban, has backfired by putting them under pressure to change.

In his judgment, Mr Justice Mervyn Davies included a rider suggesting the union pay heed to decisions by world bodies — including the United Nations and Commonwealth — to start lifting the cultural boycott.

Equity is now expected to ask the International Federation of Actors (FIA) to initiate talks with South Africa's television industry and unions.

A FIA delegation is due this week to discuss affiliation with the SA showbusiness union, the Performing Arts Workers' Equity, and may now extend its mission to compiling a report on the merits of lifting the film ban.

A FIA report could then be submitted to the Equity membership at its AGM in March. If necessary, a referendum of the 46 000 members could be called for to — at least partially — end the film ban.

However, sentiment against the SABC is strong, even among Equity moderates.

Mr Mahoney said that until there was concrete evidence that the SABC was freeing itself of state control, the broadcaster would probably remain in isolation.

West African-born Mr Mahoney invited the SABC to hold talks with Equity to convince its members of its commitment to non-racial entertainment.

"We feel nothing but goodwill for all South Africans in this time of change and if the outcome of this case can be used to help, we should all be generous and positive," he said.

● In Johannesburg, group chief executive of the SABC Wynand Harmse said he had been corresponding with Equity over the past few weeks on the possible lifting of its ban.

Mr Harmse said he had not been informed officially of the latest Equity request, but the SABC would welcome follow-up discussions with the union.

City turns blind eye to SA link

SIMON BARBER

WASHINGTON — San Francisco, long in the vanguard of the local sanctions movement, has bowed to fiscal and voter pressure to accept a $560m loan from Credit Suisse, a bank high on the anti-apartheid hit list because of its SA lending policies.

The decision is all the more significant because Credit Suisse bluntly refused to make any concessions to obtain the city's business.

This was in strong contrast to the pact reached last year between New York and several major banks with South African ties, under which the banks agreed to fund a $10m internship programme for black South Africans in return for underwriting the city's bond issues.

The board of San Francisco's Bay Area Rapid Transit authority said it was accepting the bank loan in order to provide a commuter rail service to outlying suburbs.

The board rejected an emotional plea from an activist group who accused Credit Suisse of having lent to SA "during its bloodiest period".

ANC, Mandela differ on loans

STAR 6/2/92

● From Page 1

signed to impose a costly and heavy burden of international indebtedness on a future democratic government and the people of South Africa.

"This in turn, in our view, has the purpose of severely restricting the economic policy options available to such a government to overcome the effects of apartheid on our people, and the policies required to advance their living standards."

The ANC remained opposed to international loans and once again wished to remind international banks and foreign capital markets that borrowing by Government agencies was in gross violation of financial and investment sanctions still in place.

"We appeal to prospective investors to desist from collaborating and participating in unilateral restructuring of our economy by the outgoing apartheid regime," the DIP said.

Mr Mandela has used his public appearances with Mr de Klerk in front of influential audiences in Switzerland and France to calm investors' fears that their money would not be safe in South Africa and that their assets might be nationalised.

However, in Denmark on Tuesday, he reiterated the ANC's view that trade sanctions should not be lifted before blacks had the vote.

The National Party yesterday labelled the ANC leader's sanctions stance as "unpatriotic", reports **Esther Waugh**.

In a sharp attack, NP spokesman Sheila Camerer said Mr Mandela's remarks deserved the outrage and criticism of his countrymen.

She noted that Mr Mandela had acknowledged that the negotiations process was irreversible and that the ANC was an enthusiastic participant at Codesa.

"Why, then, does Mr Mandela still cling to old-style liberationist rhetoric, unless he has a double agenda?"

She added: "If Mr Mandela is so intent on continuing to damage the economy, which has resulted and continues to result in the deprivation and suffering of our own underprivileged compatriots, perhaps he could arrange for the ANC to donate some of the money contributed to ANC coffers by Colonel Gaddafi of Libya on Mr Mandela's recent trip to that country, to assist the Government's Food Relief Fund for the needy."

Another shock warning to overseas financiers

Loans: ANC, Mandela differ

STAR 6/2/92 280

By Esmaré van der Merwe

The ANC yesterday again warned world financiers that a future democratic government would not be obliged to honour loans granted to the De Klerk administration — pouring cold water over ANC president Nelson Mandela's efforts this week to boost investor confidence in the country.

The organisation's department of information and publicity (DIP) said in a hard-hitting statement that a new government would, before the formation of an interim government and a formal request by a transitional government for the lifting of sanctions, be "compelled to weigh with great care" its obligations to service and take responsibility for the debts contracted by the present "illegitimate" Government.

On Sunday, Mr Mandela told a prestige World Economic Forum gathering in Switzerland that threats by some of his colleagues to review the repayments of loans granted to the present Government were merely the opinion of individuals.

"We can get into serious problems if the image we project is one of a country which is not prepared to honour its debts," Mr Mandela said in Davos, where he shared a platform with President de Klerk.

A senior ANC source yesterday expressed surprise at the DIP statement, describing it as highly irresponsible.

The ANC's first warning



Ramaphosa . . . created rumpus last year.



Judge finds Laurent guilty of slaying boss

By Susan Smuts and Jacqueline Myburgh

A callous, cold-blooded woman killed her boss the day he was going to expose her R2,3 million fraud, a judge said yesterday as he found Nicolette Laurent guilty of murder.

Wendy, the widow of murdered Omnimed financial manager John Royce Fernandez, sobbed after her husband's killer was convicted.

Laurent (51), dressed in a turquoise crepe dress, was expressionless as she listened to Mr Justice L Weyers delivering judgment in the Rand Supreme Court. She looked down at her folded hands when the verdict was given.

Her husband, Jean-Michel Laurent, who has been her only supporter throughout the trial, sat silently behind her as the judge spoke.

Laurent, of Ruimsig, Roodepoort, had "every reason to do away with" Mr Fernandez on January 2 1991, said Mr Justice Weyers.

Mr Fernandez had said Laurent had been "bullshitting" Omnimed.

her lavish lifestyle was over."

Mr Fernandez was not an office-wanderer, had an appointment to see Mr Pule, and "would hardly pop out for a little drink", he said.

The probabilities were strongly against Laurent having had an affair with Mr Fernandez, and "her claims were a scurrilous attack on the reputation of a dead man who could not defend himself, and a grave and unjustified embarrassment to his widow and children"

Laurent had formed the intention to murder Mr Fernandez when she visited the office on January 2 last year and Mr Fernandez told her that her time had run out.

"She then lured him to her house where she tried (to offer him) money, probably offered him sex and, when all else failed, she used a firearm."

The judge said everything pointed to a discovery of the fraud at the end of 1991, which had "excited suspicion and ire" in Mr Fernandez.

Laurent claimed she had "paid" Mr Fernandez with money and sex for his silence about her theft, which

boost investor confidence in the country.

The organisation's department of information and publicity (DIP) said in a hard-hitting statement that a new government would, before the formation of an interim government and a formal request by a transitional government for the lifting of sanctions, be "compelled to weigh with great care" its obligations to service and take responsibility for the debts contracted by the present "illegitimate" Government.

On Sunday, Mr Mandela told a prestige World Economic Forum gathering in Switzerland that threats by some of his colleagues to review the repayments of loans granted to the present Government were merely the opinion of individuals.

"We can get into serious problems if the image we project is one of a country which is not prepared to honour its debts," Mr Mandela said in Davos, where he shared a platform with President de Klerk.

A senior ANC source yesterday expressed surprise at the DIP statement, describing it as highly irresponsible.

The ANC's first warning on the repayment of loans was issued by its general-secretary, Cyril Ramaphosa, in October. It caused a local and international rumpus — and much confusion in ANC ranks, with senior officials claiming Mr Ramaphosa had either been misquoted or had acted contrary to formal policy.

However, the organisation has, on several occasions, reiterated its stance that it might renege on the present Government's foreign debt obligations once in power.

Yesterday's DIP statement was issued in response to the Development Bank of Southern Africa's reported plan to issue bonds worth 100 million Deutschmarks on the European capital market.

This bond issue, the ANC said, followed two earlier issues last month — one of 400 million Deutschmarks and one of 250 million European Currency Units.

"It is clear that the South African authorities are pursuing a systematic programme of foreign borrowing with a view to both breaking the existing range of economic — in particular financial — and investment sanctions," the statement said.

"The ANC further believes these borrowings are de-

● To Page 3

Mandela is 'unpatriotic'

Political Staff

MR Nelson Mandela's demands that trade sanctions should remain although he acknowledged they would damage the economy, were unpatriotic, the National Party said yesterday.

Information director Ms Sheila Camerer said his demands on sanctions were outrageous.

"Both he and President De Klerk have joined in telling the world that they look forward to an elected interim government in a few months' time,

"Why, then, does Mr Mandela still cling to old style liberationist rhetoric, unless he has a double agenda?"

ST 6/12/92

Keep up SA ban, Mandela urges

CT 6/2/92

COPENHAGEN. — Mr Nelson Mandela praised the Danish people yesterday for their support in the fight against apartheid, but remained at odds with the Danish government over lifting sanctions against South Africa.

Mr Mandela told a news conference he had asked Prime Minister Mr Poul Schlueter "to carry to the people of Denmark our appreciation for the support they have given us through the years".

But he insisted after talks with Mr Schlueter that sanctions must remain.



DANISH PRAISE . . . ANC president Mr Nelson Mandela meets Danish President Mr Poul Schlueter during his three-day visit to thank the Danes for their support in the fight against apartheid. Picture: AP

Denmark's government, the latest of a series of minority centre-right coalitions in power since 1982, has never supported sanctions against South Africa but was forced to adopt them by opposition parties with a parliamentary majority.

The government proposed dropping Denmark's own tough trade and investment ban last December but was again overruled by the centre-left opposition.

Mr Mandela said his talks covered the possibility of Danish help in preparing the ANC for elections to a new constituent assembly and in training young blacks.

He also offered Danish businessmen special treatment, provided they were competitive, in return for Denmark keeping sanctions.

Danish business leaders, whom he is due to meet today, complain they are losing valuable contracts because Denmark, unlike virtually every other member of the European Community, still bans trade with South Africa. — Sapa-Reuter

● **ANC slams Eurobond issue — Page 11**

Sullivan's legacy still helping to build bridges

STAR 7/2/92 (280)

Now that democratic reform is under way, one might assume the Sullivan Code, which forced American companies in South Africa to dismantle racial discrimination, could be filed away and marked "mission accomplished". Instead, the signatories are still determined to act as pathfinders in building new bridges between business and black society, reports MICHAEL CHESTER.

DELVING back two decades to the moment when the Rev Leon Sullivan turned his wrath on the apartheid system at work inside the business world in South Africa is like spinning downwards in a time capsule into the Dark Ages

We're in the early 1970s "Whites only" or "Slegs blankes" signs seem to be everywhere — in canteens, on office doors, on benches

The black/white wage gap is a chasm The search for black managers is like looking for needles in a haystack

Across the Atlantic, Mr Sullivan, the lone black member of the board of directors at General Motors, among the biggest multinationals in the United States, hammers a fist on the table and demands the withdrawal of the giant corporation from its South African operations in furious protest

The demand is tossed out when it comes to a corporate vote But the massive publicity given the controversy started to prick the conscience of hundreds of corporate boardrooms around the world

It began a tidal wave of overseas protest about apartheid that reached a crescendo in the 1980s General Motors, at the crunch, was one of scores of US companies that closed down their South African subsidiaries in a series of disinvestments that rocked the SA economy

Equally important, the civil rights clergyman managed to lay down the ground rules of standards that all US-controlled businesses in SA should follow in breaking down racial barriers The rules hit the headlines as the "Sullivan Code"

It started as a package of voluntary guidelines But by the mid-1980s, with the global anti-apartheid campaign reaching a peak, the US Congress stepped in to make it mandatory for American firms in SA to scrap all racial discrimination — with severe penalties for laggards

US companies tied to subsidiaries or affiliates with operations in SA were given the option voluntarily sign allegiance to the principles laid down in the Sullivan Code — or else be obliged, by law, to submit an account on nonracial employment practices every 12 months to the State Department

Since President F W de Klerk in 1990 announced the burial of apartheid and the start of political reform, the Sullivan Code has slipped out of the headlines

However, it has not slipped out of the sight of anti-apartheid-watchers in Washington

US subsidiaries in South Africa must still abide by the code, whose introduction is now regarded as a landmark as a set of classic guidelines in the pursuit of nonracial fair play in corporate employee policies

Forceful reminders of the deep imprint made by the Sullivan Code have been provided by a new 1992 audit of results

It was carried out by the giant international management consultants Arthur D Little Inc, based in Massachusetts and engaged in on-the-spot checks on progress by US companies with operations in South Africa ever since the code was launched 15 years ago

Reid Weedon, senior vice-president of the firm, arrived in Washington yesterday from Johannesburg with an audit that glowed with successes that he believes should be regarded as beacons to the pathfinders of a new deal in nonracialism in the business world

There had not been as many companies to audit as there used to be In the mid-1980s, at the peak of direct US investment, there were as many as 400 companies in SA with close American connections

Equal pay

Today, diminished by disinvestments under political as well as economic pressures, the total has shrunk to fewer than 75 and the number of Sullivan Code signatories from more than 150 to only 52

What impresses Mr Weedon is that the impact of the code on corporate conduct in racial affairs has proved out of all proportion to the actual number of standard-bearers

By now, every US business operation in SA has met the basic demands of the first three principles of the code

- Non-segregation of races in all work facilities, down to canteens and locker rooms
- Equal and fair employment practices for all employees
- Equal pay for all employees doing comparable jobs in equal time spans

Even that basic set of principles, Mr Weedon believes, has yet to be matched by most South African companies here on home ground — not least a rule that insists that all basic pay-levels, even in the rural areas, must not only equal the minimum living level set by the University of South Africa for a family of five, or else the household subsistence level set by the University of Port Elizabeth for a family of six, but start at least 30 percent higher

"All the signatories passed that simple standard long ago," says Mr Weedon. "They've now moved on to far higher targets"

In voluntary schemes that go well beyond the brief of the Sullivan Code, the American corporate pathfinders have between them ploughed no less than R586 million into social projects beyond the call of duty

Moreover, evaluations carried out by the Richard D Little audits count not only the rands and cents expended on socio-economic upliftment, but also the quality of effort as measured by personal involvement

For example, in education programmes, which have cost more than R200 million, the US companies have so far "adopted" as many as 424 black schools with more than 300 000 pupils, building new classrooms, renovating older schools and laying on courses to upgrade the qualifications of teachers

And all the signatories submit annual reports with detailed breakdowns on the precise number of black employees moving up the ladder to supervisory, professional and management posts

Community development is also high on the agenda assistance and advice on home-buying, a helping hand for black entrepreneurial initiatives, and family planning courses

Nor do the signatory companies hold community problems at arm's length like so many do-gooders who bask in the headlines They encourage hard American football-style tackles Thus scores of white managers have been assigned to spend time in black townships, perhaps spending whole weekends with black employee families, to feel realities at first hand

Surely, the code can be filed away as "mission accomplished" now that SA has announced apartheid's burial?

Not so, says Mr Weedon "In many respects," he insists, "the need for such programmes is more urgent today than ever before to meet the growing expectations and opportunities of the majority of the population If collective pressure is halted, social tensions will increase and hurt the efforts of all parties working towards a unified, nonracial democracy"

Did the Sullivan Code ever inspire any South African companies themselves to become signatories? "Several have launched social responsibilities of their own," says Mr Weedon

"But when it came to the crunch, none of them could be persuaded to volunteer to meet the full set of rigid requirements" □



Reid Weedon . . . need for social responsibility programmes more urgent today

'Sanctions-busting' loans anger ANC

W\Mail 9/2-13/2/92. 280

Economists say the ANC dare not renege on foreign loans, reports **REG RUMNEY**

THE African National Congress dare not renege on foreign debt entered into by the present government — even if the loans are expensive and politically motivated.

That is the opionion of economists canvassed by *The Weekly Mail*.

At the same time the government was criticised by a bank economist for raising expensive foreign loans instead of raising the money domestically.

The ANC threatened this week to reconsider foreign loans. It believes the government is systematically borrowing abroad as a sanctions-busting exercise.

It also believes the borrowings are designed to impose a costly burden of international indebtedness on a future democratic government. This in turn would limit economic policy options for overcoming the effects of apartheid and hamper policies required to advance living standards.

The cause of the ANC's anger is a proposed new Development Bank of Southern Africa Deutschemark loan. The DM100-million issue, with a tenure of six to seven years, is lead-managed by the German Bayersiche Landerbank on the Euro-capital market, the ANC says.

It adds that this bond issue follows two earlier issues — a DM400-million issue in September 1991 and a 250-m European Currency Unit (US $315-million) five-year bond issue last month.

Reneging on foreign loans would mean South Africa would probably be blacklisted by foreign institutions and would never be able to borrow abroad again.

Nedcor economist Edward Osborn points out that independent Zimbabwe, for instance, repaid all loans but one. This was a tax levy to pay for the bush war.

"Modern convention is that you accept the liabilities of the past."

It would be especially difficult not to repay public bond issues, such as the ECU bond issue. These were excluded from the South African debt standstill.

An ANC source says that while an ANC government might be forced to repay loans the ANC is probably considering other punitive action against banks lending money or underwriting loans.

That a future government may have to service and repay all foreign loans does not exonerate the government. Firstly, the loans are arguably expensive, and secondly the money could have been raised in South Africa.

That foreign loans to South Africa carry a poltical premium for lenders is not in doubt. They are a few percentage points higher than other issues. This could happen even to a new ANC government.

In an article in Nedcor's latest economic review Osborn also looks in detail at the desirability of all foreign capital inflows and expectations of what these will do for the country.

In passing, he questions the economic value of direct borrowing by the state, pointing out that domestic inflation makes foreign loans more expensive than they appear. He says that if the local market can accommodate the loan the money should not be borrowed abroad.

"Foreign borrowing by the state in a situation of chronic currency decline is thus an unnecessary burden on the finances of the state and should be approached most circumspectly and not as a triumphant test of financial vigour and creditworthiness."

Starting all over

Sowetan 7/2/92

CANBERRA - The lifting of international sanctions would enable South Africa to regain its position as a significant minerals producer according to Johannesburg economic consultant Mr Mike Brown.

Speaking in Canberra at an Australian export conference on Wednesday, he said South Africa's mineral processing costs were among the lowest in the world.

Brown said areas in which South Africa would compete with Australia would be "limited".

South Africa could raise its coal exports only by 20 million tonnes this decade while it exported only 16 million tonnes of iron ore compared with Australia's 100 million tonnes. - *Sowetan Foreign News Service.*

☐ MY WAY

With Khulu Sibiya

We can't cut both ways!



Citizen 9/2/92 (280)

WITH the ANC and Nelson Mandela's permission, may I be allowed to enter the debate presently raging on nationalisation and economic sanctions against South Africa.

Not so long ago, I was rapped on the knuckles for speaking my mind on this controversial issue.

My sin at that time was to have warned the ANC on the eve of their first Consultative Conference in December 1990 to seize the initiative by lifting some sanctions in phases.

To me the writing was on the wall in that many countries were about to reward FW de Klerk by easing up on some sanctions.

It is history now that the conference became divided on this thorny issue, with moderate ANC old guards losing the battle to the young lions.

More than a year later, the ANC is still split on the issue.

Person to person sanctions have been lifted and now most airlines are landing at our airports.

Take the contradictory statements made this week by Mandela in Switzerland, and by the ANC's Department of Information here at home.

Mandela told 2 000 businessmen at the World Economic Forum that there was a shift in the thinking of the ANC on nationalisation.

He said: "If we want to create a climate where investors will not fear losing their investments and their dividends, we have to take a decision on the question of nationalisation."

He added: "We have to choose whether we want investment from foreign companies or not. This is the spirit in which I am going back to South Africa."

The ANC back home then issued a warning to world financiers that a future democratic government would not be obliged to honour loans granted to the De Klerk government.

This conflict of interest within the ANC reminds me of Ayn Rand, that pro-capitalist American author of *The Fountainhead*, who once said: "Contradictions do not exist. If you find any, check your premises."

Ayn Rand is not my favourite writer, but people like Mandela and the ANC could take take heed of her perception of capitalism.

If Mandela finds any contradictions within his organisation, he should not be alarmed or become despondent, he should look at his premises.

The history of this country has made us paranoid when it comes to facing reality.

As a leader of millions of South Africans, Mandela has to try and make the best out of any situation for his people. At times, as was the case this week, he can be humiliated and embarrassed by the very people he seeks to help.

Two years ago most progressive forces in this country were unanimous in their decision to maintain economic sanctions. The reasons were there for everyone to see.

Our leaders were imprisoned and banished to remote areas; our organisations were banned and the might of apartheid repression affected all our people.

The situation has changed somewhat over the last two years. What we are fighting for now is complete political power – that is, power that will allow us to vote for leaders of our choice.

As a leader Mandela wants to see his people freed from this bondage. But at the same time I think he is mindful of the plight of thousands of political exiles coming back home without any capital.

The economic realities of this country should take precedence over political ambitions.

We agree that sanctions have been effective in pushing the government into negotiations.

But it is equally true that, despite an emerging political democracy, we will inherit a wasteland if sanctions remain in place over the next two years.

The problem can be resolved soon if the government moves fast on an interim government and a constituent assembly.

Investors' attitudes to SA are improving, poll shows

LONDON — A poll of 90 European fund managers to be released shortly shows investor attitudes to SA are improving rapidly but enthusiasm is tinged with caution.

The poll by Business Planning and Research International (BPRI) was commissioned by UK-based investor specialists Sage Partners. It is being released alongside a Gallup poll of 25 British fund managers for Strategy Network International.

"The playing field is more level in terms of ethical embargoes but that doesn't dictate that investment follows," said Tim Read of London stockbrokers Smith New Court.

The BPRI poll found 50% expected to invest more in SA in the future against 8% who expected to invest less. Gallup found more than half would invest now, a small minority would wait five years and 8% would never invest there.

SA was rated a lower investment risk than Brazil, Czechoslovakia or Russia, Gallup said.

BPRI found it was a lower risk than all but EC countries and less than Hungary, Mexico or Argentina, said Neil Ryder of Sage Partners.

Fund managers saw mining as the most attractive sector, said Gallup. Ryder said businessmen rated agriculture and food first, then mining, tourism and manufacturing.

The two polls, to be released in the next two weeks, appear to show political instability rather than any party's specific policy as the main obstacle to investment.

Fund managers praise "responsible" leadership, the sound infrastructure and the vast potential local consumer base.

"But the question is, do we want to go in right now?" said one.

Syndication managers and brokers back the polls' findings, pointing to a spate of business "fact-finding" trips and the success of three recent bond issues in Europe. The Development Bank of SA's DM150m bond was presented this week and Transnet will present its two-year fixed-interest bull-bear issue, Elfi IV, in March.

"Investors in Europe and the UK have been very loyal to SA. They have consistent requests for paper," said one syndicate manager. But he stressed the recent issues had been short-term, pre-placed and heavily underwritten.

The issues have been decried by the ANC which has threatened not to honour repayment of debt contracted by Pretoria now.

"They can't say that and be taken seriously," said Smith New Court's Read.

He said calls for nationalisation and debt default were "more for the consumption of the comrades in the townships than international capital markets".

Fund managers note there is also opposition to foreign bonds from white businesses inside SA.

"Foreign borrowing is an unnecessary burden on state finances ... it should not be a test of financial vigour," said one. — Reuter.

Oxfam slated for SA booklet

LONDON. — Britain's biggest overseas charity, Oxfam, agreed yesterday to withdraw or amend booklets which criticised aid to Cambodia and supported sanctions against South Africa after being told they were too political.

The Charity Commission, a government monitoring body, said last year that Oxfam had exceeded its objectives by carrying out "unacceptable political activities".

Oxfam was set up in 1942 to help relieve poverty, distress and suffering in the world, and operates in more than 70 countries.

The commission's inquiry was prompted by Oxfam's "Frontline Africa" campaign in 1990, which called for sanctions against South Africa to be maintained until the introduction of a democratic constitution there.

The commission said yesterday that Oxfam had agreed to withdraw or amend two booklets in the "Frontline Africa" series.

The charity also agreed not to distribute in Britain a 1988 book compiled by 31 international aid organisations called "Punishing the Poor, the International Isolation of Kampuchea". — Sapa-Reuter

280 CT 11/2/92

Matters arising
Reports.
Queries
Correspondence
General.

REVIEW: *Trade with Africa*

Trade on sanction's end

w/mail 14/2-20/2/92.

As the sanctions walls come tumbling down businessmen look north But what are the prospects?
REG RUMNEY reports

SOONER or later South Africa will join the regional economic club from which apartheid for so long kept it blackballed

At the recent annual Southern Africa Development Co-ordinating Conference the organisation's executive secretary told the closing press conference that once a non-racial constitution was adopted in South Africa, the country would automatically become a member of the SADCC

So what? sceptical businessmen will ask

Look behind the lofty rhetoric The SADCC was established by southern African governments to lessen dependence on a South Africa ruled by a racist regime

Some of those southern African states are also linked to South Africa by the Southern African Customs Union Some are linked to the Preferential Trade Area, which includes 10 other East African countries

Whatever else the SADCC did, it demonstrably failed to significantly weaken South Africa's economic grip on the region The PTA, too, has not managed much better to influence trade flows within the region, according to the Nedcor February *Guide to the Economy*

Nedcor comments on southern African countries' trade patterns. "Excluding South Africa, and to some extent Zimbabwe, the principal exports of individual countries are limited to a few primary commodities, most of which are directed beyond the continent."

"Angola exports crude oil, Zambia exports copper and its by-products These account for more than 90 percent of exports by these countries.

"Except for South Africa, most of these countries have little to offer one another in terms of manufactured products even for domestic consumption."

The share of manufacturing in total economic wealth as measured by the gross domestic product of these countries has remained very small Manufactured exports as opposed to primary commodities accounts for an average of 11 percent for the nine southern African countries, compared with South Africa's 25 percent or so

"The nine southern African countries' imports from South Africa accounted for 45 percent of their total imports in 1987.

"If SACU members are excluded then the remaining countries' imports from South Africa accounted for about 20 percent or $0,8-billion of their total imports of $3,9-billion.

"South Africa imported less than five percent of its total imports from the nine countries, or $0,6-billion If South Africa's imports from SACU members are excluded, the imports by South Africa from the remaining countries other than Zimbabwe, are insignificant."

Nedcor believes the pattern of trade did not change much after 1987.

What goes for southern Africa goes for the rest of Africa.

To quote from the Standard Bank SA's January report: "Africa's political support for sanctions since the 1960s and its official unwillingness to have any dealings with South Africa are not reflected in the most recent trade figures

"South African exports, particularly of manufactured goods, to the rest of the continent flourished for most of the 1980s.

"Admittedly from a very low base, exports increased by almost 250 percent between 1980 and 1990, with a surge in activity in the second half of the decade.

"By contrast the share of imports from Africa has remained at a stable average two percent for the same period, mainly because Africa cannot meet South Africa's requirements for manufactured goods.

"In the last decade South Africa has conducted trade with 49 African countries; the major markets being Zimbabwe, Zambia, Zaire, Mozambique and Malawi."

South Africa remains the region's economic giant.

But the SACC has set an important precedent It could form the basis of a regional customs union Aside from increased trade, for South Africa there is the prospect of being granted membership of Lomé, which guarantees duty and levy-free access to European markets. For infant industries in southern African states the danger is that they would be swamped by the might of South African industry. However, some protection terms could be negotiated and South African economic domination may be curbed to some extent by domestic economic pressures. Also the export focus of South African industry is likely to be outside Africa, because of foreign exchange shortages in many African countries

A host of other problems such as bureaucracy and inefficient transport systems provide a form of deterrent to trade.

However, integration of South Africa in the SADCC could provide a free-trade zone of around 150-million people. Combined with the PTA it could be a market of 21 African countries and 240-million people. It must be an exciting prospect, even if it is still some way in the distance

Calling all dreamers.



Do you dream of unspoilt, sundrenched beaches, as far

s the eye can see? Of pristine white sands dotted with palms?

ream of the bluest of seas, warm with the Indian Ocean current and laden with

eef teeming with exotic tropical fish?



Do you dream of snow-capped bold peaks, majestic

savannah? Of four-wheel safaris through the tall

ist alongside?

unsets beside the lake, and clouds of pink flamingoes,

reeze, and nights that are filled with romance.

t melts in your mouth, and life in the very

ttended, in the



of the plain.

Monday and Wednesday.
ations facilities.



FOREIGN LOANS

Forked tongue

The ANC's commitment to honour the repayment of foreign loans, should it form the next government, does not automatically apply to loans raised since the imposition of international financial sanctions against SA in the mid-Eighties.

The status of those loans will have to be reviewed, says ANC spokesperson and national executive committee member Gill Marcus. She says this is in line with the organisation's existing policy and does not conflict with statements made in Europe recently by ANC president Nelson Mandela.

Such a review could affect the repayment of loans raised successfully in Europe recently by government and the Development Bank of Southern Africa.

It's clear that the ANC is becoming increasingly concerned about the crumbling of financial sanctions and what it sees as the "unilateral" raising of foreign capital and economic restructuring while constitutional negotiations are under way.

In a statement to the London *Financial Times* at the weekend, Mandela said while there was no question that an ANC government would honour loans taken out by the current government "before financial sanctions were imposed by the international community," it was "totally unacceptable" to the organisation that government was working with "certain foreign financial institutions" to "bust" sanctions.

The effect on foreign investors of the ANC's threats is difficult to gauge. Just after his return to SA this week, President F W de Klerk said it had a negative influence on important sectors of the foreign investing

Continue

community, which was adopting a "wait and see" attitude.

But he pointed out that "hundreds of millions" in foreign capital was coming into SA to increase production capacity in existing undertakings. However, De Klerk conceded that the "large stream" of foreign investors would only start flowing when they felt a sense of security

On the other hand, the Development Bank's bond issue in Germany last week, when the loan repayment controversy was raging, was so successful that it was increased from an initial DM150m to DM200m.

It is understood that the two investor information meetings in Frankfurt and Zurich were well attended and that possible problems with future repayments did not feature.

There can be little doubt, however, that conflicting signals from the ANC on economic issues are confusing potential foreign investors and could point to a widening division between the organisation's pragmatists and ideologues.

At the World Economic Forum at Davos in Switzerland last week, Mandela reassured international business leaders that the ANC wanted an amicable working relationship with businessmen and was willing to rethink its nationalisation policy.

Later, in Copenhagen, he said that though nationalisation was the ANC's policy, it would have to be reconsidered because it was so unpopular with potential investors whose perceptions could not be ignored.

But it is not the line followed by other senior officials, who continue to emphasise the supreme importance in future economic policy of "growth through redistribution" — seen by many as a euphemism for nationalisation — rather than through new investment.

Clarity from the ANC is now essential, particularly in the light of recently reported findings by London stockbroker James Capel that SA's future economic policies now override future political policies as the most important criterion for potential foreign investors. ■

Foreign investors 'allies of oppressor'

STAR 14/2/92

By Carina le Grange

Foreign companies and banks that thought of investing in South Africa now were allies of the oppressor, South African Council of Churches general-secretary Dr Frank Chikane said in Broederstroom yesterday.

He said the time to lift economic sanctions would come only when all South Africans had been given maximum participation in decision-making on matters affecting the country and their future.

Dr Chikane was speaking at a press conference at which a draft code of conduct with regard to investment was announced after a four-day consultative conference.

Influence

The title of the code is "Towards a Code of Investment: Ethics for South Africa's International Economic Relations".

The consultation was organised jointly by the SACC, the South African Catholic Bishops Conference, the Institute for Contextual Theology and the Kagiso Trust.

The proposed code of conduct would not be an economic policy document, however, but would "influence and complement" Government actions and domestic and foreign companies after sanctions were lifted.

Initial suggestions include provision for the monitoring of such a code.

The document emphasises social and moral obligations and says foreign investment should be regarded with caution since it "tends to withdraw wealth out of the country"

Advance

Guidelines include suggestions for affirmative action to advance the position of black people, and women in particular, as well as to redress the urban/rural imbalance.

No date has been set for the formalisation of such a code. This could be done only after wider consultation with all the interested parties.

More immediately, a call was made on the church to establish an ecumenical task force on economic matters.

The corporate community was urged to take part in the transformation of South Africa by adhering to ethical codes of conduct in keeping with the priorities of the people of the country.

Stals urges repeal of US block on SA loans

STAR 13/2/92

By Derek Tommey

Governor of the Reserve Bank Dr Chris Stals appealed yesterday to the United States to repeal the Gramm Amendment which, he said, was seriously limiting South Africa's economic growth.

The Gramm Amendment stipulates that any appliciation by South Africa for loan funds from the World Bank and IMF has to be submitted to the US Congress for approval.

Dr Stals was addressing a seminar in Sandton arranged by British Invisibles, a trade body which is in South Africa to promote London's financial services.

He said the Gramm Amendment placed an immediate restriction on the expansionary monetary and fiscal policies South Africa could follow at this stage, and also acted as a deterrent to potential foreign investors.



Dr Chris Stals . . . Gramm Amendment placing restriction on expansionary policies

"It is therefore a matter of urgency for South Africa that these restrictions should now be repealed, as the American government has already done with the Comprehensive Anti-Apartheid Act.

"The process of economic development must be stimulated if we want to benefit from a more rapid rate of economic expansion downstream.

"The restrictions on South Africa from making normal use of IMF and World Bank facilities still places a major constraint on the ability to prepare for more rapid economic growth in a new political environment with a new constitutional dispensation.

Dr Stals made it clear that although the balance of payments had improved, South Africa's economic growth would have to be restrained as long as the country could not attract foreign capital.

Any increase in the rate of economic growth led to a rapid rise in imports, he said.

Even if imports were to rise by only 10 percent, this would wipe out the trade surplus within a year

In the past it had been known for imports to jump by 35 percent in a year.

It could be assumed that any substantial increase in domestic expenditure would be accompanied by a sharp rise in imports and the emergence of substantial balance of payments deficits.

Dr Stals warned that South Africans must be modest in their expectations about foreign borrowings and foreign capital inflows.

The world today was very different from what it was before sanctions were imposed.

The debt crisis of the Third World had had a far-reaching impact on the willingness of financial institutions to make loans to developing countries.

This meant that South Africa must become more attractive to foreign investors.

"Only those countries that can offer security plus reasonable yields on investments will be able to draw capital from foreign markets.

"In the case of South Africa, apart from the need for further progress in the political process of reform, we will have to present to foreign investors a stable and sound financial environment.

"This requires a continuation of the a policy of guarded financial discipline," Dr Stals said.

Politicians fiddle while SA crumbles

Soweten 12/2/92

STRONG signals of substantial economic investment in South Africa have been coming into the country recently, and on Friday, the president of the International Monetary Fund, Mr Lewis Preston, is expected to arrive here.

And last night a top Washington lawyer told a South Africa Foundation forum in London that the World Bank was preparing, within four years, to make this country the largest recipient of aid on the continent - Nigeria, the largest to date, has presently received more than R15 billion.

All of this could mean absolutely nothing because it appears as if the single criterion for investment in South Africa, according to the ANC, PAC and Azapo (to name but three political movements), is not widespread hunger, rampant poverty and creeping economic deprivation or stagnation, but reaching a "satisfactory" political settlement

The Government, on the other hand, uses the investment issue as a battering ram against the ANC in the current electioneering campaign, or constituency-building, as it were. . .

It does so with a perceived disregard for the current carnage and mayhem in the country.

When State President FW de Klerk arrived from Europe on Monday morning, where he addressed investors and met world leaders, he was as bouncy as a newly married person - complete with that smile of benign delight pasted on his face

De Klerk told a snap media conference at Cape Town's DF Malan Airport that he felt "bullish" about South Africa's future, and that there was growing trust in

FOCUS

By ISMAIL LAGARDIEN
Political Correspondent

South Africa's future among all the political and business leaders in Europe.

The biggest concern among all business and political leaders, however, was that the future must hold some kind of guarantee of safety for investors' money.

De Klerk promised them protection, and repeated this upon his return to South Africa this week.

Protection

The Government would make sure that some legal protection was built into any new constitution to protect investors from abuse of power by the rulers in the next South Africa, he said.

In stark contrast, the ANC last week stressed - perhaps quite correctly - that it would not, as a government, feel bound by any loan agreements entered into with the present administration.

This is perhaps better summed up by the analogy that if any person buys a house, that person cannot be held responsible for debts incurred by the previous owner - not unless there is some kind of prior agreement to this effect

This is perhaps also why the ANC says it would only approve lifting economic sanctions when an interim government is in place

Be that as it may, an interim government or transitional authority will be an extremely tentative scenario, given the fact that real elections for the real next government of the real next South Africa was still not a reality. . .

It will take careful if not cunning political reasoning to secure loans and development aid for the next South Africa, now and during the interim government stage.

South Africa is fortunate in that it has for many years been unable to secure any foreign loans; this effectively means that the country has very little foreign debt.

Between the rigours of apartheid and the subsequent sanctions campaign, the country has been shredded into fragments of great deprivation and, needless to say, the present drought does nothing to ameliorate this situation.

An obvious and logical next step, in any other normal country, would be to seek foreign aid from the Bretton Woods institutions - the International Monetary Fund and the World Bank.

But, this is not yet possible, for two reasons. One is because of the sanctions campaign; the other is, to a great extent because of apartheid.

Coupled with the economic recession in the country, and the deficit in the Budget, there appears to be no way out of South Africa's economic misery.

Not for as long as both Government and its extra-parliamentary opposition still choose to use investment and sustainable economic growth as a political weapon.

This way of determining South Africa's economic growth through the ideological ordering of society is succinctly summed up perhaps by the ANC's refusal to allow the Independent Development Trust to accept R100 million loan to help fund a national school and clinic building programme.

The ANC's reply to the argument, and indeed to black people for whom the schools and clinics were to be erected, is that the money would "bust economic sanctions".

The Government too, and especially De Klerk, is not entirely committed in its search for economic solutions in South Africa.

De Klerk has become such a gad-about that he has aircraft landing gear for legs and safety belt imprints across his lap, while in horrendous counterpoint the country is quite literally coming apart at the seams.

Murderous violence continues to rack the social fabric of the country. Black education is in a pathetic state.

Evidence

Reports and evidence is published daily about either South African Police or military involvement in the political violence in the country.

The country is trapped in a vicious recession. Serious drought is threatening to destroy millions of hectares of farmland

And all of this is happening against the background of a spontaneous uproar across the country over the indiscretion with which criminals are being released into a society already riddled with crime and violence.

At exactly what point investment, economic stability and sustainable economic growth can be encouraged in South Africa is not clear at this point, but what is clear from the indications is that it doesn't matter among politicians that there is not enough money, jobs, schools, clinics, personal security and confidence to go once around the country

Sanctions still wanted

Own Correspondent

LONDON. — An emergency resolution that no new favourable sanctions initiatives be taken towards South Africa until agreement is reached on an interim government was passed by the European parliament yesterday. CT 14/2/92

A supplementary resolution deploring the lifting of the 1986 gold and iron and steel sanctions by the European Community last month (January 26) was also passed.

This resolution criticised the EC for "not consulting" the European parliament.

The resolutions were brought by the socialist grouping within the European parliament.

Among the prime movers was Britain's shadow minister of trade and economics Mr Richard Caborn.

Namibia still faces sanctions

WINDHOEK. — More than 20 US cities and four states still impose economic sanctions against Namibia despite its independence nearly two years ago. 280

"It seems to be a lot more difficult to undo economic sanctions than it is to impose them," says US ambassador to Namibia, Ms Genta Hawkins Holmes.

The cities include New York, Washington and Boston. The states are California, Maryland, Minnesota and Massachusetts. — Sapa-AP. CT 15/2/92

Dutch trade minister to open Holland Fair

DARIUS SANAI

MORE than 50 firms from the Netherlands will exhibit at a major trade fair in Johannesburg timed to be opened by Dutch Foreign Trade Minister Yvonne van Rooy next month.

Dubbed the Holland Trade Fair, and taking place between March 4 and 7 at Nasrec, the event marks the normalisation of trade relations between SA and the Netherlands following the lifting of EC trade sanctions last year.

The Netherlands has been one of the staunchest critics of apartheid, a fact which a highly placed Dutch government source once attributed to "a combination of moral revulsion and historical guilt".

Dutch PM Ruud Lubbers and Foreign Minister Hans van den Broek last month postponed a visit to SA, scheduled for this month, after the ANC opposed the trip on the grounds that it was premature.

However, sources in the Dutch embassy yesterday said Van Rooy's trip — which was planned separately from Lubbers's — would definitely go ahead.

A Dutch trade delegation visited SA last June. Safto director Wim Holtes said at the weekend that the delay between last year's visit and this year's trade fair was due to political pressures resulting in a reluctance by the Dutch government to provide its firms with export credit guarantees.

That problem had now been overcome, Holtes said.

Among the companies planning to exhibit at the trade fair are electronics giant Philips, the Royal Begemann group, agricultural technology firms including Fancom, Abbi-Sun and APV, beverage groups Heineken and De Kuyper en Zoon, and the Netherlands Potato Consultative Institute.

Other companies exhibiting will be from the electronics, textile and engineering industries. The Dutch agriculture and fisheries ministry and the Dutch meat board will also have stands at the fair.

Cattle farmers hit by crime wave

GERALD REILLY

THE crime wave sweeping the country was also affecting farmers, with particularly heavy losses in ranching areas, an SA Agricultural Union spokesman said at the weekend.

It appeared that stock theft syndicates were operating, but thieving by individuals was increasing, the spokesman said.

Thefts took place at gathering points, during transportation to slaughtering and marketing points, as well as at abattoirs.

A committee consisting of members of the Meat Board, abattoir authority Abacor and the Red Meat Producers' Organisation has been formed to monitor the threat, the spokesman said. Professional assistance had also been sought to develop counter-measures.

Police figures show that stock theft in 1990 increased by 9% from 1989 to more than 21 000 incidents. The 1991 figure will be disclosed in the police commissioner's report to be tabled in Parliament later this month. It is expected to be significantly higher than the 1990 figure.

LEADING BRITISH MBA
FROM
HERIOT-WATT UNIVERSITY
CAMDEV
Centre for Advanced Management Development
- FULLY RECOGNISED
- OPEN ACCESS POLICY
- PART-TIME: SELF-PACED
- COMPLETE DISTANCE LEARNING
- ADVANCED TEACHING TECHNIQUES
- DISTINGUISHED INTERNATIONAL FACULTY

HERIOT-WATT BUSINESS SCHOOL MBA SERIES

FREE SEMINAR — MILPARK HOLIDAY INN, JOHANNESBURG, THURSDAY 20th FEBRUARY 19h00
PROSPECTUS: CALL TOLLFREE 0800 330304
LANGKILDE & ASS 09661

Top counsel in big fees rip-off

CT 20/2/92

Own Correspondent

JOHANNESBURG. — Two senior Pretoria lawyers have been effectively barred from appearing in court and a third temporarily restricted following a Bar Council finding that they were guilty of misconduct by charging their clients "totally excessive and shocking" fees.

Advocates Mr Willem Burger, SC, and Mr Piet Kemp had their membership of the Society of Advocates terminated while advocate Mr Hennie Goosen's membership was suspended for three months, the Bar Council announced in a statement yesterday.

The three advocates have also had to repay more than R190 000 to the Pretoria state attorney. This was money deducted from the inflated fees they had charged the Defence Minister, the Chief of the SADF and Col Malcolm Kinghorn, who they represented during hearings surrounding applications lodged against their clients by three former Civil Co-operation Bureau members last year.

Although none of the lawyers had been struck off the roll, the termination and suspension of society membership was the strictest censure the Bar Council could deliver, an advocate said.

"In fact, it's as if the death sentence has been passed on their practice," he added.

Mr Burger has subsequently repaid R81 180 of the R123 480 he charged. Mr Kemp and Mr Goosen each repaid R54 720 of the R89 920 they each charged their clients.

According to the statement the three lawyers withdrew their appeals against the findings on October 24 and 25 last year, a day before the appeal was to be heard.

Hours not worked

The council found that Mr Burger and Mr Kemp had deliberately charged fees at a tariff per hour for hours which they did not work. Mr Goosen was found to have negligently charged fees at an hourly rate for time which he did not work.

Mr Burger and Mr Goosen were found guilty of misconduct in that in spite of the fact that their fees were calculated at an agreed tariff, they had not kept any notes or records of time spent working.

SA is 12-1 in

SYDNEY. — Australia's legal sports bookmakers are giving 12-1 odds on South Africa in the betting on the nine-nation World Cup starting on Saturday.

The England team, riding high after thrashing New Zealand, has received strong support.

Led by veteran opener Graham Gooch and powered by volatile all-rounder Ian Bo has firmed from an 8-1 to be 7-2, secon hind Australia at

Pakistan, whic bowler Waqar You injury on Monday, ite at 9-2.

Two-time cha

Bush drops US loans ban on SA

CT 20/2/92 (280)

KNOXVILLE, Tennessee. — President George Bush yesterday said South Africa had made significant progress in ending apartheid and authorised the Export-Import Bank to consider South African requests for loan guarantees.

The South African government may now apply for loan guarantees for the purchase of US goods entering South Africa, a White House spokesman said.

The Bush administration is also willing to waive sanctions against Armscor if South Africa agrees to stop co-operating with Israel on the development of ballistic missiles, Assistant Secretary of State for Africa Mr Herman Cohen indicated this week.

He declined to say whether it was US policy to press South Africa to abandon its missile programme altogether.

● Germany yesterday lifted sanctions against gold, steel and iron from South Africa. — Sapa-Reuter and Own Correspondent

● World shudder at poor Bush result — Page 5

Germany scraps sanctions

B/Day 20/2/92

280

Business Day Reporter

GERMANY formally lifted sanctions on SA gold coins, steel and iron yesterday in recognition of moves to abolish apartheid, but said it would maintain its arms embargo, a German spokesman said.

Government spokesman Dieter Vogel told Sapa-Reuter the cabinet move was in line with an EC decision last month.

SA had not yet received notification of the formal lifting of sanctions, a Foreign Affairs spokesman said in Pretoria yesterday.

The EC said last month it would ease trade sanctions imposed in 1986 after Denmark, the only country blocking the move, capitulated. Denmark agreed to lift the EC ban on imports of SA iron, steel and gold coins after the Danish all-party foreign affairs committee decided the pace of reform in SA justified this decision.

UN sanctions on crude oil exports and arms trade with Pretoria remain.

When the EC decision was announced last month, SA ambassador in London Kent Durr hailed the elimination of remaining EC sanctions as "significant".

He did not believe the local steel industry would rush into Europe, but would rather follow a responsible and careful policy.

Iscor spokesman Piet du Plessis confirmed this at the time, saying the move was good news, but that Iscor would return to EC markets in an "orderly fashion".

Highveld Steel & Vanadium chairman Leslie Boyd said while SA now had access to all the world's markets, the industry would proceed with caution.

Sanctions go as SA fades from US focus

280

w\mail 21/2-27/2/92

By REG RUMNEY

THE lifting of one of the two remaining federal United States sanctions against South Africa this week indicates that the move to ditch US sanctions is gaining steam It also underlines the swing in politics away from international to domestic issues

However, any moves towards lifting the remaining sanctions, especially at local level, will be threatened by a halt or reversal of political progress in South Africa

US President George Bush this week lifted the ban on the US Export-Import Bank underwriting US exports to South Africa. The ban was introduced by the Evans Amendment in 1978 and the effect of its lifting will be to make the cost of importing capital goods from the US cheaper

The move comes after the lifting, or relaxation, on February 6 of US controls on the export of computers and software to the South African government, the export of petroleum products, and exports to South African nuclear production and utilisation facilities

Addressing the annual Frankel Max Pollak Vinderine investment conference in Johannesburg this week, high-powered US consultant Stephen Riley mentioned these among the positive moves on trade with South Africa.

He noted that besides Bush's lifting of the Comprehensive Anti-Apartheid Act (CAAA) and what flowed from that, there had been encouraging statements from US officials on trade between the two countries These included statements by Assistant Secretary of State for African Affairs Herman Cohen, who had affirmed the US government's policy of encouraging trade and investment.

But Riley pointed out that impediments to complete normalisation of trade between the US and South Africa still remain

The most important, at a national level, is the Gramm Amendment barring South African access to International Monetary Fund loans. Riley predicted action on the IMF loan ban was expected soon

Three of the conditions for the Gramm Amendment ban to be lifted are political, and one practical.

Riley quoted Cohen as saying that the question of whether South Africa should get loans from the IMF only arose if the country runs into balance-of-payment problems which cannot be met by recourse to private capital markets.

The political conditions, such as the loan having to reduce constraints on labour and capital mobility, could be met as easily as those of the CAAA.

At a local level, a host of state and local sanctions ban investment in, and contracting with, US companies that have business ties with South Africa. But here, too, there has been movement.

Riley noted that the National Conference of State Legislatures at its August 1991 annual general meeting adopted a policy which included a statement that could mean new investment in South Africa. The statement reads. "As official negotiations commence, including but not limited to, the South African government and the African National Congress, NCSL encourages the states to phase in socially responsible investments in South Africa."

Riley also noted that in this year's US elections the focus is on domestic politics and that the "South Africa issue" will not feature as prominently as it did in previous years.

US pledges its aid to SA

WASHINGTON — In the wake of government's Potchefstroom by-election defeat, the Bush administration yesterday pledged to be "as helpful as possible" in promoting SA's economic growth.

The State Department issued a formal statement encouraging Pretoria to apply for IMF credits and urging use of US Export-Import Bank facilities which could substantially reduce the price SA must pay for capital goods from the US.

This means that aside from the arms embargo, the last significant federal sanctions on SA have been effectively removed.

"SA's economic conditions will have a direct and decisive impact on the success of the new democracy which emerges from the current negotiations... In this regard, we want to be as helpful as possible," the statement read.

Reiterating what President George Bush had already indicated privately in a letter to President F W de Klerk, the statement said the US was now "prepared to consider an IMF facility for SA subject to the terms of the Gramm Amendment".

Assistant Secretary of State for Africa Herman Cohen has said repeatedly in recent weeks the US believes all those

SIMON BARBER

terms have been met except one, which requires SA to have "an imbalance" on its balance of payments current account.

That condition is redundant. The existence of such an "imbalance" — caused by the use of foreign currency reserves to help reflate the economy — would be SA's principal reason for applying to the fund in the first place.

The statement also stressed that the Export-Import Bank (Exim) was now open for SA business and would provide guarantees and credits for imports by the public and private sectors.

SA access to Exim facilities has been restricted since passage of the Evans Amendment in 1978, which barred the bank from supporting exports to SA government-controlled entities unless the president certified Pretoria had made "significant progress towards the elimination of apartheid". Bush issued the necessary certification on Wednesday.

"We are also encouraging US exports to non-government SA importers who have

☐ To Page 2

B Day 21/2/92

US pledge

☐ From Page 1

endorsed and proceeded towards the implementation of fair labour standards," the statement noted

While Exim's function is to facilitate US exports, the guarantees, credits and insurance it issues to exporters enable importers to borrow the purchase price of goods on more reasonable terms than might otherwise have been available.

For SA, whose growth and capacity to create new jobs will be heavily dependent on imports of new capital equipment, this could mean an important reduction in likely capital costs.

"Assisting US exports to SA ... will demonstrate our commitment to the agreement reached at the (July G-7) summit that the industrialised nations find ways to help SA," the statement said.

● See Page 4

Top US companies streaming to look at SA

EXECUTIVES from top US firms are streaming to SA to investigate investment opportunities, says a leading industry analyst.

The analyst, who asked not to be named, said at the weekend that the list of names of the US firms sending high-ranked executives to SA read "like something out of the Fortune 500".

He said the firms were not just looking around, as some trade delegations have done during the past year: they were preparing

DARIUS SANAI

to invest in SA as soon as an interim government, signalling greater political stability, was installed.

The analyst said the referendum called by State President F W de Klerk could have a beneficial effect on investment. "It will clear the air, as these people want to be confident De Klerk has a mandate for change", he said.

But he said a referendum victory by the CP would have disastrous effects on investment.

"If SA loses this window of opportunity (for investors), it may be a permanent turn-off for them."

He said the political uncertainty that would accompany the pre-referendum period would have little effect on prospective investors: "they won't stop coming here, but the referendum does throw one more uncertainty into an equation which already contains general uncertainty about the future, violence, a depressed economy and concern about labour unrest".

But a referendum win for De Klerk would have a positive and stabilising effect in the long run, he said.

A senior European diplomat said at the weekend that the uncertainty about the future during the run-up to the referendum would have little effect on potential investors.

"The major parties have not yet declared their economic lines, so investment is all quiet for the moment in any case," he said. Most European potential investors were adopting a "wait and see" attitude.

Meanwhile, a spokesman for Sacob said the trade delegation from mainland China, which went home on Friday after a 10-day visit, was "very postive" about the future of trade between the two countries.

The spokesman said the delegation showed great interest in the SA mining industry.

Swedes to stall on sanctions

(280)

CT 24/2/92

STOCKHOLM. — A Swedish parliamentary delegation has recommended that Sweden's ban on investment and trade with South Africa be maintained until after next month's referendum.

The news comes as moves to co-ordinate Western aid with South African parastatals in anticipation of an interim government have been stopped by the snap referendum.

"If the vote goes the way we hope and President De Klerk wins support for his reforms, the present sanctions will not be necessary," said group spokesman Mr Hadar Cars. "But we must know the outcome of the referendum before we take a stand."

Former foreign trade minister Ms Anita Gradin, also a member of the delegation, emphasised that the conservative surge in South Africa must not be underestimated.

Sweden currently maintains a total ban on trade and investment with South Africa. Only the Swedish government can remove the trade ban, while only parliament can remove the investment ban.

The delegation spent two weeks in South Africa gathering information with which to design a new South Africa policy, in particular calling for the removal of sanctions

The group met spokesmen for the South African government as well as members of the ANC, trade unions, the industrial community, Swedish companies and civil rights groups.

Meanwhile Western aid donors are delaying any decisions until after the referendum.

One Western diplomat said: "Obviously if four months down the road you are going to get a Conservative Party government, then chances are you are going to have a totally different international and political perspective." — Sapa-AFP

Govt warned on swing or low turnout

Staff Reporter

INDEPENDENT political analyst Professor Donald Simpson warned yesterday that the government would lose the referendum if there was a further swing of 7,11% to the Conservative Party — or if there was a low turnout.

But overall Prof Simpson, of Potchefstroom University, predicted that 57,11% of white electors could vote "yes", while a "no" vote is expected in the constituent regions of Bloemfontein, Kimberley, Kroonstad, Pietersburg and Pretoria.

He said there would be an overall 57,11% vote for the government if 70% of all white voters turned up as they did in the 1989 election and the 1992 Potchefstroom by-election.

"The projected total is 'no' 947 754 (42,89%) and 'yes' 1 261 978 (57,11%). This gives the government a comfortable but narrow winning margin of 314 224 votes. In 1960 Verwoerd won by 52% to 48% in his 'republican' referendum," he said.

SA can tap into aid billions

280 CT 24/2/92

Own Correspondent

JOHANNESBURG. — South Africa's improving political standing is opening the way for local companies to tap into at least $15 billion (about R42bn) a year in multilateral aid to Africa.

South African Foreign Trade Organisation (Safto) executive Mr Paresh Pandya said yesterday that some 100 local consultancies and the consulting arms of large companies had registered as consultants with the World Bank in the past year.

The bank was just one of several multilateral agencies spending billions of dollars a year on development projects in Africa.

"This money is not aid for South Africa itself, but aid for the rest of the continent which South African companies can tap into for business opportunities," he said.

The lifting of sanctions and South Africa's new-found political acceptability in many parts of Africa meant that local companies could compete for tenders for development projects on at least an equal footing with overseas competitors.

The expertise of South African construction, engineering and mining companies in dealing with African conditions, South Africa's proximity to the developing countries and the weak rand made their tenders for aid-funded projects particularly competitive.

The leading aid agency spenders in Africa were the World Bank and the EC, but there were equally good opportunities for South African companies on projects financed by the Abijdan-based African Development Bank (ADB).

The ADB often acted as a co-financier with the World Bank on projects such as the Lesotho Highlands Water Project.

It is understood ADB and Development Bank of South Africa representatives will meet next month.

Americans trying to ensure that the new SA succeeds

B/Day 25/2/92 280

SIMON BARBER in Washington

THE outside world's past contributions to ending apartheid can be endlessly debated. Some argue that foreigners were an impediment and the sanctions they imposed served merely to hamper the pace of change. Others contend that President F W de Klerk would not have acted as he has over the past two years were it not for external pressures that gave him no choice.

The issue at this stage is, or at least ought to be, academic. With SA's future dangling in the balance, the focus should be on the present. And currently, outsiders are being as helpful as they can be both in steering SA away from fresh folly and helping it prepare for the economic recovery without which no political negotiation has much chance of bearing long-term fruit.

South Africans across the spectrum must surely be aware of what will happen if De Klerk is defeated in the forthcoming referendum. Their country will be isolated as never before with horrible consequences for all its people. Sanctions will not even have to be reimposed — although undoubtedly they will be — because the hidden hand of the marketplace will descend as a not-so-hidden iron fist. And make no mistake, it will crush everyone without a thought in the world for their politics.

Whoever is tempted to believe that the mayhem which will ensue from a CP victory is preferable to the uncertainties of life under a nonracial government should think hard on this: whatever stance it has taken in the past, the international community is working overtime to prevent SA's next government from doing the very things most feared by those who might be tempted to vote against De Klerk.

The interfering uitlander is no longer lecturing the SA government on the evils of apartheid. He is badgering the ANC and its allies on the stupidity of their hitherto most cherished policies. He is letting them know that nationalisation, expropriation and other forms of commandist redistribution will not wash if they hope to have access to the resources that will enable them to meet the expectations of their constituents.

It is hard to imagine a colder bucket of water than the one the IMF poured on the ANC's traditional economic thinking in its recent staff paper, Economic Policies for a New SA. Redistribution, said the authors, could be achieved only through sustained economic growth, which in turn required higher levels of savings, both public and private. So, comrades, do not start squandering wealth and investor goodwill on nationalisation. Do not put any additional squeeze on the already overburdened white taxpayer. And, above all, do not try closing the wage gap between blacks and whites by artificial wage increases.

Nor is it just "neo-colonialist" governments, businessmen and institutions who are delivering the message. The mail is flooding in from all sides, even from countries which have traditionally been the ANC's staunchest protectors. Zambia's new president Frederick Chiluba was asked last week what he thought of the ANC's nationalisation rhetoric. "Just let them try," he replied contemptuously. "Surely they have learnt from what has happened everywhere else in Africa."

It is suddenly a very tough world for the ANC out here. Time was when Nelson Mandela or Cyril Ramaphosa addressed a foreign audience you needed a knife to cut through the sentimental adulation. Now, as Mandela himself recently admitted, it takes the same instrument to deal with the hostility to the ANC's economic policies. One might add that a veritable machete is required whenever the subject of Mandela's relationship with Colonel Muammar Gaddafi arises.

Mandela and his colleagues are being told, in effect, that the same sanctions that were applied to make Pretoria mend its ways will be applied to an ANC government if it commits itself to building socialism. Only this time it will not take years of campaigning to get the sanctions written into legislation or adopted as national policies. No $700 000 a year lobbyists will be necessary.

Foreign companies will not have to be legally restrained from investing. Bankers will not have to be convinced by boycotts and other domestic activism not to lend. There will have to be no new Gramm Amendment to prevent SA obtaining BoP support from the IMF and loans from the World Bank. If the ANC does what it has said in the past it wants to do, foreign capital and investment will dry up automatically. Investors will pack their bags and leave without waiting to be told.

There is, of course, a more positive side to all of this. If the outside world has begun to deliver large doses of unvarnished truth to the ANC, it is not doing so because it finds amusement in kicking a village idiot. Fact is, almost everyone wants the new SA to succeed. Evidently this is a point many white South Africans, bound up in their fear and loathing of outsiders — Americans in particular — are still having difficulty hauling aboard.

US officials have made themselves hoarse recently trying to get across the message that they will support an SA application to the IMF. That is how they wish to be understood when they say, as they said for the nth time on Thursday, that "we would be prepared to consider a proposal for an IMF facility for SA subject to the terms of the Gramm Amendment".

To explain: the administration believes that any conceivable SA proposal has already, without even having to be submitted, met three of Gramm's four conditions which relate to the removal of market distortions caused by apartheid.

The fourth requires SA to be experiencing "a genuine balance of payments imbalance that cannot be met by recourse to private capital markets". At present, the government is quite deliberately not having such an experience, and is limiting the economy's growth potential as a result. But it will have decided to have the experience when it applies to the fund. The fourth condition, therefore, is moot.

In sum, so long as Pretoria presents the IMF with a request that meets the fund's own technical criteria, the US will cast its decisive 19% share of the votes in SA's favour, regardless of whether a new government and/or constitution is in place.

Taken in conjunction with President George Bush's statement on Wednesday formally reopening the US Export-Import Bank's trade credit window to SA importers, this means all formal restraints the US federal government has placed on SA access to international capital markets have effectively been removed.

Why is the US doing these things? For the benefit of The Citizen's editorial writer, who seems to have slipped into the Yank-bashing mode after being gulled by a claim that Washington recently halted a $1,6bn arms sale to Saudi Arabia, here is what the vile Americans said last week: "A healthy economic situation in SA is of critical importance as a new nonracial consitution is being negotiated. In this regard, we want to be as helpful as possible"

For once, believe them.



Long wait . . . queues formed at the Home Affairs Department in Simmonds Street, Johannesburg, yesterday after the announcement that only white citizens with identity books will be able to vote on March 17. Picture: George Mashinini

US suspends aid plans pending referendum result

By Hugh Roberton
Star Bureau

WASHINGTON — In its first public reaction to the March 17 referendum, the Bush administration has warned that any retreat from the Codesa negotiations would be "a devastating step backward towards international isolation and domestic discord in South Africa"

The warning came as initiatives in Congress to set up a multibillion-dollar aid package for South Africa were suspended pending the outcome of the referendum.

A defeat for President de Klerk undoubtedly would lead to the collapse of the scheme, congressional advisers said yesterday.

And officials suggested that moves to facilitate loans and financing for South Africa through the International Monetary Fund and the World Bank probably would be put on hold until a clear signal had come from South Africa's whites on what the country's future course would be.

Last week the Bush administration declared it was prepared to consider an IMF loan application from South Africa

UN votes to keep sanctions

GENEVA. — The United Nations highest human rights body voted yesterday for sanctions to continue against South Africa despite the opposition of Western nations and members of the former East bloc.

The call for governments to keep up the pressure came in a resolution at the United Nations Human Rights Commission backed by 18 African nations and Cuba (280) CT29/2/92

Russia and countries from Eastern Europe, which used to vote against South Africa but are now keen to re-build ties with Pretoria, joined Western nations in opposing the resolution. — Sapa-Reuter

Singapore to ease SA trade restrictions

SINGAPORE — Singapore said yesterday it would soon ease restrictions on trade with SA.

A foreign ministry spokesman said, in the light of the "irreversible" process of reform, the government would allow imports and exports as well as investments between Singapore and SA.

But Singapore's arms embargo and its ban on loans to the SA government and public enterprises would remain, the spokesman said.

In 1989, Singapore banned exports of oil and petroleum products on Singapore-registered ships to SA.

Currently, Singapore has no diplomatic relations with Pretoria, but the spokesman said links would be established with a new, nonracial SA government.

He described political reforms in SA, such as the proposed drafting of a nonracial constitution, as "profound".

The trade move, to be gazetted soon, was expected to encourage more business exchanges. Singapore businessmen noted, however, that SA diamonds, gold and canned food were readily available on the market now. — Sapa-AFP-Reuter, AP-DJ.

US federal law still discourages investment in SA

B/Day 3/3/92 (280)

SIMON BARBER in Washington

ACCORDING to the IMF's recent staff paper, "Economic Policies for a New South Africa, "future" improvements in income distribution between races will need to derive from better training and better employment opportunities for non-whites rather than a further compression of the wedge between wages for different racial groups".

If that is true — and the paper's authors build a persuasive case that it is — US law and policy is hindering American companies from doing their part (a necessarily small one, to be sure) in putting the recommendation into practice.

In spite of the removal of most federal sanctions and the encouragement the Bush administration is giving US investors to re-engage in SA, a key surviving aspect of the 1986 Comprehensive Anti-Apartheid Act continues to militate against new direct investment by American firms. It is also helping skew the expenditures of firms that have remained away from expanding either training programmes or employment opportunities.

The Act obliges US companies operating in SA to abide by a set of fair employment standards more onerous than any imposed on the firms of other countries. Nor, for the foreseeable future, is there any prospect that this requirement will be lifted, since the law contains no repeal mechanism.

There seems to be scant interest in tampering with it, either on the part of policymakers, or among the companies. This is not surprising. The existence of mandated standards has hitherto provided managements some protection against activists who persist in believing that American business should pull out of SA altogether.

Even though the disinvestment campaign is now to all intents dead, firms remain gun-shy about changing the system. After all, what protected them against the sanctioneers may also afford them some cover against SA's next government should it cast a covetously "democratic" eye at their assets.

All US companies which own or control South African concerns that employ more than 25 people are required to register annually with the State Department and to show they are complying with the code of conduct set out in the CAAA.

The code, based on principles launched by the Rev Leon Sullivan in 1976, has a motherhood quality to which it is difficult to object without being branded insensitive or worse. It is nonetheless an imposition on affected companies and intrudes on the sovereignty of the host country.

This is not to challenge the general worthiness of the code's particulars, most of which mirror, at least in intent, domestic US anti-discrimination, affirmative action, minimum wage and labour law The major departure from local practice is a stipulation that firms take "reasonable steps to improve the quality of employees' lives outside the work environment with respect to housing, transportation, schooling recreation and health". There is also a nonbinding exhortation to the managements to take political action against apartheid laws and practices.

Compliance with the code is assessed in one of two ways. Firms may opt to answer a questionnaire prepared by the State Department or they may participate in the considerably more rigorous Statement of Principles regime which grew out of the system overseen by Sullivan until he abandoned it in 1987 to call for all-out disinvestment.

Either way, each company's performance is rated annually. The ratings are based in large measure on



☐ SULLIVAN

the sums of money the firms spend in various action areas, many of them well beyond the workplace.

For the record, 26 firms with 4 877 South African employees were rated by the State Department in its latest report, which covers 1990. And 52 with 17 693 employees chose the Statement of Principles route Their performance for the year ending June 31 1991 was evaluated by accounting firm Arthur D Little which released its report in October.

Out of the 78, only one did not achieve a basic passing grade. The exception, a privately held consulting firm called National Utility Service Inc, was found by the State Department to have paid three of its 40 South African employees less than the minimum acceptable wage — 130% of the Minimum Living Level established by Unisa for a family of five.

Sixteen State Department firms and four signatories were placed in the "needs to become more active" category, meaning that they satisfied basic requirements but had either not done enough to train and promote blacks inside the company or had paid insufficient heed to community development, education and "social justice" outside.

Whatever the ratings say about the companies themselves, one point should hit any objective reader of the reports between the eyes. These documents and the process underlying them are unique. The American investor can go virtually anywhere else, and so long as he stays on the right side of the Foreign Corrupt Practices Act (which forbids the bribing of foreigners), how he spends his money is largely a matter between himself and the local powers.

As the latest Arthur D Little audit notes, "there are substantial costs to the individual signatory companies in contributions of time and money for the programme. The level of these costs exceeds ... the cost for similar activities in any other country in the world. In many cases, these costs are sustainable only because of significant contributions by the US parent companies."

To be sure the costs are higher for the signatory companies than for those which report to the State Department. The standards are more demanding, the reporting requirements more burdensome, and companies have to pay a not insubstantial fee for Arthur D Little's services. Even so, the difference is less great than might be supposed.

According to Arthur D Little, the added cost to signatories in satisfying the principles (not counting higher wages) inside and outside the workplace last year was R74m or R4 179 for each employee. In addition, the companies jointly devoted 70 600 man days to "social responsibility activities" — including newly required AIDS counselling and 'exposure" of white supervisors and managers to black living conditions

The State Department companies spent an average of R3 052 per employee complying with the code in 1990. Of this, R724 went to employee education and training, R1 14. to nonemployee education, R758 to community development and R428 on various social and political activities. Cumulatively, the firms spent R21,7m on these items between 1986 and 1990 Of this, only little more than a quarter, R5,7m, has gone on training employees.

Whatever the validity of the code in the past, it surely needs to be reassessed now. The system is clearly a disincentive to new companies that might be interested in setting up shop in SA. More importantly, it is promoting a serious misallocation of resources by those who are already there. Further, if anyone is to tell companies in SA how they should be expending their money and energies, it should surely be by South Africans themselves.

Companies should be encouraged to concentrate on what they do best, which is generate wealth and create employment If they have to do more than that, training and advancing their employees would seem the obvious priority. It serves no useful purpose to have them act as glorified welfare agencies.

☐ **The title of the paper from which yesterday's article by Steven Friedman was extracted is "The shapers of things to come? — NP choices in the South African transition."**

break, a traditional marketing campaign could cost as much as sponsorship, with less coverage and public awareness.

Sanctions watch begins to fall idle

BI Bay 4/3/92

AMSTERDAM — Jaap Grotenburg is looking forward to being made redundant. He says it is what he has always worked for.

Grotenburg and his three colleagues in the Shipping Research Bureau collect evidence of sanctions-busting from hundreds of informants worldwide (280)

They have spent more than a decade trying to embarrass companies, governments and shipping firms into toeing the line on a UN ban on oil exports to SA.

"We do not quite know what we'll do next," he said.

Shipments are publicised to shame countries that back oil sanctions into enforcing them.

But now that SA is dismantling apartheid, the UN is expected to end the voluntary embargo it first agreed in 1979. Grotenburg's bureau may close by the year's end.

"We expect to wind up once blacks are in a transitional government," he said.

Grotenburg judges the bureau's work a partial success. The bureau only ever had a monitoring role, he says. — Sapa-Reuter.

OAU turns around on sanctions

Sowetan 5/3/92

LAGOS - The Organisation of African Unity "will need to adjust its position" on sanctions against South Africa, according to Nigeria's foreign ministry.

The change is needed as a result of the evolution of the position of the Commonwealth and the United Nations, a ministry statement said on Tuesday.

Nigerian President General Ibrahim Babangida is current chairman of the OAU.

The ministry urged African nations to "adopt a concerted, pragmatic, gradual and conditional approach" to the lifting of sanctions.

This is with a view to giving incentives to the negotiators and negotiation process in South Africa, the statement said.

The best way for the OAU to ensure the continuation of this process is through the Convention for a Democratic South Africa, said the statement.

"Codesa represents a step in the right direction to the much-awaited transfer of power to a democratically elected government in South Africa," it added.

The statement described as "unfortunate" the non-participation of the Pan Africanist Congress in Codesa, saying that such an action "sends wrong signals at a time when the unity of all patriotic forces is absolutely imperative".

Nigeria considers the continued activities of "retrogressive groups" that "unleash mindless violence" in the townships and the action of white extremists attempting to incite the white population to try to reverse the process of abandoning apartheid are "disturbing" developments, the ministry said. - *Sapa-AFP.*

STAR 6/3/92

Actor seeks funding over Equity ban

By Garner Thomson
Star Bureau

LONDON — British actor Marius Goring has lodged an appeal against the recent High Court ruling which upheld Equity's ban on the sale of radio and TV sales to South Africa.

But it is understood that the veteran campaigner against the cultural boycott is seeking to finance the action from outside sources in the wake of costs estimated at £180 000 (R900 000).

Goring refused to comment. But the actors' trade newspaper, Stage and Television Today, says he apparently approached the Commission for the Rights of Trade Union Members, which can assist members in actions arising out of alleged breaches of trade union rules.

The commission confirmed that an Equity member had applied for support, but said funds for this purpose were limited.

Goring says Equity is in breach of its own rules, claiming the boycott was introduced for sectarian rather than professional reasons.

Dutch group will make Antigone relevant for SA today

WIM cut 6/3 - 12/3/92

As the cultural boycott faces away, progressive organisations have sanctioned performances by a Dutch theatre group.

RAEFORD DANIEL *spoke to the members of De Nieuw Amsterdam*



Breaking barriers ... Otto Sterman and Gerda Havertong play in Bertolt Brecht's Antigone at the 'Breaking the Barriers' festival

WHAT relevance has play written in circa 400BC got for the South Africa of today? I asked the question of Otto Sherman, 79-year-old Dutch actor here to play the blind seer Tiresias in the production of *Antigone* De Nieuw Amsterdam is bringing to the Market Theatre for the *Vrye Weekblad* "Breaking the Barriers" festival next week.

De Nieuw Amsterdam is visiting South Africa for the first time.

Sherman, born in Amsterdam to the Dutch wife of a man from Curacao in the Antilles, has no doubt about the answer to my question. The play, he proclaims with fervour, is about freedom.

But Maarten von Hinte, who plays Hamon, is more specific. The version we are to see, he says, is not that of the original Sophocles or even the Anouilh, but one written by Bertolt Brecht after World War II. That struggle for freedom from oppression, he says, inspired Brecht to write the play, a statement on how tyranny can affect the welfare of the people.

The festival, held in conjunction with the Holland Committee on Southern Africa, is being supported by the African National Congress and various non-racial organisations such as the Congress of South African Writers.

The intention is to explore similarities between cultures inside as well as outside South Africa. De Nieuw Amsterdam hopes that its participation will "contribute to the advancement of a non-racist, democratic South Africa".

Sherman, who acted in his first play in 1935, is a teacher of physical culture and therapy, working in hospitals and schools.

"But always," he says, "I prefer to act in plays."

An ardent traditionalist, Sherman was horrified to find African musicians playing ethnic music on electronic instruments He had a similar shock, he recalls, in Indonesia and Bali.

But Van Hinte disagrees. Culture is not static, he says. It incorporates adaptation and movement. In any event, he insists, the medium is secondary to the message.

Both actors are happy about the austere, Grotowsky-like staging of *Antigone*. Van Hinte recalls being excited about the Soyinka African Theatre, where the players used only their bodies to build illusion upon illusion. The expedient, they told him, was a necessary one. They often had to perform in secret in areas and sometimes had to make a hasty retreat.

●*Antigone*, directed by Rufus Collins, will be presented at the Cultural Centre behind the Market Theatre from Tuesday, March 10, at 9.15pm.

The Festival will also stage a cabaret show featuring Freek de Jonge, Elzabé Zietsman, Natalie de Rocha and Kurt Egelhoff at the Market from Monday, March 9, at 7pm

Then there will be storytelling, featuring, along with the artists from the Netherlands, Gcina Mhlope, Patrick Mynhardt, Sydney Mokoena, Lesley Nott, Matsemela Manaka and Irene Stephanou at the Laager, March 10, 7pm.

On March 10 at 9 30pm, there is *Ballads and Blues*, featuring Abigail Khubeka, Jennifer Ferguson, Thandie Klaasen, Johannes Kerkorrel and the Dutch artists, Circus Custers (Market, March 10, 9.30pm)

He wants to be jobless

STAR 7/3/92

AMSTERDAM — Jaap Grotenburg is looking forvard to being made redundant.

He and three colleagues in the Shipping Researcl Bureau collect evidence of sinctions-busting from hundreds of informants worldwide.

They have spent more than a decade trying to enbarrass multinationals, governments and shipping firms into maintaining the UN oil embargo against South Africa. "We don't quite know what we'll lo next," he said.

Shipments to SA are publicised to shame countnes that back oil sanctions into enforcing them. But now that sanctions are going, the UI is expected to end the voluntary embargo it first agreel to in 1979.

Mr Grotenburg said: "We expect to wind up once blacks are in a transitional government." — Sapa-Reuter.

Singapore lifts ban on trade with SA

CT 7/3/92 280

SINGAPORE. — Singapore lifted a ban on imports of SA goods in force since 1965, a government statement said yesterday.

"The lifting of the prohibition was gazetted by the Ministry of Trade and Industry on March 6," it said.

Singapore also lifted a ban on the shipment and export of petroleum and petroleum products to SA which was imposed in 1989.

Singapore, which has no diplomatic relations with Pretoria, will maintain an arms embargo on SA, Foreign Ministry officials said. — Reuter

SUNDAY

PROFILE

Anti-apartheid veteran hits at 'intolerant' ANC

280

ST Times 8/3/92

IRISH writer and politician Conor Cruise O'Brien caused a stir this week when he quit the Anti-Apartheid Movement, saying he would not support an ANC-dominated government.

But to Mr O'Brien there has always been a clear distinction between opposing apartheid, which he has done all his life, and supporting the ANC, which he believes is intolerant.

Mr O'Brien has long been disenchanted with the AAM because of its lapdog relationship with the ANC, but until now has felt unable to resign because of his deep commitment to fighting apartheid.

In an interview from his Dublin home this week, he said:

"I think that a South Africa run by the ANC alone would be an awful place. If I lived in South Africa I would not be supporting the ANC. However, they must be part of a coalition."

The 75-year old writer and former UN diplomat, who was chairman of the AAM in the 1960s and remained a member until now, says he grew away from the AAM over the years as its executive aligned itself more and more with "the communists" and organisations bent on terror and murder campaigns, such as the IRA.

But his disenchantment reached a peak in the late 80s with the cultural boycott, which he called self-defeating and unfair, cruel to the wrong people and institutions.

"They chose to boycott SA universities, something which I could not understand. These institutions did not support apartheid. In fact, they campaigned against it."

He personally felt the whiplash of ANC intolerance five years ago when he found himself engaged in outraged exchanges with furious University of Cape Town students over his breaking of the academic boycott.

In an incident which led to a debate over academic freedom, he was prevented by left-wing students from lecturing on the UCT campus.

He recalls: "My lectures were mobbed and broken up. People carried placards which read, 'Viva ANC', and, on the same banner, 'Viva IRA'."

Shortly before the UCT fiasco, Britain had held a world archaeological conference to which South Africans had always been invited.

"That year, under pressure from ANC



CONOR CRUISE O'BRIEN: Admires FW

activists, South African scholars were disinvited. I joined in the public protest and denounced the cultural boycott. That was the point at which I broke with the ANC. It showed me what an intolerant lot they were.

"It is this intolerance that I believe will not bode well for South Africa should they come into power alone.

"I have had enough reason to resign from the Irish AAM over the years. But I stayed because to resign might have been seen as my giving up the fight against apartheid. I would not resign until now. I cannot reconcile myself to their partisan treatment of the ANC.

"An AAM newsletter that I received in January reiterated old ANC policies, even those which are contrary to Codesa. If it were honest, the newsletter would title itself as Irish supporters of the ANC."

He also questions the relevance of the AAM once a coalition government in South Africa is achieved.

Mr O'Brien said he had "great admiration" for President De Klerk.

"I hope there will be a coalition government in SA, including the ANC and the National Party."

Charmain Naidoo

US bid to try 'sanctions buster'

INTERNATIONAL oil middleman Marc Rich, alleged to have been one of SA's top sanctions-busting oil suppliers in the 1980s, could be brought to trial in the US on alleged tax evasion charges from almost 10 years ago if a special international task force comes into effect.

Robert Wise, a West Virginia Democrat, last week called for the formation of such a task group as efforts so far by the US justice department to apprehend Rich had been inadequate.

Rich and Pincus Green face tax evasion, racketeering, fraud and related charges stemming from an alleged oil trading scheme. They fled the US in 1983.

Rich and Dutch-born John Deuss are alleged to have been top middlemen in the supply of oil to SA during the international oil embargo initiated in 1979.

Alleged "go-betweens" such as Rich were alleged to have earned about R500m per oil supply contract between SA and overseas oil producers.

Rich is alleged to have delivered roughly 78 shipments to SA since 1979.

Wise's call for a more aggressive campaign to apprehend Rich was made at a meeting of the house subcommittee on government information, justice and agriculture, which he chairs.

Increased pressure on Rich could affect the operations of powerful commodity dealer Clarendon Ltd, based in Stanford, Connecticut.

Clarendon was debarred by the US Defence Logistic Agency in 1985 from government procurement contracts because of Rich's 49% holding in it.

Wise's subcommittee was told by former justice department and Interpol officials that Rich could have been captured by now had the US government been more determined.

Rich and Company AG has been operating out of Zug, Switzerland, with offices in 48 countries.

"The department of justice tells us they have been diligent and aggressive in trying to return Rich to stand trial," Wise said. "But after nine years, the nation's biggest white-collar fugitive remains at large."

A US justice department spokesman said several extradition requests for Rich had been rejected by Switzerland. — AP-DJ.

Danes may lift sanctions

COPENHAGEN. — The centre-left majority in Denmark's parliament was ready to lift trade sanctions provided South African whites backed President F W de Klerk in his reforms, a parliamentary spokesman said yesterday.

Mr De Klerk would also have to pledge "no longer to organise separate votes for the white population," said Radical Party MP Mr Joergen Estrup, referring to the referendum. — Sapa

WHERE TO VOTE: ALL DETAILS
See PAGE 12

'No' could lose VW jobs

PORT ELIZABETH. — A "no" vote in the referendum would mean the "loss of probably thousands of jobs at Volkswagen SA", VWSA chairman Mr Peter Searle said in a statement yesterday.

"If the world decides to act against South Africa we would certainly lose virtually all our export business overnight," he said.

Danes may lift sanctions

COPENHAGEN. — The centre-left majority in Denmark's parliament was ready to lift trade sanctions provided South African whites backed President F W de Klerk in his reforms, a parliamentary spokesman said yesterday.

Mr De Klerk would also have to pledge "no longer to organise separate votes for the white population," said Radical Party MP Mr Joergen Estrup, referring to the referendum. — Sapa

WHERE TO VOTE: ALL DETAILS

SA 'must not return to isolation'

STAR 13/3/92 (280)

South Africa must not return to isolation, said DR CONRAD STRAUSS, national chairman of the South African Institute of International Affairs in his biennial report this week.

IN THIS world of complex interdependence South Africa cannot afford to be left behind. Fortunately, the international isolation which steadily increased from the early '60s and culminated in the intolerable position of the late '80s, has largely ended.

Since February 1990 there has been a dramatic turnaround, and it is remarkable how quickly the promise of a negotiated political settlement has opened doors around the world for diplomatic and economic intercourse.

Harry Oppenheimer two years ago recognised that South Africa's international position was already much improved. Since then the number of countries in which SA has diplomatic, consular and trade nissions has doubled, from 30 to 60.

Although full normalisation of our diplomatic relations will not be realised until there is agreement at least on interim or transitional arrangements prior to acceptance of a new constitution, there is no doubt that we are far along the road to normalisation.

The same applies in the crucial area of trade relations, even if some economic sanctions have not yet been formally removed. In sporting and cultural links there have also been remarkable steps towards normality.

It is unthinkable that South Africans, of whatever political or racial grouping, would want to turn away from these new opportunities and return to international isolation and economic decline.

Isolation in an increasingly interdependent and harsh world is, in fact, not a viable option.

Yet there are those on the Right and the Left who, for their own sectional interests, seek to disrupt the present negotiating process which has had such a positive effect on our international relations.

On both sides there is an apparent unwillingness to recognise the global trends and particularly the vital element of interdependence.

Political or economic ideologies which ignore these trends can only spell economic and social disaster.

Should they ever prevail, such ideologies will obviate any meaningful participation by this country in the development of the modern world.

For South Africa's international position to continue to improve, and for the country to avoid the threat of marginalisation in the tough conditions of the new world order, there should continue to be positive development in three interrelated areas.

First, it is essential that political and social stability be achieved on the basis of a democratic constitutional settlement acceptable to a clear majority of our people.

A stable and democratic political order is a basic requirement for the creation of confidence and the renewal of the flow of investment capital which is sorely needed.

Second, if we are to become fully part of the modern, interdependent world, we have to have economic policies in tune with the known and generally accepted formulae for success, in order to promote economic growth and social peace.

Third, without neglecting the crucially important markets of the north, we have to become more closely integrated with our own region of southern Africa, with the aim of promoting development and security throughout the region.

Given the great economic imbalances and the actual and potential conflicts within some states, achieving regional peace, stability and economic growth will not be simple.

But it is important for our relations with other regional groupings now emerging throughout the world, that we move as quickly as possible towards closer and more effective cooperation in southern Africa.

Such is the make-up of the South African economy, such are the countervailing forces at work in our society, that I will be surprised, in two years' time, if sound progress has not been recorded on all three fronts. □

(Report By Conrad Strauss, Jan Smuts House, Johannesburg)

France lifts ban on SA coal

Own Correspondents

JOHANNESBURG. — France yesterday lifted its seven-year embargo on imports of South African coal.

The only countries still to lift coal sanctions against South Africa now are the US and Denmark.

France's minister of industry said the sanctions were lifted as a gesture of support for President F W de Klerk and his reform process.

The news was welcomed last night by an Amcoal spokesman and by Mr Mike Salamon, managing director of Genmin's coal-mining arm Trans-Natal.

Mr Salamon said it meant South Africa was again able to trade on a commercial basis in the important market for steam coal, which it had lost through sanctions

Although the French market for steam coal made up a small share of world export trade, the move presented exporters with more options.

He said that before sanctions, South African producers supplied about four million tons to France, but with the trade embargos, the French turned to high-quality low-cost US supplies. Local producers would now have to compete with US companies, which enjoyed lower freight costs in supplying France.

Market sources said, however, that the lifting of the embargo would have no immediate effect on South Africa's coal industry. The current export-capacity restraint of 53 million tons a year from the Richards Bay Coal Terminal made it impossible to increase the level of coal exports dramatically.

Diplomats warn CP on tough sanctions

ARG 13/3/92

(280)

MICHAEL MORRIS
Political Correspondent

DIPLOMATS have warned Dr Andries Treurnicht that tough sanctions will be imposed on a Conservative Party government if it tries to reintroduce apartheid.

And, after a meeting with the CP leader yesterday, diplomats said they remained unconvinced that the Conservative policy would be anything other than old-style apartheid.

One diplomat responded: "I do not see how they can govern in a way that would not elicit a strong, immediate international response.

"I came to the conclusion that it was impossible to distinguish between apartheid and what they would intend implementing."

Yesterday's meeting between about 25 senior diplomats and Dr Treurnicht was held at the invitation of the CP.

Diplomats said that while Dr Treurnicht was "very generous" in his replies, they emerged without "a sense of clarity on how the CP's vision of the future can be perceived as anything but apartheid".

The issue of sanctions was apparently not raised directly in the meeting, but diplomats made it clear, privately, to the Dr Treurnicht that any attempt to bring back apartheid would be to provoke a swift and tough international response.

"Our chief concern was to find out what policies a CP government would implement and how. Frankly, we did not feel much insight was shed on that," a diplomat said.

France lifts 7-year ban on SA coal

Bloody 13/3/92

MATTHEW CURTIN and SHERIDAN CONNOLLY

FRANCE lifted its seven-year embargo on imports of SA coal yesterday, leaving the US and Denmark as the only countries still to lift their coal sanctions.

France's industry ministry said the sanctions were lifted yesterday, a gesture of political support for President F W de Klerk and his reform process.

Mike Salamon, MD of Genmin's coal-mining arm Trans-Natal, said last night the news was welcome, as SA was again able to trade on a commercial basis in an important market for steam coal which it had lost through sanctions.

Salamon said although the French market for steam coal made up a small share of world export trade, the move presented exporters with more options.

France met about 75% of its energy requirements through nuclear power, and the remainder through hydroelectric and coal-fuelled power stations. Coal tended to be the swing energy source, and French imports varied considerably, with much material bought on the spot market.

Before sanctions, SA producers supplied about 4-million tons to France, but with the trade embargos, the French turned to high-quality low-cost US supplies. SA producers would now have to compete with US companies, which enjoyed lower freight costs in supplying France.

Salamon said the French market amounted to 9-million tons in 1991, with 6-million to 9-million forecast for 1992. French customers had already committed themselves to contracts for much of their needs this year, but SA producers were likely to pick up about 1-million tons of new demand in the medium term.

An Amcoal spokesman welcomed the decision.

Market sources said the lifting of the embargo, in force since 1985, would have no immediate effect on SA's coal industry. The current export capacity restraint of 53-million tons a year from the Richards Bay Coal Terminal made it impossible to increase the level of coal exports dramatically. The existing alternative was to export coal through Maputo, but its harbour was small and unreliable.

Sanctions: Next time they will hurt

W/Mail 13/3-19/3/92

In rebutting claims that a no vote would be economically disastrous, the Conservative Party says sanctions didn't and won't work.

REG RUMNEY *says they're half right, but any more sanctions could cripple us*

13/3-19/3/92

THERE is a Conservative Party pamphlet doing the rounds which asks this important question Did you personally suffer from sanctions?

On the surface, the answer is surprising No, South Africans didn't have to drink fake Scotch or go without imported hi-tech machinery No, we weren't forced to abandon our motor cars for want of fuel

There is some argument that the indirect effects of sanctions are seen everywhere in South African poverty and soaring crime, but Kapees will put that down to reform and other forces

On the CP premise that sanctions haven't really caused much hardship is built the specious conclusion that South Africa will be able to ignore any new sanctions

The CP's case is paradoxically bolstered by the government's now abandoned stance that sanctions weren't working *and* by pro-sanctioneers' overemphasis of the effect of sanctions on the South African economy

After all, if sanctions were "crippling", as was claimed, why didn't we suffer that much? If that's the best the world can do, what have the CP to fear?

Merle Lipton in her seminal study on sanctions, published in September 1990, noted " sanctions *per se* have not yet 'crippled' the economy and their importance has been exceeded by the effects of other shocks, such as the fluctuations in the terms of trade, the drought, rising interest rates on the growing foreign debt and the less tangible factor of political instability "

So did sanctions "work"? Yes, but not in the way so often claimed

Writing in *The Weekly Mail* a US journalist observed that the US government *viewed sanctions only as a way to push for certain reforms, not as a method to bring the country to its knees*

"And in the end, US sanctions (which cost the South African economy an estimated $30- to $40-billion during the 1980s) were never as airtight or comprehensive as those imposed on Iraq "

One cannot therefore blithely assume, along with CP leader Andries Treurnicht, that new sanctions will not be implemented in a more effective manner than they have been

The CP argument makes no distinction between trade and financial sanctions

Trade sanctions were designed to cut off the flow of goods and services to and from South Africa, and financial sanctions to cut off the flow of money to South Africa

Take trade first. On the physical front, South Africa is still vulnerable to a trade embargo in one crucial area, oil

Chairman of the UN group monitoring the oil embargo, Anthony Nyaki, pointed out at the beginning of this year that monitoring the embargo wasn't easy because the embargo is voluntary.

But extensive and tireless monitoring by the Amsterdam-based Shipping Research Bureau, set up in 1980, shows this· the oil embargo was and is as leaky as an old sieve The group claims to have identified 84 percent of oil imports in 1989, 61 percent in 1990, and 72 percent in the first half of 1991

Chief culprit in shipping oil to South Africa are British firms

It is clear then that participating countries have not had the political will to enforce the oil embargo, and have been satisfied with rhetoric

So to enforce true comprehensive sanctions against South Africa the UN Security Council could make the oil embargo mandatory

The UN would have to enforce that embargo, either by putting pressure on individual countries, or through, say, a blockade of oil tankers

But forget about trade sanctions for a moment

Examine the financial sanctions South Africa still labours under, since unlike trade sanctions they were mainly spontaneous and not legislated (except for state and local sanctions in the US which discourage US banks from dealing in South Africa)

South Africa has come under pressure because it has had to repay rather than roll over loans frozen in the famous "debt standstill" imposed unilaterally by South Africa in September 1985 in response to foreign banks suddenly calling in their loans

The standstill has forced South Africa, a developing country, to be an exporter of capital since 1985 "From 1985 to the end of 1988 South Africa's debt payments accounted for over half of the heavy capital outflow of $10-billion (R25-billion) This was equivalent to about four percent of GDP over this period," writes Lipton

That in turn has meant that it has had to keep the current account of the balance of payments, South Africa's account with the rest of the world, in substantial surplus. And this has meant the authorities have had to rein in the economy's growth to keep it from overheating

It is somewhat, though not entirely, analogous to a small and growing business being kept small by having to pay back a big bank overdraft rather than using the money to expand.

So financial "sanctions" have cut back economic growth But, as Lipton notes, it is not clear how much And whether South Africa needs new investment is a separate issue and one not as clear-cut as the government would like to make out

What would happen if the US, Canada and Europe had the political will to isolate South Africa financially?

Bans spurred by commercial risk considerations and kept in place by that and anti-apartheid pressure could be replaced by mandatory bans on any loans to South Africa A demand could have been made for immediate repayment of loans inside the debt standstill, and a bar on trade credits imposed

South Africa would have to default on the remaining loans in the net

Foreign countries would retaliate by attaching South African ships in foreign ports and planes in foreign airports and freezing South African assets abroad

Most drastically, foreign countries could refuse to clear South African foreign exchange transactions

By this stage South Africa would be approaching war with the rest of the world

Remember what Joint Chiefs of Staff chairman Colin Powell said after the Gulf war "Sanctions and war were a seamless process "

'The black woman deep inside the white man'

South 14/3 – 19/3/92.

Maverick local artist Beezy Bailey, who is often misunderstood and accused of showmanship by the art establishment, reveals a committed and acutely perceptive spirit in a conversation with GAVIN DU PLESSIS:

280

BEEZY BAILEY IS indignant at the attacks levelled at him from various liberal quarters, a sector he believes is infamous for applying double standards.

"I get accused of being patronising — how the hell can they accuse me of being patronising when assuming the persona of Joyce Ntobe, after certain white liberals in our community exploited the tragedy of apartheid for their financial gain on the international market during the eighties?"

Artworks relating to the struggle and other aspects of black South African life by privileged artists are farcical and deeply disturbing to Bailey.

"I find a huge element of hypocrisy in this whole thing — certain writers supporting a cultural boycott at home and then selling books internationally for personal profit is absolutely disgusting and I've told them so.

"There are all these goings-on at this time when the whole apartheid regime is eroding and along with it the anti-apartheid industry. Now these hypocritical individuals are looking for somewhere else to channel their energies and they don't like me one scrap. I'm not one of them and I don't play games," he explains.

Exploitation of South African black art by local and international art dealers ran rife in the eighties. Hard-pressed white artists seeking an outlet for their work were often told by art dealers it was futile promoting their work abroad.

"It's precisely that situation which motivated Wayne Barker to submit his work under the pseudonym of 'Andrew Moletse' to the Standard Bank drawing competition.



Beezy Bailey

"I did something similar for the Triennial with Joyce Ntobe and felt motivated to make Ntobe's first images based on this inverted racism existing in our art world — a form of racism motivated by white guilt which has nothing to do with art whatsoever.

"I pinned the South African National Gallery on that point and they cleverly turned around and said they preferred some of Joyce Ntobe's work to Beezy's work. But Joyce's work is still Beezy's work," he laughingly comments.

Joyce Ntobe, Bailey's black domestic worker alter ego, was originally inspired by the white liberal guilt which took precedence over artistic considerations in art circles.

'As far as I'm concerned, this is an artistic venture: an ongoing process of searching my soul .'

"Not one of Joyce's lino prints or any part of the Joyce persona is motivated by guilt. I see guilt as being the cause of jealousy and both of them eats you from inside — guilt does not motivate me at all.

"As far as I'm concerned, this is an artistic venture: an ongoing process of searching my soul and coming up with very interesting ideas and new discoveries."

For Bailey, Joyce Ntobe represents the black woman inside the white male.

"There's a part of me that is a black person in the African sense of the work and there's a part of me that is a woman. I believe that society compartmentalises us far too easily."

Beezy's vision is a desire to provide access to education in the visual arts to people on a broad basis.

"The proceeds from the sales of Joyce Ntobe's works has given me the opportunity to establish the Visual Arts Trust — the intention is to raise millions in order to erect art centres across the country which will cater for people across the whole spectrum. We have an incredible lack of visual art education in this country — that is the motivation for forming the trust," he says.



JOYCE NTOBE

Currently Bailey is holding a joint exhibition of Ntobe's work with a project utilising source material from Drum magazine at the South African Association of Arts gallery in Cape Town.

"With regard to the inclusion of the Drum work, I could say that I owe a lot to the genius of the Drum photographers such as Jurgen Schadeberg, Peter Magubane and others from that period. I was able to put together these unbelievable images which I've used as source material — it is to them that I owe my gratitude," says Beezy.

Apart from the historical family connection to Drum magazine — his father, Jim Bailey was the owner of Drum — the original concept of using photographs existed long before he employed images from the Drum archives.

"Originally I was inspired by two New York artists known as the Starn Twins — they use reject photographs in their art works and recompose them in a manner that transforms them into a fine art state rather than being an extension of mere photographs. I do believe that photographs are capable of being classed as fine art.

"It was at that time that I decided to use photographs — I realised that they were staring me in the face because of the archives."

Bailey's transformation of the images from a two-dimensional to a three-dimensional state is an experience not to be missed, and his new exhibition needs direct visual participation in order to realise the full impact of a collection which may be Beezy Bailey's most important exhibition to date.

No means sanctions and huge job losses

By ROBIN PEGLER and CIARAN RYAN

THE consequences of a No vote on Tuesday will be devastating for JSE-listed companies with established export markets.

Capital investment in projects such as Columbus Stainless Steel and the Genref refinery would be halted.

Particularly affected would be companies involved in the export of paper, pulp, coal, metals and minerals, fruit and sugar.

They include Sappi, Anglo American Industrial Corporation (it has holdings in Highveld Steel, Mondi and Boart), Samancor, Amcoal, Trans-Natal, Rand Coal (formerly Witbank Colliery), Iscor, Langeberg, Tongaat-Hullet and CG Sugar

Value

The R3-billion Columbus venture between Highveld and Samancor would almost certainly be scrapped. The feasibility study said it was only possible if there were no sanctions

Although ferrochrome and ferromanganese are strategic metals and therefore not subject to sanctions, extreme pressure would be placed on consumers to find other sources of supply. This would affect Samancor and Consolidated Metallurgical Industries.

Middelburg Steel & Alloys' stainless-steel operations, recently acquired by Highveld-Samancor from Barlows for R500-million, would also be threatened.

In terms of tonnage Iscor exports half its output, although the value is less than half.

Coal is SA's second-largest export, earning R4,2-billion in 1991 Coal sanctions would be reimposed almost immediately.

Rand Coal managing director Rick Mohring says about half the company's coal is exported. The loss of markets would force the mine to retrench half of its labour force of 12 000.

Mr Mohring says: "Then there is the multiplier effect caused by the loss of these jobs. Several other people rely on the mining industry A total European Community ban on coal from SA is a distinct possibility in the event of a No vote"

Citrus and deciduous fruit exports are worth about R1,2-billion a year, much of which would be lost in the event of a reimposition of sanctions.

A Sappi spokesman says about 50% of group products — including those of Usutu and Sappi Europe — are sold abroad. A loss of markets would force the company to retrench many of its 18 000 workers.

Businessmen say a No vote will outrage the international community which will respond with a sanctions drive far more severe than any before

The cost of a No vote would be the loss of tens of thousands of jobs within weeks and a freeze on investment, both here and abroad.

Barring the possibility of an outright ban on investment in SA, pure rand-hedge shares, such as Richemont, Minorco, Charter and Lonrho, would appreciate in proportion to the decline in the financial rand. The finrand would plummet as capital fled SA.

Under a Conservative government, expenditure would be concentrated on the police, military, public-sector pay rises and bailing out farmers, all of which would be inflationary. Spending on black housing, health and education would probably be curtailed.

Top businessmen warn of job losses if 'no' vote wins

S/Times 15/3/92.

A SCIENTIFIC poll of top SA businessmen this week shows the overwhelming majority expect plunging profits, retrenchments and isolation as an immediate consequence of a "no" vote.

Many companies indicated that whole areas of business would come to a standstill, because foreign licensing arrangements would end with the imposition of sanctions.

By BRIAN POTTINGER and CHARLENE SMITH

Estimates of unemployment as a direct and immediate consequence of a "no" vote ranged from a modest three percent of staff to 30 percent.

The poll — the most comprehensive survey yet of business sentiment on the referendum — was conducted among 120 companies by Research Surveys of Cape Town.

The questionnaires were answered by chief executive officers or top executives.

Almost all executives feared a "no" vote would cripple foreign trade contacts at a national and company level — particularly in agriculture, manufacturing, travel and tourism.

Drop

Ninety percent believed it would affect their companies. Many believed they would be denied technological exchanges, technological support and licensing contracts.

The overwhelming majority confirmed it would affect their investment decisions and expected a drop in company turnover. Only two percent of those polled said they felt "positive" about a "no" vote.

Many adopted a "wait-and-see" attitude on what the effect of a "yes" vote would be.

Half of the businessmen were neutral on whether a "yes" vote would improve consumer spending and employment. Many more were confident, however, that it would help social stability.

Impact

The poll reflects the deep concern among South African businessmen — particularly the larger corporations — about the effect of a "no" vote on the economy.

In the last two weeks a number of top companies have written to employees advising them of the negative impact of a "no" vote on the company and possible risks to their jobs.

Mr Peter Searl, chairman and MD of Volkswagen, advised white employees that if the world decided to act against South Africa following a "no" vote in the referendum, virtually all export business would be lost overnight, probably resulting in thousands of jobs being lost in the Eastern Cape.

A "no" vote would mean the imposition of penalties, sanctions and punitive action that would make previous measures "look like a picnic", Mr Searle said.

Sasol told workers that if sanctions were reimposed, up to 6 000 people at Sasol One and Sigma could lose their jobs.

Johannesburg Consolidated Investment chairman Pat Retief, in a letter to employees, said: "If we cannot sell our production because of reimposed sanctions both your job and my job will be threatened. Continued reform is important because it is the only way to free the economy so it can grow."

Simpson McKie Inc, major JSE stockbrokers, said that, while they were not in the business of party politics, they knew about local and international financial markets.

Hope

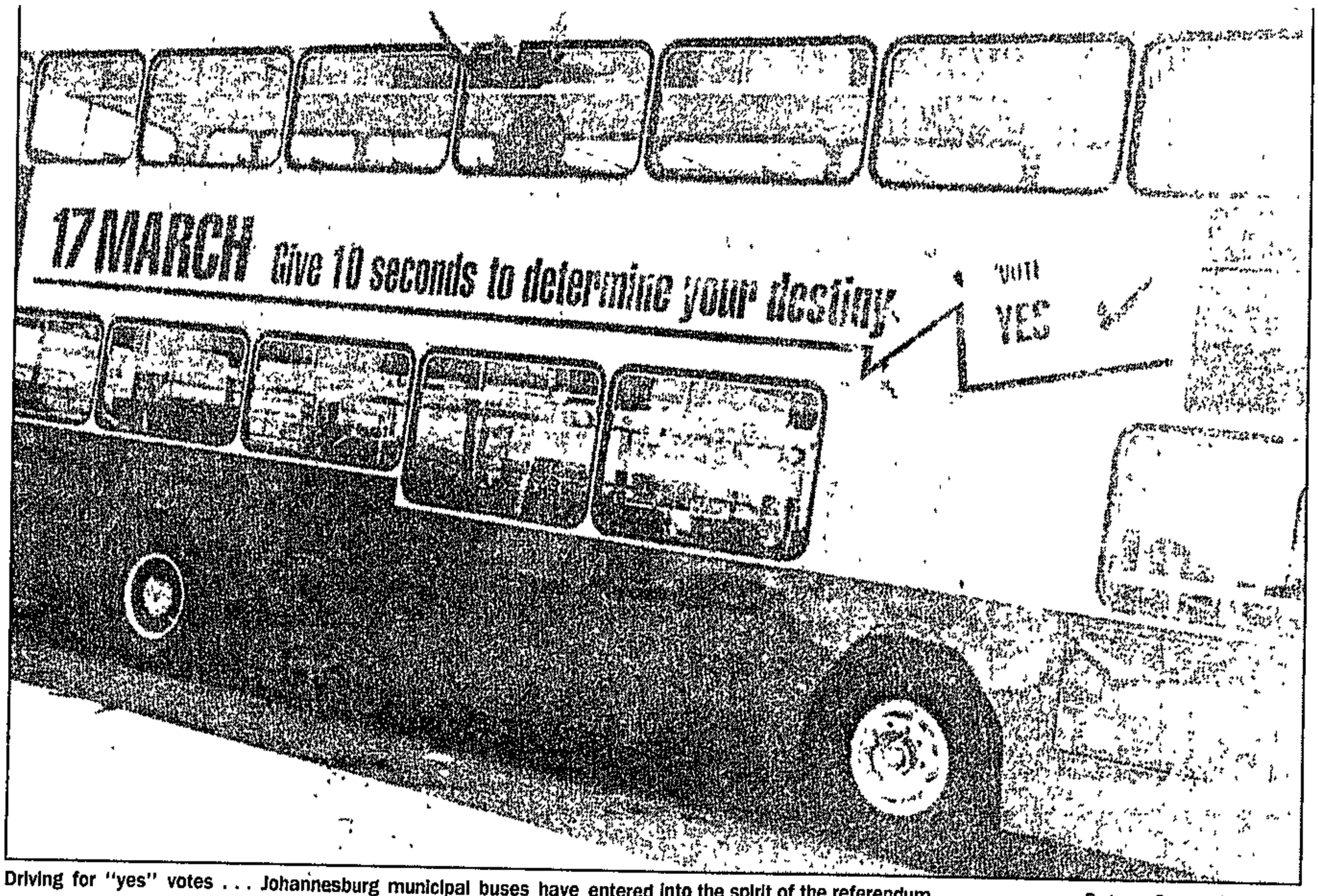
They warned a "no" vote could result in the massive destruction of wealth, whether shares, mutual funds/unit trusts, retirement annuities, pension funds, gilts or property.

"There will also be little hope of a subsequent recovery, and a big increase in suffering by way of even worse unemployment."

Mr Andries Beyers, Conservative Party chief secretary, hit back at employers urging their workers to vote "Yes".

He said it amounted to "intimidation" and warned that a record was being kept of those companies and they should not be surprised if, after this "interference" in the democratic process, steps were taken against them.

(News by Brian Pottinger and Charlene Smith, 11 Diagonal Street, Johannesburg)



Driving for "yes" votes . . . Johannesburg municipal buses have entered into the spirit of the referendum

Picture George Mashinini

CP sanctions propaganda blasted

Chamber of Mines chief executive Tom Main yesterday denounced Conservative Party efforts to use his views on sanctions to persuade South Africans to vote "no" in the referendum STAR 16/3/92

According to a chamber statement yesterday, Referendum 92, a CP pamphlet, wrongly identified Mr Main as a former chairman of the chamber and quoted him as saying "It is not sanctions which do us damage, but the threat of sanctions. We have the minerals the rest of the world wants. Why should we be sanctioned?"

Mr Main said the words attributed to him by the CP were not altogether correct and had been used in the wrong context

"Presented as they are, without placing them in the wider context in which they were uttered, the words appear to suggest that I, and by implication the mining industry, have scant regard for the damaging effects of sanctions This is not true," Mr Main said

Sanctions, particularly financial sanctions which had done incalculable harm to South Africa's economy, had been vigorously opposed by both himself and the mining industry

"The mining industry, too, has been damaged by the international community's adoption of a trade embargo against SA Some 10 000 jobs were lost in the coal mining industry as a direct result of sanctions and that is why the industry worked so hard to have them lifted

"The ban on the importation of Krugerrands by most countries around the world also had an inhibiting effect on South Africa's ability to add value to gold exports" 280

Mr Main said developments in the former Soviet Union could now facilitate the availability of strategic minerals which in the past — in spite of sanctions — the Western democracies had relied on South Africa to provide

This made it even more vital to ensure the country did not backtrack into a political environment that would prompt the rest of the world to reimpose sanctions — a move that would almost certainly include strategic minerals and prove to be far more destructive than the previous embargo — Sapa

(Report by S Thomas, 141 Commissioner St, Jhb)

Chamber chief denounces CP

CHAMBER of Mines CE Tom Main has denounced CP efforts to use his views on sanctions to persuade South Africans to vote "no" in the forthcoming referendum.

A chamber statement said yesterday "Referendum 92", a CP pamphlet, wrongly identified Main as a former chairman of the Chamber and quoted him as saying: "It is not sanctions which do us damage, but the threat of sanctions. We have the minerals the rest of the world wants. Why should we be sanctioned?"

Main said the words attributed to him by the CP were not altogether correct and had been used in the wrong context.

"Presented as they are, without placing them in the wider context in which they were uttered, the words appear to suggest that I, and by implication the mining industry, have scant regard for the damaging effects of sanctions. This is not true," Main said.

Sanctions, particularly financial sanctions which had done incalculable harm to SA's economy, had been vigorously opposed by himself and the mining industry.

He said about 10 000 jobs had been lost in the coal mining industry as a direct result of sanctions.

The ban on the importation of Krugerrands also had an inhibiting effect on SA's ability to add value to gold exports.

Main said developments in the Soviet Union made it even more important to ensure SA did not backtrack into a political environment that would prompt the rest of the world to re-impose sanctions — a move that would almost certainly include strategic minerals and which would prove to be far more destructive than the previous embargo. — Sapa.

Report by S Thomas, Sapa, 141 Commissioner St, Jhb

ANC asks Dutch premier to delay SA visit again

AMSTERDAM — ANC president Nelson Mandela urged Dutch premier Ruud Lubbers yesterday to again postpone his on-off SA visit.

"August is not acceptable to the ANC," Mandela said in an interview with Veronica News Radio.

He called on Lubbers to delay his visit planned for August 10-12 until after the establishment of an interim administration.

Mandela did not say whether he would refuse to meet Lubbers if he went ahead with the August visit.

Mandela's remarks are sure to revive the controversy here over Lubbers' stated intention of making the trip as a gesture of support for President F W de Klerk's reform moves.

The visit was planned for last month, but cancelled after Mandela threatened to refuse to meet Lubbers, saying the visit would come too early in the democratisation process.

Earlier this month, the Dutch government rescheduled the trip, suggesting that Mandela had agreed to the new date. Mandela denied that.

"I have put the matter very clearly to the (Dutch) prime minister that we cannot just set a date. The date must be determined by the development of the political process," he said.

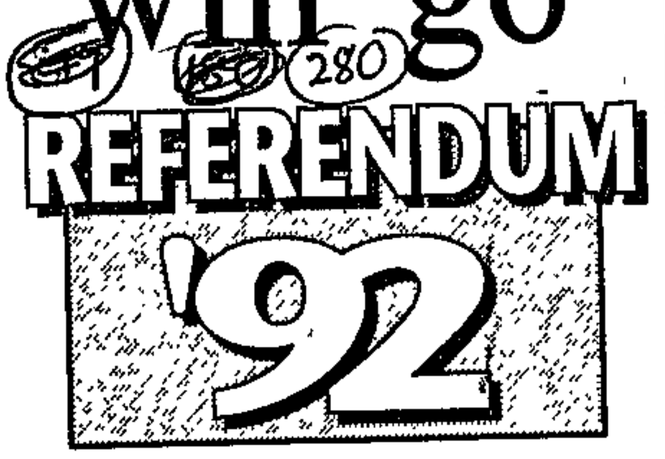
Members of the Dutch governing parties have also objected to Lubbers' planned visit as premature.

Meanwhile, the Netherlands announced yesterday it had lifted a ban on most sporting contacts with SA. But 14 sports remain blacklisted because teams are still segregated. — Sapa-AP.

Business predicts sanctions will go

B Day 19/3/92

Business Day Reporter



BUSINESS organisations yesterday predicted that concrete economic spinoffs — including the lifting of remaining sanctions — would flow from the referendum result.

Sacob president Hennie Viljoen said the outcome would "undoubtedly have a positive influence on the medium- and long-term performance of the SA economy".

He said the outcome was decisive and strongly supported current constitutional negotiations, and predicted remaining sanctions would be lifted soon.

"Despite the positive contribution which the world community can make, the onus is now on SA to create an environment of stability and growth which will promote investment and job creation."

GERALD REILLY reports Afrikaanse Handelsinstituut president Attie du Plessis agreed that the way was open for an ending of sanctions.

Boycotts, sanctions, economic isolation and the witholding of overseas investment would now be something of the past and SA businessmen could look forward to reaping the benefits, Du Plessis said.

Johannesburg Chamber of Commerce and Industry president Mike Cato urged foreign investors to regard SA as the kingpin for the development of southern Africa.

Sapa reports that he warned, however, that the referendum result was not a panacea for prosperity and that a lot of hard work had to be done.

"Prosperity will not just arrive like Christmas day. We are going to have to work for it, and we are going to have to work together," he said.

The Johannesburg Stock Exchange Committee said the outcome promised an era of growth, job creation and increased productivity.

The Institute of Directors in Southern Africa said the outcome bode well for a market-orientated economy and the future of the sub-continent.

Although new investment on a large scale would take time to materialise, the correct signals had been given and investment would follow as a matter of course.

Executive director of the association for the promotion of the Western Cape's Economic Growth (Wesgro) David Bridgman said the "magnificent" referendum result meant SA now entered a new phase of growth and development.

Fedhasa president Theo Behrens said in a statement the country's hospitality industry was "confident that it will take its rightful place in the world again".

It was no secret that "virtually our whole economy had been put on hold pending the result of the referendum. Now that the result is known, my fervent wish is that those who voted 'no' — with legitimate reasons of their own — will now accept the democratic decision and help us build up our economy and our country".

Fedhasa was set to meet the demands of increased tourism, he added.

Seeff Organisation Holdings chairman Lawrence Seeff said the outcome meant homeowners would sleep peacefully at night "knowing that their major investment would no longer be threatened by the archaic attitude of the right", Seeff said in a statement.

"Any other result would have been a catalyst for financial mayhem in the property market. We are all relieved at the outcome."

Britain calls for lifting of remaining sanctions

By Esther Waugh and Sapa-AFP

LONDON — Britain yesterday called for a lifting of trade sanctions on Pretoria following white South Africans' overwhelming vote in favour of reform.

The Foreign Office hailed the result, which it said would lead to a democratic constitution.

"Now is the time for the international community to give a sign of confidence in President de Klerk at this crucial moment in South Africa's history," it said. "One of the steps which would help promote the right climate for economic growth would be the lifting of the remaining economic sanctions on South Africa as soon as possible."

London would consult other European Community and Commonwealth nations and would, for example, like to see early accord on the EC oil embargo.

But ANC leader Nelson Mandela warned earlier yesterday that the vote for reform in the referendum did not justify early lifting of economic sanctions.

"Apartheid is still in place. That is why most of us here (blacks) cannot vote," Mr Mandela told a news conference. "The process of normalising the political situation in South Africa is not yet irreversible."

ANC foreign relations spokesman Yusuf Saloojee said the ANC had advised the international community to freeze the lifting of sanctions until substantial agreements had been reached at Codesa's next plenary session at the end of April

Nordic countries, in particular, have begun moves to ease restrictions on the Government in the light of the referendum outcome, with Denmark's monarch, Crown Prince Frederik, leading the way by signing a royal order that ends sanctions with effect from today

In Bonn, German Economics Minister Juergen Moellemann called yesterday for economic sanctions to be lifted.

The European Community welcomed the "yes" win, saying: "The community and its member states welcome the outcome ... which will allow the determined pursuit of the democratisation process initiated over two years ago"

As South Africa basked in the world's approval, messages of congratulation poured into Mr de Klerk's office. US President George Bush, German Chancellor Helmut Kohl, Dutch Premier Ruud Lubbers, Argentinian President Carlos Menem and Canadian Prime Minister Brian Mulroney telephoned Mr de Klerk on Wednesday.

UN Secretary-General Boutros Boutros-Ghali said the referendum result was a major step forward for peace and development in the subcontinent.

On the economic front, South African shares and bonds and the financial rand rose sharply

Canada and Sweden said they would review their trade bans.

At home, the ANC said it believed Codesa would be given new impetus now that the Government no longer had to look over its right shoulder.

In Cape Town the caucuses of the NP and DP met to savour their triumph while the defeated CP gathered to try to find a new strategy.

More join chorus to lift sanctions

(280)

Business Day Reporter

PORTUGAL, Germany and the UK yesterday called for the lifting of remaining sanctions in the wake of the "yes" vote.

Canadian Foreign Minister Barbara McDougall said the time for a review of sanctions "is coming very soon" and New Zealand Prime Minister Jim Bolger said the result would probably mean an All Black tour of SA later this year.

Wednesday's stream of international congratulatory messages turned into a torrent yesterday, with Czechoslovakia, China, Morocco, Malaysia, Sri Lanka, Italy and even Libyan leader Col Muammar Gaddafi lauding the referendum outcome.

Pakistan and the Ivory Coast raised the prospect of establishing diplomatic relations. Portugal, which holds the EC's rotating presidency, proposed to its community partners that sanctions — apparently the ban on oil exports — be lifted, Sapa-Reuter reports. BDay 20/3/92

German Economics Minister Juergen Moellemann called for the lifting of EC sanctions and next week will suggest the German cabinet lift remaining sanctions.

Denmark has already announced a lifting of trade sanctions and a visit to Pretoria by its foreign minister next month.

But ANC president Nelson Mandela warned yesterday that the referendum result did not justify the early lifting of

☐ To Page 2

Sanctions

BDay 20/3/92

(280)

☐ From Page 1

sanctions, saying reform was not yet irreversible.

Meanwhile, TIM COHEN reports that the referendum result and its consequences were the main item on the agenda of yesterday's CP caucus meeting in Cape Town.

CP MP Corné Mulder said the CP would have to change its strategy fundamentally in the light of the result The new approach would be discussed further next week.

Mulder blamed media bias and scare tactics for the failure of the "no" campaign and denied knowlege of any CP members who were likely to break ranks.

He said the most objectionable scare tactic used was SA cricket chief Geoff Dakin's statement that the SA cricket team would be honour bound to return to SA before their World Cup semifinal on Sunday if there was a "no" vote

"I have never heard anything so ridiculous in my life," Mulder said

Suggestions that "verligte" members of the CP had used the campaign to encourage a pro-negotiations position were "utter nonsense", he said

Barriers against SA start to fall

(280) ET 21/3/92

BRUSSELS. — The European Community could soon propose the lifting of United Nations embargoes on oil and arms sales to South Africa, as well as the lifting of a UN ban on nuclear co-operation, an EC spokesman said here yesterday.

And the Danish government yesterday lifted its trade sanctions against South Africa and granted $20 million (about R58m) over five years to help South Africa's transition to full democracy.

The EC announcement, made by a spokesman for the EC's Portuguese presidency, follows the massive "yes" vote in white South Africa's referendum on Tuesday.

He said Portugal was also about to propose sending the EC's highest-ranking diplomatic mission, comprising the foreign ministers of Portugal, the Netherlands and Britain, to South Africa.

The Portuguese presidency also wants community members to restore military attachés to their various embassies in Pretoria.,, and to strengthen the EC's diplomatic representation in South Africa.

Pressure

In Copenhagen the Danish Prime Minister Poul Schlueter sent a letter on Thursday to South African President FW de Klerk, confirming the end of Denmark's six-year trade boycott.

Mr Schlueter's government had bypassed Parliament, where it has a minority of seats, and obtained a royal decree from Crown Prince Frederik to lift the sanctions.

In New Delhi, India said yesterday it was heartened by the vote in South Africa.

But in Beijing, China called for continued pressure on South Africa to end apartheid.

"It must be pointed out ... that the apartheid system in South Africa has not been completely eradicated and the black majority remain deprived of their political rights," Premier Mr Li Peng was quoted as saying in a letter to the UN Special Committee against apartheid.

● In Australia yesterday Prime Minister Mr Paul Keating started a major political fight by accusing the two main opposition parties of supporting South African apartheid for decades.

Mr Keating has said he wants to see more progress in South Africa before taking any action on sanctions.

US bans gun imports for SA firm

WASHINGTON. — The United States commerce department this week announced a six-month ban on US import privileges for a South African firm that it believes fraudulently acquired American shotguns.

The department said a strict US arms embargo calls for refusal to license shotguns for South Africa. (280 CT 21/3/92

The ban is against A Rosenthal (Pty) Ltd and two employees, Mr Karl Cording and Mr Ian Ace, who the department claims bought shotguns from a Californian sporting goods dealer. — Sapa-AP

The walls come tumbling down

280 S/Times 22/3/92

By CHARLENE SMITH

THE referendum result has brought many remaining sanctions crashing down, further weakening the already tottering international isolation of South Africa.

Indications now are that the European Community could lift the oil embargo as early as next month.

Most governments are still technically holding to the demand that an interim government, a constituent assembly and a new constitution and a democratically elected government are requisites for the complete ending of sanctions.

In reality, many sanctions have already gone.

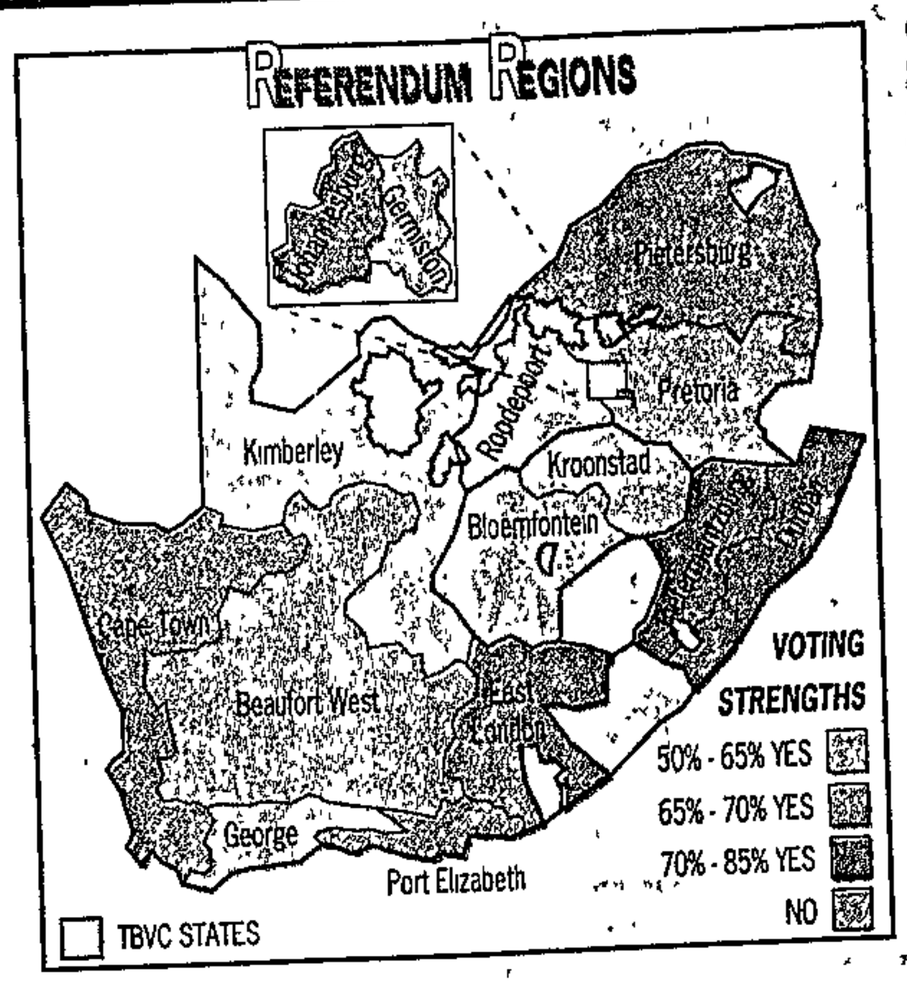
Here is a checklist:

EUROPEAN COMMUNITY: Still applies a series of sanctions against South Africa approved by the UN General Assembly in 1985, including a ban on oil and arms sales and a freeze on nuclear co-operation.

In November 1990, the EC lifted its ban on new investments in South Africa. On January 27 it lifted an embargo on imports of South African gold coins, iron and steel — the last remaining sanctions taken independently of UN decisions.

The cultural and scientific embargoes are in the process of being lifted. Sports sanctions have been removed in most instances.

Other moves in the last fortnight:



THE referendum results have astonished the pollsters even more than the public.

Most analysts estimated the margin of National Party victory to be somewhere in the region of 55 to 60 percent and the turnout between 70 and 75 percent. This was based on surveys which showed many voters were undecided until the last moment. On the day, the turnout was much higher, pushing up the final "yes" vote tally.

The pundits also expected six regions to vote "no". In the event only one did. The 14 other regions voted "yes" by margins ranging from 51 percent to 85 percent.

Donald Simpson and Japie Spoelstra of Potchefstroom have analysed the result and conclude about 20 percent of Conservative Party supporters voted "yes". Ninety-nine percent of DP voters and 98 percent of National Party supporters came out "yes".

● France lifted its seven-year embargo on South African coal imports last week.

● Denmark lifted trade sanctions on Friday, it is the last EC country to resume trade with South Africa.

● Holland will debate lifting the ban on petroleum products next week.

● German Economics Minister Juergen Moellemann called on Thursday for economic sanctions against South Africa to be lifted.

THE US: Federal sanctions were lifted by President George Bush in terms of Article 3 of the CAAA. However, 24 states and 90 cities retain measures against SA, most relating to non-investment in SA.

"The real problem is," SA embassy councillor, Frik Schoombee said from SA's Washington embassy, "that it is so easy to introduce these measures but it is very difficult to remove them. There are still some local governments in the US that have sanctions against Namibia which had its second independence anniversary this month."

JAPAN has removed all remaining sanctions against South Africa, according to the SA Department of Foreign Affairs.

OAU: The Organisation of African Unity maintains comprehensive sanctions against South Africa, although it now permits neighbouring states to trade with SA.

COMMONWEALTH: The 50 members decided in October last year to lift "people-to-people" sanctions. This has paved the way for the lifting of sports restrictions, direct air links, visa and tourism promotion. But financial, trade and the arms embargoes remain.

Financial sanctions, including lending by organisations such as the International Monetary Fund and World Bank can be lifted only on completion of a new constitution unless Codesa or an interim government requests otherwise.

● See Page 23

Money comes pouring in

ST Times 22/3/92

CHARLENE SMITH tots up the cash benefits of Tuesday's referendum

THE final result of the referendum was not even announced when telephones in South African trade missions around the world began ringing with inquiries from potential investors.

Billions of dollars worth of foreign aid and trade are now set to pour into the country. May promises to be a month of wall-to-wall trade delegations from around the world.

Denmark, which only recently lifted trade sanctions against South Africa, has awarded R60-million over the next five years to development.

Its Chamber of Commerce and Federation of Industries believe annual trade between the two countries could exceed R720-million before long.

A 30-member trade delegation will accompany Denmark's Foreign Minister here in April.

America, home to some of the toughest sanctions legislation, announced a R75-million, four-year housing programme, a trade and development programme and export-import bank guarantees.

An aerospace trade mission with 30 members from 18 major corporations, including Westinghouse International and Gulfstream Aerospace arrive in April.

They are "seeking new business partners through distributors, sales representatives and joint ventures, as well as sales".

Canada gave SA just over R12-million in development aid. Foreign Minister Barbara McDougall, who chairs the Commonwealth Foreign Ministers Committee, will discuss with them the easing of further sanctions and will speed up the exchange of trade missions.

Britain is calling for an end to EC trade sanctions. Its largest importer of fresh and canned fruit and wine has lifted restrictions against SA.

Germany has announced it will offer SA a unique development package to help it through the transition, probably by classifying the country as a "developing" nation.

In SA, meanwhile, the tourist industry is predicting a 15 to 30 percent upswing in the R3-billion a year tourist market — after being warned at the recent international tourism fair in Berlin, Germany, that trade would dry up with a "no" vote.

Sheraton Hotels confirmed plans to invest here and Hong Kong investors made known intentions to spend R150-million on hotels.

Close to R100-million in property deals have firmed after the referendum, including a R12,7-million deal with Hong Kong investors.

A major Belgium bank, in a joint venture with a Swiss and French bank, will study opportunities in SA.

IRG Plastics will investigate opportunities here. Forty business leaders led by the Belgian Trade Minister will visit in May.

A marriage between CMB Transport and Safmarine has been taken out of the balance. M-Net's new venture with Filmnet in Europe will also now continue unhindered.

Malaysia confirmed establishing airlinks and said it would consider lifting some sanctions.

A major industrialist will visit in April with the aim of establishing a television manufacturing factory.

Japan's powerful economic federation, the Keidanren, arrives in April with a 30-member delegation. A major Japanese company has launched investigations into mining and beneficiation operations.

These moves could provide a much needed boost to SA's sagging GDP, which relies on trade for 50 percent of its revenue. The positive referendum result boosted competition to pull SA into trading blocs. Italy will use SA as a base for joint ventures in third countries both in the African continent and Eastern Europe.

Portugal will use SA for development projects in Angola — in line with many other countries using SA to assist development in Africa.

SA representative in Mauritius Coen van Wyk said Indian Ocean countries were keen to form an Indian Ocean Rim economic bloc, similar to the highly successful Pacific Rim, which includes Japan, Australia and Hong Kong. It would take in India, East Africa and Kenya.

Nigeria, the first country to congratulate SA this week, is keen, once OAU sanctions are lifted, to include SA in a five-point continental economic power grid.

A major African development agency with links to the World Bank has begun seeking ways to do business with SA.

Graham Chisholm, a trade official at the SA Embassy in London, said since the referendum results were announced "phones haven't stopped ringing in the trade office with queries about increased trade and the establishment of manufacturing facilities in SA".

US investment in SA 'at a low'

B/Day 23/3/92

Political Correspondent

NON-EQUITY US business links to SA have risen dramatically in the past year, but US investment in SA is at its lowest point in several years.

The authoritative Washington-based Investor Responsibility Research Centre notes in its latest annual survey that as US government sanctions against SA fade, US business in SA appears to improve.

The centre, an independent, non-profit institution, says it traced 55 more US companies doing business in SA through non-equity ties in 1992 than was the case in 1991.

However, the number of US firms with direct investment or employees in SA was at its lowest point — 106 — since the centre began tracking these trends in 1982, and virtually unchanged from 1991.

"More than twice as many US firms — 233 — do business there through non-equity arrangements."

However, the resounding "yes" vote in the referendum "will help to reassure potential investors about SA's political prospects". B/Day 23/3/92

The centre says US companies are still reluctant to invest. Although the federal ban on new investment has been lifted, more than 50 state, city and county laws still inhibit this.

Also, continuing violence and uncertainty over a future political system added up to an unacceptable level of risk.

The centre notes for the time being, US companies that see potential in the SA market are "testing the waters" through distributorships, franchises and other trading arrangements that do not require a substantial capital commitment.

Similar trends were revealed in a recent survey of the largest US banks. Of the 77 respondents, only one said it had made a loan to a borrower in 1991, and 46 said they had policies that specifically prohibit loans to any SA borrower.

The centre says in spite of the referendum result, increased US lending and investment in SA would depend on how soon a generally accepted interim government could be established and whether SA resumed its normal relations with the IMF, reducing the risk of lending and investing in the country.

It notes that the ANC has said it will call for the lifting of economic sanctions once an interim government has been established. "This, in turn, would give a cue to American states and cities to lift their selective contracting laws."

The ANC's economic policy will be another factor in re-establishing US ties.

ANC to decide on Dutch visit

DARIUS SANAI

ANC leaders would meet this week to make a final decision on the proposed visit later this year of Dutch premier Ruud Lubbers. Bl Day 23/3/92.

ANC international relations department official Yusuf Saloojee said yesterday that no final decision had yet been made about the Dutch politicians' visit.

Saloojee denied that approval had been given by the ANC, saying ANC president Nelson Mandela and Lubbbers agreed at the recent World Economic Forum in Davos that no visit would take place until an interim government was installed.

ANC leaders would inform the Dutch government of their decision after their meeting this week, Saloojee said.

CHRIS BATEMAN reports from London that the Dutch government said last week it was as confused as ever over about whether the ANC had approved or vetoed its planned August visit to SA.

Prime Minister Ruud Lubbers told his parliament on Thursday, hours after it finally approved the dates, that it was however "too early" to lift economic sanctions against SA. ~~124~~ ~~91~~ 260

However, a spokesman for Lubbers in The Hague said yesterday approval for the visit by Lubbers, his finance minister Wim Kok and Foreign Minister Hans van den Broek had been given "at least twice" by the ANC.

Dutch presidential spokesman Jaap van der Ploeg said that at the Davos summit Mandela had agreed to August as the month for the visit.

Sanctions seem set to stay pending new govt

BIDay 23/3/92

280

PATRICK BULGER

A HOST of international sanctions imposed on SA in oil, weapons, investment and trade are likely to remain in place until an interim government is installed.

SA was continuing to lobby for the lifting of sanctions on the basis of last week's referendum result, a Foreign Affairs spokesman said at the weekend.

Although the Danish government was prepared to shift its stance on the basis of the referendum result, at least 120 US city and state sanctions remain.

The Gramm Amendment which technically blocks SA access to IMF funding is still in place, although the US administration said the amendment would not be invoked.

Other sanctions have conditions attached to their dismantling.

The Commonwealth, which lifted person-to-person sanctions at the Commonwealth Heads of Government meeting in Harare in October last year, is demanding the introduction of "transitional mechanisms" before lifting trade and investment sanctions. Government is arguing that Codesa represents a transitional mechanism, but the Commonwealth is holding out for an interim government. Failing this, it awaits a signal from the ANC.

The Commonwealth has agreed that lending by the IMF and World Bank should only be allowed once the text of a new constitution has been agreed upon.

The OAU has adopted a similar stance.

Japan has lifted all sanctions. The Netherlands is discussing lifting sanctions on petroleum products this week, while France has lifted its ban on coal imports.

The UN Security Council arms and oil embargo remain in place with little prospect of that being lifted until majority rule has been introduced.

In public statements Government has played down the effect of sanctions and has refrained from making public appeals to have them lifted. But privately intensive lobbying is being conducted, the Foreign Affairs spokesman said.

The ANC — which has been fundamental in forging a common sanctions position with world bodies — has been insisting that investment sanctions remain until an interim government is installed. It is urging potential investors to prepare for investment, but to hold back for the time being.

Too early to ease sanctions pressure — Australian PM

280

CANBERRA. — Sanctions against South Africa must be maintained until it has a democratic non-racial government, Australian Prime Minister Paul Keating said.

Mr Keating told the Australian parliament it was still too early to ease the pressure for change in South Africa despite the welcome result from the recent referendum. ARG 24/3/92

"If these sanctions had not been imposed then we wouldn't be where we are now in the history of this important transition in South Africa," Mr Keating said.

"The referendum is only a means to an end; it is not the end in itself. It is the development of a non-racial constitution ... which will be the key point," Mr Keating said.

He said it would be premature to remove all sanctions until a fair government was in place.

"The referendum result is of course only a welcome way station," he said.

"What we and the Commonwealth require is the removal of apartheid and the establishment of democratic and non-racial government ... so we see no need in easing the pressure."

Australian trade bans include the export of oil to South Africa and the import of uranium, coal and steel.

Other sanctions stop some economic dealings, including lending by international financial institutions such as the International Monetary Fund.

Australia last year renewed direct air links and cultural and scientific exchanges between the two nations and lifted restrictions forcing South Africans to apply for an Australian visa from outside their own country. — Sapa-Reuter.

Sanctions: We are

Mauritius to upgrade its ties with SA

Star Africa Service

PORT LOUIS — The South African referendum result has persuaded the government of Mauritius to open a consulate in Pretoria and to agree to the SA trade mission in Port Louis being upgraded to a similar level.

This will make Mauritius the second African country to open a diplomatic mission in South Africa at a level higher than a trade office.

Malawi has for many years maintained an embassy in Pretoria.

The Mauritian government said the decision was taken in the light of the progress in Codesa and "the massive vote in favour of reform in the March 17 referendum".

The L'Express newspaper said Foreign Minister Paul Berenger was expected to visit SA next month and might be accompanied by opposition leader Navin Ramgoolam. There was no confirmation of this report.

Mauritius to open consulate in SA

Argus Africa News Service

PORT LOUIS. — Last week's Yes vote has persuaded the government of Mauritius to open a consulate in Pretoria and to agree to the South African trade mission in Port Louis being upgraded to a similar level. ARG 2443/92

This will make Mauritius the second African country to open a diplomatic mission in South Africa at a level higher than a trade office. 230

US 'presence' at lowest ever level

Despite American president George Bush lifting the ban on new investment in South Africa in July last year, the number of American companies present here is "the lowest it had ever been".

According to the latest Race Relations Survey, published by the South African Institute of Race Relations this week, none of the 215 companies which disinvested between 1981 and August 1991 sold South African subsidiaries to black management, and that only two gave black workers minority stakes.

The number of non-American companies with direct investments in the country increased by 23 to 456 in 1991, thus reversing a four-year declining trend.

According to the survey, of those companies that still had direct investment, 156 were British, 132 German, and 104 American.

Though few foreign investors were prepared to commit money to South Africa for fear of political instability and future economic policies, the country nonetheless rapidly reversed its international isolation after February 2 1990.

In a special section highlighting the turnaround in South Africa's international position, the 1991/92 Survey reports that trade delegations from more than 50 countries visited South Africa during 1991.

By the end of October 1991 new South African missions had been opened in Bulgaria, Czechoslovakia, Hungary, Morocco, Namibia, Poland, Romania, Rwanda, the Soviet Union and Turkey.

The year also saw the lifting of the ban on flights by South African Airways (SAA) over Africa. Flights were opened to a number of new destinations, among them Nairobi, while flights to New York were reinstated.

It was also reported tht Czechoslovak Airlines would open an office in Johannesburg in 1992, and that the Malaysian airline was expected to open flights to South Africa next month. — Staff Reporter and Sapa.

Blame for unrest 'hard to pinpoint'

Own Correspondent

DURBAN — Pinpointing the major perpetrators of the violence in SA was an almost impossible task, says a new study by the SA Institute of Race Relations.

The institute's 1991/92 Race Relations Survey released yesterday said various organisations made conflicting statements about last year's political violence.

It said one agency had, on the basis of Press reports, blamed Inkatha for 51% of the acts of violence on the Reef; the SAP for 23%; the ANC for 4%, and other groups for 23%.

Where both aggressors and victims could be identified, the police blamed the ANC for 56% of attacks and Inkatha for 40%.

It said firearms were used in 30% of incidents; explosives and incendiary devices in 25%; hacking and stabbing instruments in 16% and stones in 15%.

The report also said more than 60 000 SADF personnel and one-third of the police force were deployed to stop the violence.

Little investment as isolation ends

THOUGH few foreign investors were prepared to commit money to SA for fear of political instability and future economic policies, the country nonetheless rapidly reversed its international isolation after February 2 1990, says the latest Race Relations Survey.

In a special section highlighting the turnaround in SA's international position, the survey, published by the SA Institute of Race Relations this week, reports that trade delegations from more than 50 countries visited SA during 1991.

However, even though the US lifted the ban on new investment in SA in July last year, the number of US companies present here was "the lowest it had ever been".

The survey says that none of the 215 companies which disinvested between 1981 and August 1991 sold SA subsidiaries to black management, and that only two gave black workers minority stakes.

The number of non-US companies with direct investments in the country increased by 23 to 456 in 1991 — reversing a four-year declining trend.

According to the survey, of those companies that still had direct investment, 156 were British, 132 German and 104 US.

The year also saw the lifting of the ban on flights by SAA over Africa. Flights were opend to a number of new destinations, among them Nairobi, while flights to New York were reinstated.

It was also reported that Czechoslovak Airlines would open an office in Johannesburg in 1992, and that the Malaysian airline was expected to begin flights to SA next month.

SA's progress in ending apartheid also resulted in the general assembly of the UN unanimously urging all countries to restore sporting, cultural, scientific and academic exchanges with SA, said the survey. — Sapa.

Mexicans and Dutch lift trade and sports ban

MEXICO CITY. — Mexico is lifting a five-year ban on trade with South Africa immediately and moving towards establishing diplomatic ties with the country.

And the Dutch Minister of Sport, Mrs Hedy D'Ancona, has decided to lift the sport boycott against 32 sport activities in South Africa.

A Mexican foreign ministry spokesman said Mexican and South African diplomats would hold a series of high-level meetings soon to discuss diplomatic relations in a step justified by Pretoria's efforts to end apartheid.

Existing travel restrictions on South Africans visiting Mexico had been rescinded, but a ban on military exports to South Africa would remain. ARG 25/3/92

The Dutch move means sportsmen and women representing athletics, motor racing, events for the handicapped, weight-lifting, professional golf, handball and other listed items will have no difficulty obtaining permits to compete in the Netherlands.

Other spoirts on which the ban was lifted were gymnastics, tumbling, handball, archery, horse racing events, pentathlon, underwater sport, rowing, roller hockey, skating, fencing, shooting, triathlon, waterskiing, ice hockey, sailing, swimming, wrestling and cycling. 280

The seven sports in South Africa against which the Dutch will maintain the boycott until they have been admitted to international sports organisations are basketball, boxing, bowling (ten-pin), Taekwon-do, football and road athletics. The ban on rugby was lifted on March 20.

Fourteen South African sports did not meet the criteria for multiracialism set by the Dutch government, and talks on these are continuing. They are bridge, judo, Karate-do, netball, aerial sports, softball, squash and volleyball, among others.

The Dutch government decided to ease the sports boycott after a fact finding mission to South Africa reported favourably.

Meanwhile a senior African National Congress official said yesterday the movement could be forced to call for the lifting of economic sanctions against South Africa before May, earlier than ANC policy dictates.

Deputy president Walter Sisulu, indicating conflicting views on sanctions within the movement, said the ANC might call on foreign governments to lift the measures before the interim government expected this year. — Sapa-Reuter.

AROUND THE WORLD

It's too early to lift sanctions Aussie

(280) Sowetan 25/3/92

CANBERRA - Sanctions against South Africa must be maintained until it has a democratic nonracial government, Australian Prime Minister Paul Keating said yesterday.

Keating told the Australian parliament it was still too early to ease the pressure for change in South Africa despite the welcome result from the recent referendum.

In the whites-only poll last Tuesday, a large majority of voters supported a continuation of President FW de Klerk's constitutional reforms.

"If these sanctions had not been imposed then we wouldn't be where we are now in the history of this important transition in South Africa," Keating said

"The referendum is only a means to an end, it is not the end in itself. It is the development of a non-racial constitution ... which will be the key point."

He said it would be premature to remove all sanctions until a fair government was in place.

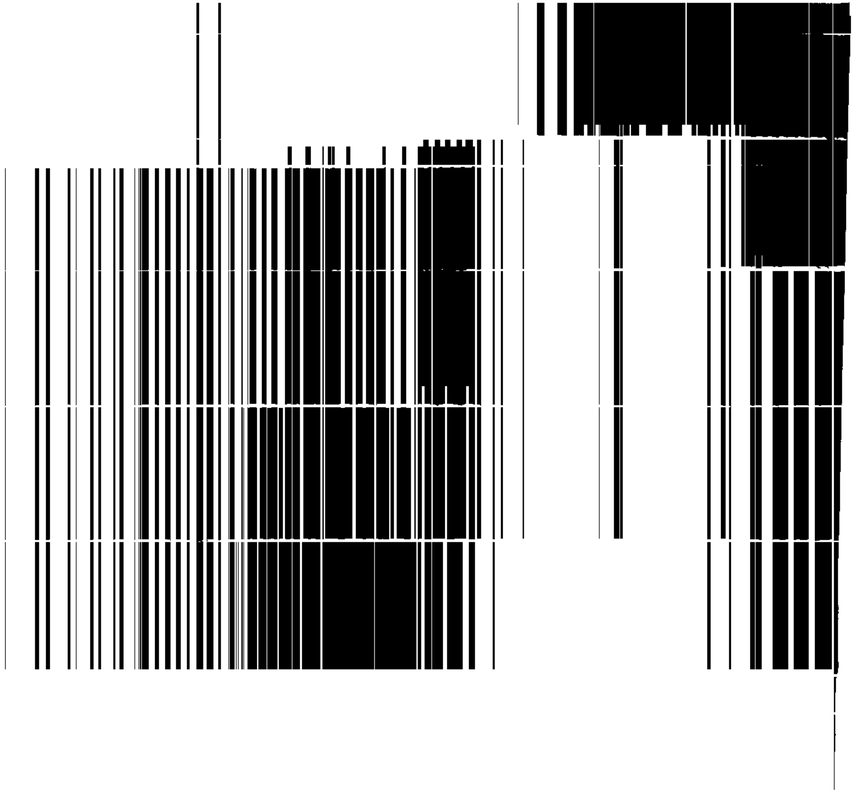
"The referendum result is of course only a welcome way station.

"What we and the Commonwealth require is the removal of apartheid and the establishment of democratic and nonracial government ... so we see no need in easing the pressure."

Australian trade bans include the export of oil to South Africa and the import of uranium, coal and steel from the republic.

Other sanctions stop some economic dealings including lending by international financial institutions such as the International Monetary Fund.

Australia last year renewed direct air links and cultural and scientific exchanges between the two nations, and lifted restrictions forcing South Africans to apply for an Australian visa from outside their own country. - *Sapa-Reuter.*



ANC conflict on sanctions

Lifting 'may be forced'

JOHANNESBURG. — A senior African National Congress official said yesterday that the movement could be forced to call for the lifting of economic sanctions against South Africa before May, earlier than ANC policy dictates.

Deputy president Mr Walter Sisulu, indicating conflicting views on sanctions within the movement, said the ANC might call on foreign governments to lift the measures before the expected installation later this year of an interim government.

The official policy of the country's main black opposition group is that economic sanctions should be lifted only when a multi-racial interim government is in place.

ANC secretary-general Mr Cyril Ramaphosa last week criticised as emotional and premature plans by some governments to lift sanctions because of a referendum win for white reformists.

But Mr Sisulu, deputy to his close colleague Mr Nelson Mandela, said the ANC might be forced to make an earlier move because governments had ignored its policy and unilaterally lifted the curbs. Sanctions were, in any case, doing harm to blacks.

Mr Sisulu told Reuters in an interview: "I say we are going to be bound to examine the question of sanctions properly in the light of developments where countries are unilaterally lifting sanctions.

"We are mindful that if we allow sanctions to die by themselves we are the losers. Therefore we should take the initiative," the 79-year-old veteran activist said.

The ANC is expected to hold a major economic conference in May to draft a post-apartheid blueprint for the economy.

"That conference itself is not adequate enough to tackle the question of sanctions. It is too far. We need to be considering the position as it stands now, alongside with our pushing for an interim government," Mr Sisulu said.

He added: "Discussions are continuing within the ANC regarding sanctions. We have already done a great deal of damage to our loyal supporters by merely insisting on sanctions. Therefore we must consider what to do now."

He said the ANC had found it difficult to convince some Western governments of the need to retain economic sanctions.

Denmark lifted sanctions this month. Canada and Sweden are reconsidering ending curbs. Britain last week called on the European Community to lift its oil embargo against Pretoria.

— Sapa-Reuter

UK, Germany, Portugal lead campaign

EC moves to lift key SA sanctions

(286)
ARG 26/8/92

The Argus Foreign Service

LONDON. — Britain, Germany and Portugal are spearheading a European Community move to lift or relax key sanctions against South Africa.

The sanctions to go or to be partially lifted include the oil embargo, the ban on military and security co-operation and possibly even the freeze on nuclear relations with South Africa.

The bid is being led by Portugal, occupying the presidency of the EC. It is proposing further action — the sending to South Africa of a "troika" consisting of the foreign ministers of the Netherlands, the United Kingdom and Portugal.

News of the concerted move, which follows the landslide victory for President De Klerk in last week's referendum, has caused alarm in the Anti-Apartheid Movement in Europe.

In a statement issued in all 12 EC capitals yesterday, the AAM said : "We are extremely alarmed by the initiative of the Portguese presidency of the Community to seek the partial relaxation of the package of EC sanctions adopted in September 1985.

"This will do nothing to help the negotiating process in South Africa and it could do great harm.

"The negotiating process in South Africa is now at a most delicate stage. Already F W de Klerk is interpreting the "yes" vote as a mandate to try to impose the National Party's proposals on Codesa. "The relaxation of sanctions will simply encourage further intransigence and thereby reduce the prospect of agreement at Codesa."

The AAM will hold a special session in Lisbon this weekend to launch a campaign to persuade the EC to abandon its sanctions-lifting move.

It will urge the EC to postpone any relaxations until after it has received a full report from the troika mission and the Codesa working groups have reported back to the full plenary session.

The movement will also put pressure on the European parliament to continue its support for a retention of what sanctions remain in force.

ANC 'still firm on sanctions'

By Esther Waugh STAR
Political Reporter 26/3/92

The ANC is committed to the maintenance of sanctions until a transitional government has been established, says ANC spokesman Gill Marcus.

However, the ANC is continuously discussing its sanctions policy, particularly in the light of the international community lifting sanctions.

Ms Marcus was reacting to indications from ANC deputy president Walter Sisulu that the movement might have to call for a lifting of sanctions before the creation of a transitional government.

In an interview, Mr Sisulu said: "We are going to be bound to examine the question of sanctions properly in the light of ... countries lifting sanctions. 280

"We are mindful that if we allow sanctions to die by themselves, we are the losers. Therefore we should take the initiative."

Miss Marcus told The Star that Mr Sisulu's statement was not in conflict with the official ANC position.

He was merely raising the question of how the ANC should respond to foreign governments lifting sanctions, she said.

Misss Marcus said the ANC thought the international community would have learnt a lesson from the referendum — that the negotiations process was fragile.

It should have sent a signal that lifting sanctions at this stage would be very premature.



Beauty draws the beasts . . . former Miss SA Lorna Potgieter draws the starting stall luncheon at Turffontein yesterday.

EC countries in move to lift, relax key sanctions

STAR 26/3/92

280

STAFF

By Alan Robinson
Star Bureau

LONDON — Britain, Germany and Portugal are spearheading a European Community move to lift or relax key sanctions against South Africa.

These sanctions include the oil embargo, the ban on military and security cooperation and possibly even the freeze on nuclear relations.

The bid is being led by Portugal, currently occupying the presidency of the EC. It proposes further action — the sending to South Africa of a "troika" consisting of the foreign ministers of the Netherlands, the United Kingdom and Portugal.

News of the concerted move, which follows immediately on the landslide victory for President de Klerk in last week's referendum, has caused widespread alarm in the Anti-Apartheid Movement (AAM) in Europe.

The AAM said in a statement issued in all 12 EC capitals yesterday. "We are extremely alarmed by the initiative of the Portuguese presidency of the Community to seek the partial relaxation of the package of EC sanctions adopted in September 1985.

"This will do nothing to help the negotiating process in South Africa and it could do great harm.

"The negotiating process in SA is at a most delicate stage.

"Already F W de Klerk is interpreting the 'yes' vote .. as a mandate to try to impose the National Party's proposals on Codesa. The relaxation of sanctions will simply encourage further intransigence and thereby reduce the prospect of agreement at Codesa."

The AAM will hold a special session this weekend to launch a campaign to persuade the EC to postpone any relaxations until after it has received a full report from the troika mission, and the Codesa working groups have reported back to the full plenary session

Portugal alarms EC AAM

SOWETAN 26/3/92

EUROPEAN Community Anti-Apartheid Movements yesterday expressed alarm at Portugal's decision to seek partial relaxation of EC sanctions, saying it intended planning a co-ordinated campaign to persuade the EC to reject this initiative.

The Liaison Group of National Anti-Aparthied Movements in the countries of the EC said in a statement released in Johannesburg and all EC capitals that the relaxation of sanctions would reduce the prospect of agreement at Codesa.

"The negotiation process in SA is now at a most delicate stage." - *Sapa*

Improvement of politics can open doors

Sowetan 26/3/92

280

By VICTOR METSOAMERE

THE gradual socio-political improvement in South Africa could soon open the gate to a healthy international cultural exchange with other countries.

This is the feeling of the two officials of the International Federation of Actors, who were here on a week's fact-finding mission.

They were hosted by the Performing Arts Workers Equity (Pawe).

During their visit FIA general secretary Mr Michael Crosby and vice-president Mr Peter Plouviez said they held "fruitful" discussions with officials of the South African Broadcasting Corporation, M-Net, various political and cultural organisations.

They commended the merger between Pawe and the South African Film and Theatre Union.

This link has created a multiracial performing arts body and a challenge to the racial policies of South Africa.

The two men whose organisation boasts the affiliation of arts equities worldwide, have served on the executives of the British Equity.

They contend that even if the artists united, the socio-political conditions in South Africa had to improve.

And that the pace in the process towards the creation of a nonracial order in the country would greatly determine when South African artists would begin to enjoy the fruits of a healthy international cultural exchange.

Plouviez confirmed that Pawe would soon be applying for membership in FIA and that he did not expect many obstacles as long as the current moves to make South Africa a better place to live in for all go ahead.

Crosby added that sources of their optimism were the positive majority "yes" vote in the referendum, the current negotiations at Codesa, the proposal for the establishment of an interim government as well as the Pawe-Saftu merger.

Meanwhile, Pawe's executive members Mr John Kani and Mr Dan Robertse said their organisation's apolitical stance was a challenge to the parastatal arts bodies that still existed.



Courtesy call . . . Pik Botha meets Singapore Prime Minister Goh Chok Tong. Picture: AP

Lift curbs on loans, Pik urges

SINGAPORE — Foreign Minister Pik Botha yesterday called on the international community to lift restrictions on loans to South Africa.

Mr Botha, in Singapore as part of an Asian tour, said South Africa needed foreign technology and funds to rebuild its economy. "We would welcome loans without any restrictions," he said, adding that sanctions had suffocated the economy.

Singapore, which lifted a ban on imports of South African goods and on the shipment and export of petroleum and petroleum products to South Africa, maintains a ban on loans to Pretoria.

Mr Botha said his Government wanted to set up representative offices in all major Asian countries as soon as possible.

Pretoria had signed an agreement to set up a consulate in Thailand, he said, and was holding talks with Malaysia and India to set up representative offices there.

Pretoria would soon set up the office of special representative in Singapore, he added. Singapore has named a former civil servant as its special representative to South Afria. — Sapa-Reuter.

Equity blames inequitable press reports

280

BARRIE CLEMENT examines Equity, the idiosyncratic and powerful actors' union which recently refused to allow a multiracial cast to perform Macbeth in South Africa. STAR 28/3/92

LONDON — Equity, the 60-year-old actors' union, is considered by its critics to be the last dinosaur in the union movement.

The image beloved of its detractors was reinforced recently when the union was accused of blocking an English Shakespeare Company tour of Macbeth to South African townships. Macbeth was to be played by a black actor, the cast was to be multiracial and the plan had the approval of the African National Congress.

The story behind Equity's decision provides an illustration of the idiosyncracies of the organisation and the problems experienced by managers who have to deal with it.

The decision to maintain the ban on tours to South Africa was taken last year by a small minority of Equity members. In a ballot of the union's 46 000 membership, just 5 218 votes were recorded with 2 988 members against any change and 2 230 for an end to the boycott — a margin of 758.

The union's leadership intends holding another ballot but points out that the political scene in South Africa is still changing. In January, actor Marius Goring failed to get the policy declared unlawful.

The union's individualistic stand on South Africa followed on the heels of news which called into question its ability to negotiate its members' terms and conditions. Research commissioned by the union found that, in some cases, Equity's male members were paid two or three times as much as female colleagues. The results hardly reinforce its claims of looking after its members' interests.

When Equity does protect its members' interests it invariably gets a bad press. Last year the union's annual meeting called for a ban on "talented" amateurs at pantomines

As the South African issue illustrates, however, it can be a powerful organisation, which jealously guards its *de facto* closed shop in many areas of the entertainment industry. Employment legislation which prevents the union forcing membership on to reluctant actors seems to have had little impact. The legislation requires an aggrieved performer or employer to take the issue to the High Court and thus far no one has been prepared to do so. The reluctance is understandable, given that, at any one time, 80 percent of the membership is out of work.

Equity's industrial difficulties have been sidetracked in the past by politics. During the 1970s, the union swung leftward under Vanessa and Corin Redgrave of the ultra-left Workers' Revolutionary Party. During this period, the union was characterised by sparsely attended meetings passing resolutions on international political issues. The union's annual meetings became bear gardens, in which Trotskyists strutted and played and denounced the "reactionary" leadership. Debates on pay and conditions seemed to be sidelined.

In last year's election campaign for the general secretaryship in succession to Peter Plouviez, two of the contenders — David Hargreaves of the Marxist Party and Tony McEvoy of the Workers' Revolutionary Party — emphasised their opposition to the Gulf war. The winner, Ian McGarry, a "right-winger" as far as the far left was concerned, declared that his main interest was how much members would be paid.

Mr McGarry said that his union was often misrepresented. Although the union issued the standing union advice to members of the English Shakespeare Company that Equity might not be able to protect them from the consequences of the trip to South Africa, the actors themselves made the decision, McGarry said.

As to the inequalities between men and women in the profession, he said that the union negotiated minimum rates, but the final figure was between the actor, agent and employer. "Far from being a dinosaur, the union is continuously responding to a bewildering pace of change, and our members are under pressure." — The Independent, London.

Factory bombed in new Alex violence

CT 28/3/92 (280)

JOHANNESBURG. — A man was hacked to death and a factory was petrol-bombed overnight in Alexandra following a violent confrontation between residents and police in the northern Johannesburg township.

Police spokesman Colonel Frans Malherbe said yesterday security forces were patrolling the township.

Alexandra Clinic research manager Ms R Hirschowitz said 90 people were treated for gunshot wounds and 33 for assault injuries. She said the injuries were related to a stayaway and protest march on Thursday.

Police said they used tearsmoke, rubber bullets and birdshot to ward off attacks by stone-throwing residents who staged a protest march that had been banned.

They said a policeman was injured when he was hit by a stone.



FLIMSY PROTECTION . . . An Alex resident brandishes a makeshift shield as hostel dwellers clash with police. Picture: AP

Thousands of Alexandra residents brushed aside a magisterial ban to stage Thursday's protest, organised by the ANC, the PAC and Azapo.

● In Alberton, police wounded and arrested two suspects who shot a traffic officer with an AK-47 rifle at a speed trap near the Old Vereeniging Road early yesterday morning.

The traffic officer, 30-year-old Mr J L "Koos" van der Merwe, was wounded about four times in the side and lower body. He was in a serious but stable condition in an Alberton clinic. The shootout happened about 6am, when a Ford bakkie with five occupants failed to stop at the speed trap.

Mr Van der Merwe gave chase in his car and forced the bakkie off the road. One of the occupants shot at him at close range.

The bakkie then sped off again in the direction of Phola Park squatter camp in Thokoza on the East Rand, where the occupants fled on foot. Traffic officers and police gave chase.

A shootout followed and two suspects were wounded and arrested.

Police took possession of the bakkie, which was reported stolen in Thokoza recently, and an AK-47 magazine and 26 cartridges. — Sapa

Finland to scrap sanctions

280 CT 28/3/92

FINLAND yesterday moved to scrap all remaining economic sanctions against South Africa.

The decision is expected to serve as a major boost to the wine and fruit industries in the Western Cape.

Finnish President Dr Mauno Koivisto yesterday presented a bill to parliament to end the sanctions.

Finland's ambassador to South Africa, Mr Bjorn Ekblom, said in an interview that it would take the parliament six to eight weeks to pass the bill, "but for all intents the last obstacles for the two countries to really get down to business have now been removed".

He said the lifting of investment sanctions meant Finnish companies could now establish offices and affiliates in South Africa.

The major targets for imports to Finland would be wine, fresh fruit and coal.

Mr Ekblom said Finnish goods likely to be increasingly seen in Soiuth Africa included transport machinery, cranes, mining equipment, metal products and paper.

Before sanctions were imposed in 1986 Finland exported about R400 million worth of goods to South Africa and imported goods worth about R100m.

Mr Ekblom said the decision to lift sanctions after the referendum was an indication that Finland now regarded SA's reform process as irreversible.

"The decision makes sense as South Africa is facing major economic difficulties and we want to assist in promoting growth that could help the political reform process," he said.

NP welcomes Sisulu sanctions view (29.3.)

THE National Party has welcomed the statement by ANC deputy president Walter Sisulu that his organisation may be forced to call for the lifting of sanctions even before an interim government.

Director of media liaison Shiela Camerer called on ANC president Nelson Mandela to publicly support Sisulu's position. C|PRESS 29|3|92

"The fact is that on the issue of sanctions, the ANC has already lost the initiative and sensible governments around the world have for some time ignored the ANC's calls for sanctions."

SA party to visit Uganda

S/Times Business 29/3/92

By CHARLENE SMITH

A DELEGATION of South African businessmen will travel to Uganda, one of the few African countries receiving substantial aid money, as a prelude to establishing formal links

Although President Yoweri Museveni has close links with the African National Congress and will not lift sanctions against SA until significant progress has been made at Codesa, the government has agreed to fact-finding missions by SA businessmen, according to Andrew Maggs, manager of the Africa programme of the SA Foreign Trade Organisation.

Mr Maggs, who recently returned from a trip to Uganda, noted that, since 1986 under the leadership of President Museveni, Uganda had experienced political stability and an economic growth rate of just over five percent a year.

He said Uganda now had a "strong base to pursue large-scale development". It was also "back in favour" with the international financial community in terms of debt rescheduling and new loans.

Race is on for a slice of SA

☐ MONEY TALK

ANC Deputy President Walter Sisulu seems to have an uncanny ability to put into words certain important thoughts and ideas shared by many who are unable to define in simple terms what they think. Cypress

"If we allow sanctions to die by themselves, we (the ANC) are the losers," he said last week, according to press reports. 29/3/92

Commitments made by several important industrial and trading nations, even before the referendum, made it clear that old-style sanctions have become yesterday's politics. Since the result of the voting became known, a virtual scramble seems to be developing to ditch sanctions and secure a slice of available business in SA.

An important conference that could influence ANC economic policy is to be held next month and one can expect that the new reality voiced by Sisulu will receive considerable attention.

One should bear in mind that sanctions were used as part of a wider strategy to fight apartheid and even though the latter has not been fully eradicated, the marketplace is anticipating this.

There is no doubt that to succeed the "new" SA will have to strive for economic justice.

But, surely, the first priority should be to get the faltering economy to stop shrinking by encouraging growth rather than playing around in public with the "high politics"



SADAO WATANABE

Cultural boycott is still a hot issue

Sowetan 30/3/92 (280)

By ELLIOT MAKHAYA

PROFESSOR Richard Behrens said in December last year that the return of South Africa to the international cultural scene is having spectacular results in Europe.

"There's hunger within Eastern Europe to know about South Africa," said the cultural counsellor at the South African Embassy in Vienna.

"Here in Austria, the relaxation of cultural sanctions is also leading to a similar interest."

Even Steven Spielberg, one of the world's most successful film directors, said in the light of a changing South Africa, the American film industry should reassess its attitude towards South Africa.

But the fact of the matter is that political and cultural groupings and related structures inside South Africa are divided on the lifting of cultural sanctions.

When Paul Simon came for a tour in February, the Azanian Youth Organisation was totally against it.

They picketed the concerts and argued that conditions in the country were not conducive for the tour.

The Pan Africanist Congress entered the controversial Paul Simon fray, but vowed not to get involved in acts of violence which may disrupt the superstar's performance.

The ANC, Inkatha and the Government had already thrown their weight behind the tour.

Hours after the star's arrival in the country, two hand grenades were hurled at the Johannesburg offices of companies associated with Simon's concerts.

A few days after Simon left, another top star, Sadao Watanabe, landed in South Africa.

Nobody raised an eyebrow when Watanabe performed at the Market Theatre in Johannesburg.

Why Simon and not Sadao Watanabe? We asked Azayo's president Thami Mcerwa.

"Azayo has no problem with the developmental approach of overseas stars. Even Paul would have been allowed to perform unhindered had he come here to help our artists to develop themselves - as Watanabe had done.

"But there was a profit motive to Simon's tour - therefore we demonstrated," said Mcerwa.

This controversy has thrown the cultural boycott issue into disarray.

While Azayo, Azapo and other groupings feel time is not yet right to lift cultural sanctions, an ANC/Cosatu/SACP workshop in October 1991 felt otherwise.

Scrapped

The workshop said that economic sanctions should be retained until an interim government was in place, but sports, academic, cultural and visa restrictions should be scrapped without delay.

Last year, the South African Musicians Alliance called for an end to the cultural boycott and recommended selective boycotts which would require visiting artists to contribute towards the cultural upliftment of South Africa.

Sama immediately opened its doors to exiled South African artists to perform here at any time.

That arrangement is still a pre-condition for overseas artists coming here - to

To page 19

From page 18

conduct workshops and, where possible, donate to any cultural institution.

Prior to this, Sama had opposed tours by overseas artists.

It condemned the proposed Commodores concert at Sun City in 1989.

The tour was grounded and the Commodores performed only in Botswana.

Brazilian singer Joanna, whose visit to South Africa in 1990 was opposed by anti-apartheid organisations, apologised and cancelled further performances until she had met the United Nations' cultural wing.

"My coming to South Africa does not mean I approve of apartheid and it was not my intention to disturb your struggle," she said at a Press conference called by the Mass Democratic Movement

The cultural boycott is confusing and unpredictable

Black star Whoopi Goldberg was here to shoot a movie.

Nobody objected And so was respected black film director, Spike Lee.

The unsuspecting actors, musicians and dancers are always caught in this cultural crossfire

The BBC and the British actors union, Equity, were embroiled in a legal row in 1990 over the use of a black South African actor who did not have a work permit in a R1 million television production.

In an ironic mirror of real life, the actor, Patrick Shai, played the role of a black South African activist seeking government permission to live and work in Britain in a drama entitled *Land Of Dreams*.

Equity, which maintains its strict ban on contacts with South Africa, had advised the department of employment not to grant the actor a work permit, claiming South African actors already living in Britain could perform the role.

While the UN General Assembly and the Commonwealth have asked member states to restore sports and cultural links with South Africa, movements and organisations inside South Africa are split over the issue

Amid all this, there is also a fair body of opinion that regards the prevalent attitudes of the arts councils as displaying an unwillingness to get rid of apartheid trappings.

This segment wants nothing but a total dismantling of the arts councils

EC poised to loosen crucial sanctions

STATE 3/13/92

By Alan Robinson in London and Sandy Sloop in Lisbon

The European Community is close to agreement on action to lift crucial sanctions on South Africa, including the oil embargo.

There is now increasing optimism in European capitals that EC foreign ministers will give the go-ahead for the easing of constraints against Pretoria when they meet in Brussels next week.

The EC's Portuguese presidency is confident the EC Foreign Affairs Council will take decisive steps towards normalising relations with South Africa at its key sessions on Monday and Tuesday.

The timing could be vital. With Britain's Conservative Party behind Labour in the opinion polls just days before the April 9 general election, the Brussels gathering may be the last to be attended by Foreign Secretary Douglas Hurd, an anti-sanctions proponent.

Pledged

If the Tories lose on April 9, Gerald Kaufman could be the new foreign secretary — and he has already pledged that a Labour administration would oppose any further easing of sanctions at least until after an interim government is in power in Pretoria.

And even then, Mr Kaufman believes some tough sanctions such as the oil embrago should be used as a lever to prevent "backsliding".

If Britain were to turn against the Portuguese plan, it would undoubtedly founder. At present it and Germany are the major backers to loosen the sanctions knot.

"We are very close to an agreement," a Portuguese official said in Lisbon yesterday, referring to the five-pronged Portuguese initiative covering the easing of UN-imposed sanctions, the upgrading of diplomatic relations and the increase in development aid to South Africa.

Foreign Ministry political directors will meet in Lisbon tomorrow and Thursday to debate the proposals prior to the ministerial meeting in Brussels.

Denounced

Following the "yes" vote in the referendum, Portuguese Foreign Minister Joao de Deus Pinheiro said that — the arms embargo apart — there was "no reason which justifies the continuation of sanctions on South Africa".

His remark was denounced by the ANC's chief UK representative Mendi Msimang.

He told a news conference in Lisbon that any such moves would "harm the negotiating process under way in South Africa" and backed a campaign to stop EC plans to lift sanctions.

The five-pronged Portugese plan calls for:

- Joint action with the UN to lift sanctions, including the oil and nuclear co-operation embargoes.
- The dispatch to South Africa of an EC "troika" consisting of the foreign ministers of Portugal, the Netherlands and Britain.
- The upgrading of the EC's diplomatic representation in South Africa.
- Reappointing military attaches who were withdrawn from Pretoria as part of the isolation strategy.
- Intensifying aid programmes, especially in housing and health care.

European anti-apartheid movements welcomed the proposed visit by an EC troika but said any action before its report would be premature.

"Everything should be done to avoid conveying the impression that one is endorsing the National Party position in the negotiating process," the movements' liaison group said in a memorandum sent to the Portugese EC presidency.

Sanctions may go

ALAN ROBINSON in LONDON and SANDY SLOOP in LISBON

THE European Community is close to agreement on action to lift crucial sanctions on South Africa, including the oil embargo.

There is now increasing optimism in European capitals that EC foreign ministers will give the go ahead for the easing of constraints against the Republic when they meet in Brussels next week.

The EC's Portuguese presidency is confident the EC Foreign Affairs Council will take decisive steps towards normalising relations with South Africa at its key sessions on Monday and Tuesday.

The timing could be vital. With Britain's Conservative Party behind Labour in the opinion polls just 10 days away from the April 9 general election, the Brussels gathering may well be the last to be attended by anti-sanctions rallying force Mr Douglas Hurd.

If the Tories lose next week, Mr Gerald Kaufman could be the new British Foreign Secretary ... and he has already pledged that a Labour administration would oppose any further easing of sanctions at least until after an interim government is in power in Pretoria.

UK music union lifts SA ban 'at right time'

STAR 31/3/92

280

The British Music Union (BMU) yesterday gave its more than 40 000 members permission to perform in South Africa.

The lifting of the ban also means that union officials can now negotiate with South African broadcasting enterprises for the sale of programmes.

This decision follows a statement by union management about a year ago that the ban would be lifted when the time was right.

Support

The general secretary of the union, Dennis Scard, said the lifting of the sports boycott, the result of the recent referendum in South Africa and the change in the ANC's attitude to cultural links meant the time was right.

Members of the union would be encouraged, in particular, to take part in shows that would enjoy the support of the black population in South Africa.

A percentage of the takings of programme sales would be used to train black musicians.

Although the BMU and the British actors' union Equity had close ties, it did not mean that Equity would now follow suit and lift its ban.

Ian McGarry, the secretary-general of Equity, said he would recommend to his executive that a close watch be kept on developments.

Mr McGarry would report to the Equity council tomorrow to recommend that the union's boycott of South Africa be kept under review.

The council would also consider the findings of a delegation from the International Federation of Actors which recently visited South Africa.

This, together with the musicians' union decision and a change in SABC management, could lead to the Equity ban being referred to its members for a referendum.

The SABC's head of TV1 music and variety, Ronnie Wilson, said the news of the end to the musicians' ban could not have come at a better time.

Music manager Roddy Quinne, of Mango Groove fame, said it was an exciting move that would do a great deal for the local music industry, expecially technical and artistic training. — Sapa.

SANCTIONS — 1992

APRIL — DEC.

Swedes set to lift all sanctions

280

CT 1/5/92

By ANTHONY JOHNSON
Political Correspondent

SWEDEN is poised to lift trade and investment sanctions against South Africa, upgrade its diplomatic links with Pretoria and negotiate a new air service agreement.

The multi-party Swedish delegation which visited South Africa last month, yesterday proposed these far-reaching measures be implemented as part of a step-by-step lifting of punitive measures once specific reform targets are met.

A report containing the proposals, which was submitted to the Swedish Foreign Minister, Mrs Margaretha af Ugglas, also calls for a number of measures to be abolished immediately. These include:

- The remaining restrictions on visits to South Africa.
- The 1985 government recommendations calling on authorities and organisations to limit contacts with South Africa in the cultural, sports and scientific fields.

Members of the Liberal Party, the Social Democratic Party, the Centre Party and the Christian Democratic Party supported these proposals.

The report proposes that the ban on trade be revoked by the Swedish government when a binding agreement on an interim government has been reached.

At the same time the trade ban is revoked, the report proposes that the following restrictions should also be abolished:

- The ban on credit guarantees and support for export promotion.
- The recommendations to shipping to avoid traffic in South Africa.
- Recommendations to authorities and organisations not to procure South African goods.
- The special ordinance on visa requirements for South African citizens.
- The 1985 act entitling municipalities to boycott South African goods.

The delegation also proposed that, no later than the lifting of the trade ban, Sweden should initiate discussions with Denmark and Norway "on the prerequisites for negotiations on a new air service agreement with South Africa."

The report further proposed that revoking the ban on investments, which requires a decision by Sweden's parliament, should be implemented when an interim government had taken up office in South Africa.

Is the cultural boycott over?

STAR 1/4/92

The British music ban against SA has been selectively lifted and the move has been hailed by the entertainment industry. Now the actors' union Equity has been urged to follow suit, but there is still much confusion over the cultural boycott situation, write DON ALBERT, PETER FELDMAN and GLYNNIS O'HARA.

AFTER 40 years, the powerful British Musicians Union (BMU) will lift its ban on members performing in South Africa this month — but will continue to discourage what it calls "purely commercial tours".

It will tell its members to go to South Africa only if they can secure "the backing of representative groups of the black population".

Sun International entertainment director Hazel Feldman said the BMU move was "fantastic".

She added: "It's very much in keeping with attitudes sweeping the world as far as South Africa is concerned.

"I find it stimulating, and that is what the entertainment industry in South Africa needs at this time, stimulation."

Ivor Haarburger, a director of Gallo Record Company, says the BMU decision is "very good". He believes it will lead to more promotional tours and live performances, too.

"The British will now be able to see South African music from a positive perspective," he said.

"It also means that from our side it will now be easier to place records in Britain and



Victor Ntoni



Hazel Feldman

more doors will be open to us."

The BMU's lifting of the boycott has been hailed by ANC cultural attache Madla Langa, who urged the actors' union Equity to follow suit and lift its embargo on the sale of television material to South Africa and remove its opposition to members performing in SA.

But a more qualified reaction came from ANC media spokesman Oupa Ramachela.

It was okay, he said, for British artists to come here, but not all right for them to perform on the SABC The sale of material to the SABC, in that the SABC was an institution attached to the Government, was not approved of.

The SABC "has neglected local content, and (neglected) to feature local artists. Things like 'Sarafina!' and 'Woza Albert' have not been featured".

South African Musicians Alliance president Victor Ntoni said Sama appreciated the step and it was a move in the right direction.

Asked if the move meant the cultural boycott was now over, Mr Ntoni said: "It's not for us to say whether the cultural boycott is over or not. We are not the politicians.

"When the UN brought down people-to-people sanctions it didn't go down too well with some local politicians."

BMU spokesman Brian Blain said in London that the decision would prompt a rush of artists to Sun City, but he appealed to members to consider the wishes of the black majority in South Africa.

Sipho "Hotstix" Mabuse, musician and executive member of Sama, said the cultural boycott was no longer as effective as it had been and he welcomed the new position of the BMU. It was very important to have interaction between international and local musicians, he said.

But there are sceptics who express caution. It is time now, they say, for all political parties, as well as the South African Musicians Union (Samu) and Sama to clarify attitudes. Their question is: Does the cultural boycott still exist?

Promoters maintain it is difficult to try to book a major artist; that it is still necessary to have the permission of groups such as the ANC.

When an artist wishes to perform in South Africa, permission still has to be obtained from a variety of political parties, as was the case with Paul Simon and his "Born at the Right Time" tour.

Splinter parties have shown their ability to disrupt tours and promoters are wary of investing for fear of Azapo or the PAC threatening a protest. The two have continued in their assertion that there should be no lifting of the cultural boycott on South Africa.

While the international community believes the cultural boycott has been lifted, it is still a hot issue in this country.

Added to that is the current economic climate: enormous costs involved in bringing overseas acts to South Africa may prove an inhibiting factor.

Sponsorship will play an increasingly important role in enticing acts to South Africa.

The recent Paul Simon visit was a costly affair and the promoters did not come out on top. Attie van Wyk, who brought the American superstar out, said: We just about broke even."

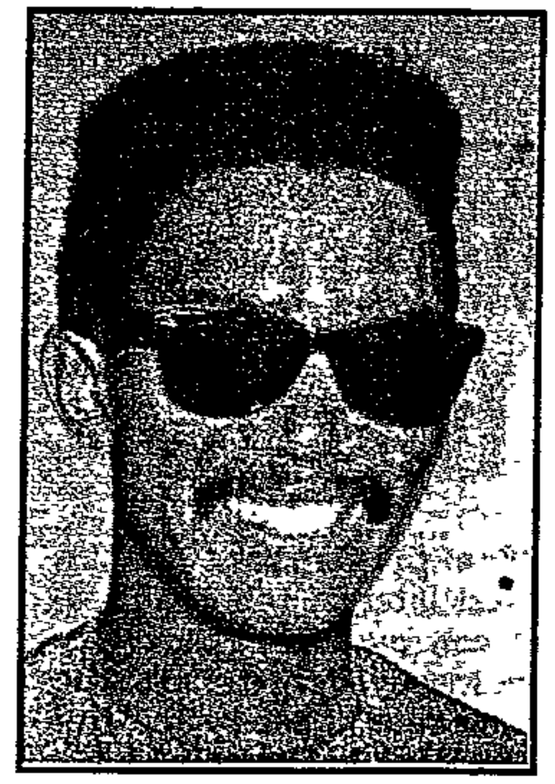
Soloists below superstar level could be very attractive to South African audiences. Jazz artists who have played in South Africa recently have given of their time willingly to present free workshops to all interested parties.

This fact, coupled with the money situation, makes things look good for tours by smaller jazz groups and, possibly, even the odd big band.

British saxophonist Ronnie Scott, owner of London's famous jazz club, has expressed great interest in coming to South Africa. Now there may be a chance to hear him at Kippie's at the Market complex.

● Television viewers might also benefit from the lifting of the ban and soon be able to see a selection of programmes previously banned by the BMU.

During the live screening of the 1981 royal wedding, for example, South African audiences were not allowed to hear the fanfares, the wedding march and any military bands because of the ban, and a local music soundtrack was used. □



Sipho 'Hotstix' Mabuse



Ms Barbara McDougall

Minister claims lifting oil ban too early

(280)
ARG 7/4/92

PRETORIA. — The European Community's lifting of the oil embargo against South Africa was "premature" and Canada would not change its stance towards South Africa, Canadian Foreign Minister Ms Barbara McDougall said.

She said last night during a meeting with three South African Cabinet ministers in Pretoria that Canada recognised the positive momentum of the negotiation process, but wanted to "see it moving more towards being in practice".

Mrs McDougall met Minister of Foreign Affairs Mr Pik Botha, Minister of Finance Mr Barend du Plessis and Minister of Defence Mr Roelf Meyer at the Diplomatic Guest House.

"We look to a strong economic future in South Africa," Mrs McDougall said. "We recognise that economic development goes along with political development and we feel very strongly about that."

The EC's move might increase the pressure on Canada to lift sanctions, but Mrs McDougall would remain committed to the role Canada had played, and would continue to play, in sanctions against South Africa.

Mr Botha described the lifting of the embargo as "most welcome"

"They lifted all sanctions except arms, and we don't really need arms because the conventional threat against South Africa has subsided."

The step meant that the world had opened its doors to South Africa, Mr Botha said.

Mr Botha said he and President De Klerk next looked forward to their meeting with the Nigerian government. — Sapa.

Sweden poised to lift range of sanctions

BDay 1/4/92 (280)

Political Staff

SWEDEN is poised to lift trade and investment sanctions against SA, upgrade its diplomatic links with Pretoria and negotiate a new air service agreement.

The multiparty Swedish delegation which recently visited SA yesterday proposed these far-reaching measures be implemented as part of a step-by-step lifting of punitive measures once specific reform targets are met.

A report containing the proposals, which was submitted to Swedish Foreign Minister Margaretha af Ugglas, also calls for a number of measure to be abolished immediately. These include:

☐ Remaining restrictions on visits;
☐ The voluntary limitations on certain branches of business, such as tourism, and the restrictions on tourist promotion;
☐ The government recommendations calling on authorities and organisations to limit contacts with SA in the cultural, sports and scientific fields.

Members of the Liberal Party, the Social Democratic Party, the Centre Party and the Christian Democratic Party supported these proposals.

The report proposes that the ban on trade be revoked when a binding agreement on an interim government has been reached .

When the trade ban is revoked, the report proposes that the following restrictions also be abolished:

☐ The ban on credit guarantees and support for export promotion;
☐ The recommendations to shipping to avoid traffic in SA;
☐ Recommendations to authorities and organisations not to procure SA goods and recommendations to industry to find other markets; ☐ The special ordinance on visa requirements;
☐ The 1985 Act entitling municipalities to boycott SA goods.

The delegation also proposes that Sweden initiate discussions with Denmark and Norway regarding a new air service agreement with SA.

Two foreign ministers to visit SA

CAPE TOWN — The foreign ministers of Canada and Denmark will visit South Africa within the next two weeks.

Barbara McDougall, Canada's Secretary of State for External Affairs, arrives in Johannesburg on Sunday. She will be accompanied by a party of six officials and about 10 Canadian journalists.

A Canadian Embassy spokesman said Mrs McDougall would meet President F W de Klerk in Cape Town on Tuesday and address a Cape Town Press Club luncheon on Wednesday.

The Danish Minister of Foreign Affairs, Uffe Ellemann-Jensen, arrives in Johannesburg on April 12 for a four-day visit.

An embassy spokesman said the delegation included about 40 top Danish businessmen who would "examine the possibilities for trade" with South Africa following Denmark's recent scrapping of all trade sanctions. — Sapa.

... and US takes a small step (280)
US assistant Secretary for Africa Herman Cohen revealed the Bush Administration had agreed with Congress that the prohibition of financial assistance to South African universities and other government-linked institutions should be abolished. Cohen added the World Bank was waiting for an interim government before it could begin helping with housing, electrification and other infrastructural development here.

Mmabatho 3/14-9/4/92

BUSINESS BAROMETER

Swedes want sanctions lifted ...

A SWEDISH parliamentary delegation which recently visited South Africa recommended the Swedish government lift a range of sanctions immediately. Among those are the ban on tourism, tourism promotion and the cultural, scientific and sports boycott. These proposals are likely to go through as they are supported by all the major parties, including the leftwing Social Democratic Party, which has been at the head of the sanctions campaign in the country.

Sweden to plan lifting sanctions

CT 4/4/92 (280)

MADRID. — The Spanish government yesterday lifted sanctions on direct investment in South Africa and Sweden's conservative-led government prepared to present to parliament a timetable for gradually easing sanctions.

The Swedish proposal, to be tabled on Monday, says all restrictions on Swedes' visits to South Africa should be lifted immediately for tourism, sports competitions and cultural and scientific exchanges.

The plan follows recommendations of parliamentarians who visited South Africa in February to report on progress toward ending apartheid.

The delegation suggested that the government should lift trade restrictions when white and black South African leaders reach a binding agreement on a transitional government in advance of voting on a new constitution.

Parliament could lift the ban on investments once a transitional government was in place, according to the plan.

● Western Cape ANC chairman Mr Allan Boesak, who is making a tour of Scandinavian countries, said on national radio that he supported gradual withdrawal of sanctions. — Sapa

Canadian Minister on tour of SA

STAR 6/4/92

280

In what is being billed as the "first official visit by a Canadian Foreign Affairs Minister to South Africa for more than 30 years", Canadian Secretary of State for External Affairs Barbara McDougall touched down at Johannesburg's Jan Smuts Airport yesterday.

Ms McDougall, who was welcomed on her arrival by Neil van Heerden, director-general of the Department of Foreign Affairs, is to hold talks with political leaders.

Shortly after her arrival, Ms McDougall told journalists that hers was the first official visit by a Canadian foreign minister for 30 years.

On being asked about Joe Clark's visit in 1987, the press was told the then minister of external affairs had been on an unofficial visit.

Ms McDougall said her country was encouraged by political changes in South Africa; the positive outcome of the referendum and by negotiations through Codesa.

"I'm in South Africa to hold discussions at first hand with political leaders."

Asked about the possibility of her country lifting economic sanctions, Ms McDougall said economic sanctions would only be raised after acceptable transitional arrangement were in place, adding that people-to-people sanctions had already ended in accordance with a decision by the Commonwealth.

Mr van Heerden said he looked forward to a positive outcome of Ms McDougall's visit. He said the time for sanctions was long passed and that South Africa needed economic growth.

Ms McDougall visited the Takalani Home for the Mentally Handicapped in Soweto yesterday afternoon.

She hugged, kissed and tried to speak to some children, bewildered by flashing cameras.

Takalani is the only facility of its kind for blacks in the country and was partly funded by the Canadian Embassy.

Ms McDougall said she was happy to have visited the facility and gain first-hand experience of the state of health facilities in South Africa.

Health is clearly an area which needs assistance, she said, adding that the difficulty was not only insufficient funding, but also a misallocation of resources.

She said Canada was prepared to assist in South African education. — Sapa.

SA taken off Sweden's commercial blacklist

STOCKHOLM. — Sweden is to gradually end commercial sanctions against South Africa as it moves towards a non-racial democratic government.

"Sweden's sanctions will be dismantled step-by-step in line with, and as support for, advances in the democratisation process in South Africa," the foreign ministry said.

The ministry said the government had proposed ending a 1987 trade ban against South Africa as soon as agreement on a transition to an interim government was reached.

A ban against investment, imposed in 1979, would also be ended once an interim government takes power.

The Swedish government said it was seeking parliamentary authority now in order to end the ban as soon as the condition was met, which it hoped would be by mid-May

The ministry said most other sanctions, such as a prohibition against export credit guarantees, would be ended at the same time as the trade ban was abolished.

It said the government had also proposed taking up a new air travel pact with South Africa, Norway and Denmark, and ending recommendations to restrict sport, cultural and scientific contacts.

"The process toward democracy is supported by favourable economic development in South Africa. Swedish companies can make significant contributions," Trade Minister Ulf Dinkelspiel said in a statement.

Last year Sweden ended a general ban on visitors from South Africa. — Sapa-Reuter

Train crash kills 24

NEW DELHI. — A passenger train rammed into the rear of a stationary cargo train in Guntur district, 1 400km southeast of here, killing 24 people and injuring 15. — Sapa-AP.

Boesak slams Danes

Sanctions-lifting after referendum result a 'wrong move'

COPENHAGEN. — Dr Allan Boesak has criticised the Danish government for ending economic sanctions against South Africa and sending the foreign minister on a business-hunting trip next week.

The Danish government bypassed parliament and used a royal decree to end all economic sanctions after the South African referendum result.

"Denmark's lifting of the sanctions was a response to the referendum and I think that was wrong," said Dr Boesak, who is regional head of the ANC in the Western Cape. He has been touring Scandinavian countries which supported his Cape Town-based Foundation for Peace and Justice.

"In Norway and Sweden, they have clearly understood that the white referendum is no proof that the process is irreversible," Dr Boesak said.

Norway supported continued economic sanctions against South Africa until irreversible changes were made in the system of white minority rule.

The Swedish government presented a plan to parliament yesterday calling for the gradual ending of bans on trade and investment as the South African government makes progress in constitutional negotiations with black leaders.

The Swedish trade and business sanctions would remain until agreement was reached on a multiracial transitional government in South Africa.

But the Swedish government proposed the immediate lifting of all restrictions on sports, cultural and scientific exchanges.

The Swedish government coalition did not hold a majority of seats in parliament, but was expected to get agreement from opposition parties.

Dr Boesak said he was disappointed with Danish Foreign Minister Uffe Ellemann-Jensen's planned April 12-16 trip to South Africa.

Mr Ellemann-Jensen and a group of businessmen hope to meet Mr Nelson Mandela, Chief Mangosuthu Buthelezi and Foreign Minister Pik Botha.

Dr Boesak called Mr Ellemann-Jensen's trip "a support for the white minority regime, a reward for Mr De Klerk for winning a white referendum which should never have been held and putting Denmark in place for new investment and trade in South Africa".

Dr Boesak said Mr Ellemann-Jensen was "turning his back to democratic forces, and the purpose of his visit should be reconsidered"

During his four-hour stay in the Danish capital, Dr Boesak met senior foreign ministry officials but no members of the government or parliament. Sapa-AP.



Allan Boesak

PERSONAL COMPUTING



Minister claims





SA taken off Sweden's commercial blacklist

STOCKHOLM. — Sweden is to gradually end commercial sanctions against South Africa as it moves towards a non-racial democratic government.

"Sweden's sanctions will be dismantled step-by-step in line with, and as support for, advances in the democratisation process in South Africa," the foreign ministry said.

The ministry said the government had proposed ending a 1987 trade ban against South Africa as soon as agreement on a transition to an interim government was reached.

A ban against investment, imposed in 1979, would also be ended once an interim government takes power.

The Swedish government said it was seeking parliamentary authority now in order to end the ban as soon as the condition was met, which it hoped would be by mid-May

The ministry said most other sanctions, such as a prohibition against export credit guarantees, would be ended at the same time as the trade ban was abolished.

It said the government had also proposed taking up a new air travel pact with South Africa, Norway and Denmark, and ending recommendations to restrict sport, cultural and scientific contacts.

"The process toward democracy is supported by favourable economic development in South Africa. Swedish companies can make significant contributions," Trade Minister Ulf Dinkelspiel said in a statement.

Last year Sweden ended a general ban on visitors from South Africa. — Sapa-Reuter

Train crash kills 24

NEW DELHI — A passenger train rammed into the rear of a stationary cargo train in Guntur district, 1 400km southeast of here, killing 24 people and injuring 15. — Sapa-AP.

Boesak slams Danes

Sanctions-lifting after referendum result a 'wrong move'

COPENHAGEN. — Dr Allan Boesak has criticised the Danish government for ending economic sanctions against South Africa and sending the foreign minister on a business-hunting trip next week.

The Danish government bypassed parliament and used a royal decree to end all economic sanctions after the South African referendum result.

"Denmark's lifting of the sanctions was a response to the referendum and I think that was wrong," said Dr Boesak, who is regional head of the ANC in the Western Cape. He has been touring Scandinavian countries which supported his Cape Town-based Foundation for Peace and Justice

"In Norway and Sweden, they have clearly understood that the white referendum is no proof that the process is irreversible," Dr Boesak said.

Norway supported continued economic sanctions against South Africa until irreversible changes were made in the system of white minority rule.

The Swedish government presented a plan to parliament yesterday calling for the gradual ending of bans on trade and investment as the South African government makes progress in constitutional negotiations with black leaders

The Swedish trade and business sanctions would remain until agreement was reached on a multiracial transitional government in South Africa

But the Swedish government proposed the immediate lifting of all restrictions on sports, cultural and scientific exchanges.

The Swedish government coalition did not hold a majority of seats in parliament, but was expected to get agreement from opposition parties.

Dr Boesak said he was disappointed with Danish Foreign Minister Uffe Ellemann-Jensen's planned April 12-16 trip to South Africa

Mr Ellemann-Jensen and a group of businessmen hope to meet Mr Nelson Mandela, Chief Mangosuthu Buthelezi and Foreign Minister Pik Botha.

Dr Boesak called Mr Ellemann-Jensen's trip "a support for the white minority regime, a reward for Mr De Klerk for winning a white referendum which should never have been held and putting Denmark in place for new investment and trade in South Africa".

Dr Boesak said Mr Ellemann-Jensen was "turning his back to democratic forces, and the purpose of his visit should be reconsidered".

During his four-hour stay in the Danish capital, Dr Boesak met senior foreign ministry officials but no members of the government or parliament. Sapa-AP



Allan Boesak

PERSONAL COMPUTING



Minister claims



EC to lift embargo on SA oil exports

STAR 7/4/92.

The European Community is to lift an embargo on exports of oil to South Africa, following a similar move by the US last July.

German Foreign Minister Hans-Dietrich Genscher meeting with his EC counterparts in Luxembourg yesterday said the decision, due to be ratified last night, was being taken in the expectation that this will contribute to positive developments, especially in the forming of an interim government.

Diplomats said Ministers were also expected formally to end remaining sanctions involving sporting, scientific and cultural contacts, which in effect have already lapsed.

The only sanctions which will remain are embargoes on imports and exports of arms and sensitive goods for the armed forces, along with measures affecting military and nuclear cooperation.

The moves follow the vote by whites last month in a referendum to back President de Klerk's efforts to dismantle apartheid and reach agreement on a new constitution with the majority black population.

The Community agreed to end its ban on new investments in South Africa at the end of 1990, and its ban on the imports of iron, steel and gold coins early in 1991.

Oil industry operators in South Africa welcomed the unexpected announcement, but noted that the Community's decision will have limited financial impact. For the past few years South Africa has been buying its crude at world prices, paying little if any premium.

The diminished impact of the embargo was already evident last year when the Government announced it would sell part of its strategic reserve to finance social upliftment.

It will, however, allow South Africa to diversify its sources of supply. The country will also be able to trade crude oil products openly.

What remains unclear is the extent to which yesterday's announcement will undermine the United Nations' embargo which remains.

Locally, it will provide added impetus for the decentralisaton of oil procurement, which has been controlled by the Central Energy Fund.

Shipping Research Bureau, an Amsterdam-based monitoring group, estimated that South Africa's oil imports cost $1,6 billion (about R4,48 billion) in 1989.

Demand is about 30 percent below that of the mid-1970s due mainly to progress made by South Africa in achieving a level of self-sufficiency through developing a synthetic fuel industry which converts coal to oil and gas.

The PAC observer mission to the UN yesterday protested against the EC move. — Financial Times News Service, Sapa.

Sweden to lift its sanctions

STOCKHOLM — Sweden said yesterday it would gradually end sanctions against South Africa as the country moved towards a democratic government.

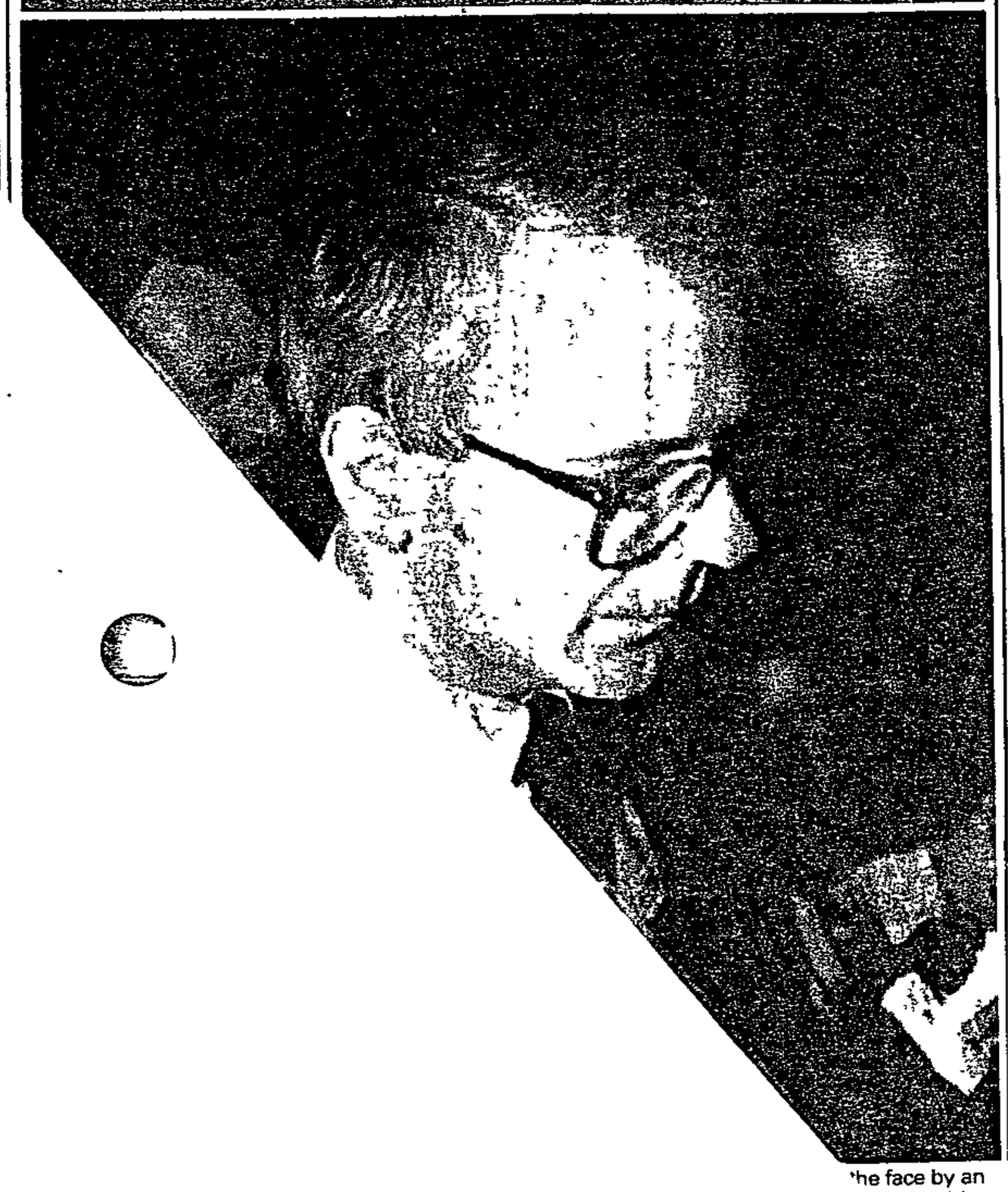
A ban on investment for which the government seeks parliamentary approval to remove will be ended after an interim government takes power.

Other sanctions, such as a prohibition of export credit guarantees, would be ended at the same time as the trade ban, and the government also proposed entering an air travel pact with South Africa, Norway and Denmark. — Sapa-Reuter.

Sanctions go

Winnie inked Or

The yolk is on Major



he face by an
d shoulder
a man in

Only arms and nuclear bans stay

CT 7/4/92 (280)

From CHRIS BATEMAN

LONDON. — The European Community last night swept aside the oil embargo against South Africa and formally lifted the ban on cultural, scientific and sporting ties in response to the massive pro-reform vote.

The oil restrictions have been in place since 1985

British diplomats warmly welcomed the decision, which is likely to have more symbolic than practical effect in the short-term.

However, the sporting ban has lifted a cloud from South Africa's participation in the Barcelona Olympics this October

Following last night's decision, only the 1985 arms embargo and the restrictions on co-operation in nuclear technology and the police remain in practical effect.

In a statement the council of 12 ministers said they had followed positive developments within the Codesa process and "reaffirm our commitment to the creation of a democratic and non-racial South Africa and the well-being of all its people"

The statement added that it hoped yesterday's decisions would "encourage positive developments in South Africa, in particular the establishment of an interim government"

Responding in Pretoria to the move, Foreign Minister Mr Pik Botha said "Psychologically it means the doors are fully opened to South Africa.

"As far as I'm concerned sanctions have gone The playing field is level. It's now up to us to resolve the situtation inside South Africa"

Anti-Apartheid Movement spokesman Mr Mike Terry said any relaxation of the oil embargo now would be premature but that his organisation was encouraged by reports [illegible] of the 1985 EC sanctions (the nuclear, military and security co-operation bans) remained intact.

Canadian Foreign Minister Mrs Barbara McDougall said last night that the EC's lifting of the oil embargo was "premature" and Canada would not change its stance towards South Africa

Speaking during a meeting with three South African cabinet ministers in Pretoria, she said Canada recognised the positive momentum of the negotiation process, but wanted to "see it moving more towards being in practice"

In Copenhagen, Western Cape ANC head Dr Allan Boesak criticised the Danish government for ending economic sanctions and sending the foreign minister on a business-hunting trip next week.

"Denmark's lifting of the sanctions was a response to the referendum and I think that was wrong," said Dr Boesak, who is touring Scandinavian countries which support his Cape Town-based Foundation for Peace and Justice

Irreversible change

In New York, the Pan-Africanist Congress' observer mission to the United Nations yesterday came out strongly in protest against the lifting of sanctions by the EC.

According to the UN resolution, the PAC said, there must be profound and irreversible change in South Africa before sanctions can be lifted, and restrictive measures must be maintained until a non-racial constitution and a democratically-elected government is in place

● Separately, the 12 agreed unanimously to support UN Security Council resolutions 731 and 748 on Libya, calling for Colonel Muammar Gaddafi to yield up the two men suspected of the Lockerbie bombing, and agreed that limited sanctions against Libya would be "scrupulously implemented"

They involve a ban on airline flights, restrictions on diplomatic personnel and a tight arms embargo

EC oil embargo goes, China lifts Bamboo Curtain on trade

(280) ANG 7/10/92

LUXEMBOURG. — European Community foreign ministers agreed to scrap the EC oil embargo against South Africa and formally lifted sanctions on sporting and cultural contacts.

The only remaining sanctions are embargoes on imports and exports of arms and sensitive goods for the armed forces, along with measures affecting military and nuclear co-operation.

The sanctions lifted yesterday were imposed in 1985. A separate set of measures imposed a year later, which banned new investment in South Africa and imports of iron, steel and gold coins, had already been scrapped.

Ministers said the Community was following the progress of the multi-party Convention for a Democratic South Africa, which is negotiating a transition to majority rule.

"The Community and its member states hope that these measures will encourage positive developments in South Africa, in particular the establishment of an interim government," a statement said.

The United States lifted its embargo on oil exports in July last year.

Diplomats said ministers were likely to send representatives of the current, former and future EC presidencies — Portugal, the Netherlands and Britain — for talks on South Africa's future.

The EC's executive Commission is expected to be asked to prepare proposals to normalise the Community's economic relations with South Africa, the diplomats said.

The South African government yesterday hailed the European Community's lifting of an oil embargo, saying it would help the nation's return to world trade.

"Psychologically it means the doors are fully opened to South Africa to do business, to do trade and to move back into the world that was closed to us," Foreign Minister Pik Botha told reporters

Meanwhile, mainland China has ordered the wholesale removal of the Bamboo Curtain to make way for the launch of direct two-way trade and investment links with South Africa.

Plans to encourage a major increase in imports and exports follow agreement between Beijing and Pretoria to break the long freeze in political contact with an exchange of diplomatic offices.

The decks have also been cleared for closer trade ties by visits to Beijing by Department of Trade and Industry director general Stef Naude and by the visit to the Chinese capital last October by Foreign Minister Pik Botha.

China has now opened new trade initiatives with invitations to South African companies to participate for the first time at the Chinese Export Commodities Fair — its biggest industrial exhibition — which starts at Guang Zhou on April 14.

Ji Hua Zhang, of the Shenyan Shengjing Import and Export Corporation, has arrived in Johannesburg to establish trade contacts between Chinese businessmen and their South African counterparts en route to the expo.

Special travel arrangements will be made by Hua Tai International Travel, which has until now operated from Lesotho but which will be opening a new branch in Johannesburg to cope with an expected increase in two-way travel.

Mr Zhang, in liaison with the Randfontein structural steel firm Wil-con, also intends to set up a permanent trade mission in Johannesburg to foster more two-way trade flows, which he predicts will rapidly climb in value to hundreds of millions of rands a year

He believes the huge trade fair at Guang Zhou can serve as a launch-pad to new direct business relations.

He said more than 20 South African companies — including oil-from-coal and petro-chemical giant Sasol — had already laid plans to send representatives.

He said that South African exporters, while they were handicapped by sanctions problems, had until now used middlemen in Hong Kong to handle small clandestine shipments of goods into mainland China.

The new phase in trade relations would allow a dramatic increase in imports and exports because of the benefits of direct and open contact.

He believed South African exporters had a vast range of goods that should find a ready market in China, from minerals to manufactured goods and agricultural produce

On the reverse route, China was anxious to sell a wide range of consumer goods, industrial machinery and electronic equipment.

Beijing was equally enthusiastic about the prospects of investment and technological exchanges to create new joint business ventures in both countries — Business Staff, Sapa-Reuter-AP

SA in Ivory Coast link

STAR 8/4/92

CAPE TOWN — South Africa is to establish full diplomatic relations with the Ivory Coast.

Foreign Minister Pik Botha announced the decision yesterday as the campaign to isolate South Africa continued to crumble.

Djibouti said it was lifting all trade and travel restrictions on South Africa due to "very positive developments" here.

An official statement said the Council of Ministers had agreed to lift the boycott on all goods for or from South Africa and on goods passing through the tiny Horn of Africa state's port.

Djibouti's port is strategically located at the mouth of the Red Sea leading to the Suez canal and has the largest container facility north of Durban on the eastern coast. — Political Correspondent, Sapa-Reuter.

Lifted restrictions 'few benefits for SA'

(280) ST 8/4/92

JOHANNESBURG. — The lifting of the EC's oil embargo carried only a symbolic effect, with little benefit expected to be derived for the domestic economy or fuel users, leading industry sources said yesterday.

A shroud of secrecy imposed by the Petroleum Products Act prevents government officials and others from commenting openly about the oil embargo or oil purchases.

But officials within the Mineral and Energy Affairs Department and senior sources within the oil industry said yesterday the lifting would have little short-term effect on South Africa.

An Engen spokesman said South Africa's efforts to secure oil in spite of the embargo had been so successful that the EC's actions would matter little. But the lifting could act as a catalyst for the UN and Arab League to lift their embargoes.

A spokesman for Caltex said no change in petrol prices could be expected.

Meanwhile, a top British energy analyst in London said the lifting of the oil trade embargo would improve South Africa's ability to export refined petroleum products and raise operating rates to more economic levels.

Shell International and British Petroleum (BP) were more guarded in their reaction yesterday.

A Shell spokesman said: "We do not see this as having any immediate practical impact on us", while a BP spokeswoman said her company was busy assessing "exactly where we stand with the UN".

● The Inkatha Freedom Party on Tuesday welcomed the European Community's decision to lift the oil embargo against South Africa, saying the step would encourage negotiations towards democracy.

The lifting also showed the EC's willingness to aid economic recovery in South Africa.

Canada 'set to scrap sanctions'

Political Correspondent

CANADIAN Foreign Minister Mrs Barbara McDougall strongly hinted yesterday that Canadian and Commonwealth sanctions against South Africa could be lifted soon.

After declaring that the time had arrived to turn the page on sanctions, she said she would, as chairwoman of the Commonwealth Committee of Foreign Ministers dealing with sanctions, discuss the issue with her colleagues after her visit.

The first Canadian foreign minister to pay an official visit to South Africa in 30 years, Mrs McDougall told the Cape Town Press Club yesterday that she was hopeful that the "trigger point" for ending sanction would be reached very quickly.

An aide said this meant sanctions could go once Codesa agrees to transitional arrangements and before an interim government is installed.

Canada pledges R2,5m

CAPE TOWN — Canadian External Affairs Minister Barbara McDougall yesterday announced a R2,5m grant to an ANC-aligned economic think tank.

On the last day of her four-day visit to SA, McDougall visited Crossroads outside Cape Town.

At a media luncheon in Cape Town later, McDougall announced the contribution to the Macro-economic Research Group. The organisation mainly assists the ANC in developing economic policy.

McDougall said on Tuesday Canada would maintain trade sanctions against SA until an interim government was in place, and yesterday urged rapid progress towards this.

But she warned that unless political violence ended, SA's return to international acceptance would be difficult.

Sapa reports that McDougall told the Cape Town Press Club the lifting of sanctions would not in itself restore business confidence in SA.

Confidence would come once SA's leaders were committed to economic and political freedom, and violence ceased.

She said there was no question in her mind that sanctions had quickened the pace of change, "but now the time has come to turn the page" — AP-DJ.

MASTERS

PRIVATE INFORMATION AGENCY CC

For prompt tracing of absconded debtors, tenants, witnesses, etc.

Contact: Mr JAMES FIELD
Tel: (011) 403-3349
Fax: (011) 403-1278
PO Box 30730
Braamfontein 2017

DT0498

Mbeki expects major US investment soon

B Day 10/4/92

HAMBURG — ANC negotiator and foreign relations chief Thabo Mbeki said yesterday he expected several major US corporations to announce large investments in SA within the next month, Reuter reports.

He said a major soft drink manufacturer, a big engineering and construction group and a large food group would make their investment plans public soon. He declined to name the companies.

Mbeki said Washington was likely to lead an investment drive into SA following a huge referendum "yes" vote.

"US companies will be leading new investment. They are very interested in coming back," Mbeki said after a seminar in Hamburg on the future of his country's economy.

Most US corporations divested their SA holdings in the '80s.

Mbeki said the ANC was confident the Codesa talks would succeed in creating an interim government council by June.

This would pave the way for democratic elections by the end of the year, he told the seminar. A new constitution could then be put in place by mid-1993.

Mbeki stressed the ANC's beliefs in the the market economy and said it had no ideological commitment to nationalisation.

"The issue of investor confidence is important. You can't threaten to nationalise property and expect people to invest."

Mbeki said a new SA government would need to carefully review economic policies with the aim of redistributing wealth.

A blend of policies, including privatisation, creation of new public agencies and in isolated cases nationalisation, would probably be needed to reshape the economy.

Meanwhile economic affairs deputy director Tito Mboweni said in an interview with Enterprise magazine that the ANC would review its nationalisation policy this year and will soon also publish its draft investment policy, reports Sapa.

The ANC envisaged transforming government departments, pushing up corporate tax, promoting the informal sector and giving priority to victims of forced removals in its land redistribution programme.

"We will need to set priorities and make realistic choices," he told Enterprise.

"Longer term developmental objectives should have priority over short-term sectional interests. We are convinced that we need a developmental state to lead, coordinate, plan and dynamise a national economic strategy."

Mboweni said a review of the nationalisation policy did not mean the ANC would backtrack from policies to democratise the economy.

FM 10/9/92

OIL SANCTIONS

Time to lift secrecy too?

The announcement this week that the EC will lift its oil embargo against SA is of more importance politically and diplomatically than economically. It's a rebuff to the ANC's demand that sanctions continue, but it is hardly likely that the move will have any impact on the availability or price of petrol, considering that oil has been in heavy oversupply on world markets for some years.

Though reporting on the source and price of SA's oil supplies is still restricted locally under the Petroleum Products Act, it is generally believed that the country has been receiving as much oil as it needs — and at prevailing international prices. It is possible, however, that gaining access to the full range of available shipping services might reduce transport costs modestly.

The rapid crumbling of oil sanctions reinforces the case for the repeal of the onerous legislation preventing the full reporting of energy matters locally. Ironically, while South Africans were kept in the dark on where their oil came from, important information on the local oil market was widely published overseas. Foreign reports have repeatedly listed the source of SA oil imports, their amounts, the methods of evading sanctions, the scope of local synthetic-fuel production and total demand.

Nothing would enhance public confidence more in government's administration of energy markets than granting the full freedom to report on the subject without fear of breaking the law. ■

Denmark promises massive cash aid for SA

STAR 13/4/92

Copenhagen wants to re-establish ties with South Africa and will provide financial support once an interim government has been established, said Danish Foreign Minister Uffe Ellemann-Jensen in Pretoria yesterday.

After meeting Foreign Minister Pik Botha, he said that Denmark would provide $100 million (about R280 million) over a five-year period for this purpose to the interim government and non-governmental organisations.

Denmark lifted sanctions against South Africa recently.

Mr Botha said they had discussed the concept of a southern African community of states, Codesa, and a timetable for domestic political developments.

Mr Botha said it was the first time that a Danish cabinet minister had visited South Africa.

Mr Ellemann-Jensen said it seemed obvious that South Africa would proceed to establish a democratic, non-racial dispensation.

A Danish official said Mr Ellemann-Jensen would meet President de Klerk today and Nelson Mandela tomorrow.

Forty-four business representatives, 13 journalists and eight Danish Foreign Ministry officials are accompanying Mr Ellemann-Jensen on his visit. — Sapa

Breakthrough in Scandinavia

Danish visit opens new doors for SA

B/Day 13/4/92

280

DENMARK has broken from the pro-sanctions stance of its Scandinavian neighbours with the arrival in SA yesterday of a high-level trade delegation led by its foreign minister.

Danish Foreign Minister Uffe Ellemann-Jensen said after meeting his SA counterpart Pik Botha in Pretoria yesterday that Denmark was ready to donate $100m in development aid to SA once an interim government was formed.

A five-year aid project to develop social, educational and agricultural structures was planned. It was still to be decided whether the funds would be distributed through state or non-governmental organisations.

Ellemann-Jensen said he believed SA still had a long way to go towards realising full democracy, but his government was impressed by the courage the SA government had shown in calling last month's referendum. He was confident SA would cover "the last part of the road" and soon be welcomed as a full member of the international community.

Danish Information Department spokesman Lis Garval said Denmark, as the only Scandinavian member of the EC, saw itself as a bridge between the EC and Scandinavia, and believed it led the way in relations with the rest of the world.

She expected Sweden and Norway to lift sanctions and establish trade links soon, following the example set by Denmark when it lifted its five-year embargo against SA last month. Denmark was the last EC member to lift sanctions, but the first of the Nordic countries to do so

Ellemann-Jensen said Denmark's business community was eager to re-establish

KATHRYN STRACHAN

ties and said the delegation of 40 high-level businessmen represented a wide range of Denmark's industries.

Reuter reports that Danish business leaders believe the country could export up to $240m of goods a year to SA.

On the import side, Danish electricity producers are checking the current price and quality of coal from SA, previously their biggest single supplier.

In welcoming the delegation, Botha said Denmark gave 1% of its total GDP to development aid and he hoped other European countries would soon follow its example. He said the visit, which was the first by a Danish cabinet minister, had opened the door to "completely normalising" relations between SA and Denmark

During his five-day trip Ellemann-Jensen will meet President F W de Klerk, ANC president Nelson Mandela, ANC head of International Affairs Thabo Mbeki, SA Council of Churches general secretary Frank Chikane, DP leader Zach de Beer and businessmen.

Meanwhile, Sapa-Reuter reports from Bonn that German firms have reacted positively to commments by Mbeki that the ANC was not wedded to nationalisation and favoured a market economy.

But German industry still fears violence could continue and that a new government could nationalise firms.

German banks have already plunged back into the SA capital market, issuing nearly 1-billion Deutschmarks ($615m) of bonds over the past eight months.

However, soaring demand for invest-

☐ To Page 2

Denmark

B/Day 13/4/92.

280

☐ From Page 1

ments in other areas — notably east Germany and the rest of eastern Europe — will limit available funds

Mbeki said last week the ANC favoured a free market approach and had no ideological commitment to nationalisation

He told a conference in Germany that a blend of policies, which could include nationalisation in isolated cases, would be needed to "rebalance" the economy

But any nationalisations would be arbitrated, guaranteeing due process and adequate compensation, Mbeki said

Volker Schuermann, head of foreign trade at Germany's third biggest chemical group Hoechst AG, said he was heartened by Mbeki's statements

"I'm not convinced yet, but it appears the ANC is learning they need a free market approach," he said "If this sentiment really takes root in the ANC, it would be the basis for more foreign investment in the long term"

P S Buys, trade chief at SA's consulate in Hamburg, said investment would pick up after creation of an interim government

"German firms know and understand SA and they will probably be among the top investors," Buys said, predicting British, US and Japanese firms would also join in

Bid to ease Equity ban not on cue

Star Bureau STAR 14/4/92

LONDON — An effort by 20 Equity members to have independent broadcasters in South Africa exempted from the union's cultural boycott was foiled yesterday when the motivator failed to turn up at Equity's annual general meeting.

On finding no one available to propose the motion — to change Equity policy to exclude only South African State-owned or controlled broadcasting authorities from its sale agreements — the chairman threw it out.

The motion had been supported by 20 members and included ,78 signatories.

It is believed, however, that the Equity council is considering calling a referendum among the union's members on the question of continuing the cultural ban against South Africa.

Many members have become increasingly disillusioned with the union's continued action against South Africa, which they perceive as incongruous with the Economic Community decision recently to lift people-to-people sanctions.

New export potential opening up in Japan

STAR 14/4/92 (280)

Finance Staff

Japan could regain its position as South Africa's top trading partner.

That's the view of Safto general manager David Graham in reaction to Japan's October decision to lift sanctions against South Africa.

Until 1988, Japan was the country's largest trading partner, since which time it has slipped to fourth in the wake of the Japanese government's instruction to businessmen to limit their dealings with South Africa.

Mr Graham anticipates increased South African exports of iron-ore and primary products to Japan, referring in particular to Iscor's R1 billion iron-ore deal with six Japanese steel manufacturers.

Safto's assistant manager for Asia, Mary-Ann P Steiner, says much export potential exists in the fields of packaging, wrapping, medicines, biotechnology, metal and metal finishes, and precision and optical equipment.

SA faces 3 simultaneous revolutions, warns Howe

STAR 15/4/92

By Michael Chester

All sanctions should be removed as soon as possible to allow South Africa to join neighbour states to launch a continent-wide drive for economic expansion, former British foreign minister Sir Geoffrey Howe said in Johannesburg yesterday.

"What better way of generating employment opportunities — north as well as south of the Zambesi?" he asked.

In a keynote address at the annual conference of the Institute of Directors, Sir Geoffrey also recommended the removal of the high degree of government regulation and intervention that had intensified inside South Africa in its prolonged economic isolation.

South Africa faced the task of handling three simultaneous revolutions: from strictly limited to universal democracy, from seriously restricted to open economic opportunity, and from national isolation to integration in the world economy.

Many high expectations would be dashed. The establishment and expansion of all the dynamos and engines of a market-driven economy was a process that extended over generations.

Redistribution

"Yet it is equally desirable to achieve as soon as possible at least some redistribution of resources in favour of those who have for so long been relatively dispossessed by economic apartheid — most urgently of all, perhaps, in better educational opportunities," he said.

Fortunately, South Africa had solid foundations on which to build a lasting democracy: an independent and respected judiciary, equally independent and academically respected universities, a free press and well-established institutions in a strong free-market economy.

More and more countries around the world had now seen the strength of the case for the privatisation of State-controlled enterprises.

It not only freed each business from damaging political interference, enhanced the competitive efficiency of the economy and extended consumer choice and private share ownership, it also relieved the State of the huge and growing burden of financing and investment needs and operating deficits of public corporations.

There was another prescription to commend in South Africa — the encouragement of more investment from overseas. By making inward investment more attractive, Britain in recent years had turned several weak industries into winners on world export markets, and in the process created hundreds of thousands new jobs.

"I have been most encouraged to learn of the ANC's latest willingness to prepare a code that will encourage such investment," said Sir Geoffrey.

Liberal economic policies were desirable for more than just economic reasons. The key benefit of a free-market system was the framework it provided society for absorbing and responding to change without stifling it.

Energise

"The challenge for the leadership of your country, in commerce and industry as well as in politics," he said, "is to manage democratic institutions so as to energise the dynamo of economic change — without arousing expectations so high that they are bound to be disappointed.

"There will be dark moments and discouragement from time to time. But there is in your country great talent, great hope and great courage as well. Your many friends in the rest of the world have confidence in your prospects of success."

Danes hasty, says Mandela

Own Correspondent

JOHANNESBURG. — The ANC understood Denmark's concern that it should not be left behind in the international rush to invest in South Africa, ANC president Mr Nelson Mandela said yesterday. (280)

Mr Mandela, after meeting Danish Foreign Minister Mr Uffe Ellemann-Jensen, said Denmark's decision to lift sanctions last month was premature.

He said the ANC remained firm in its belief that sanctions should only be lifted once an interim government was in place. CT 15/4/92

Mr Ellemann-Jensen said he looked forward to the establishment of an interim government.

Curbs on SA must go

280

Sowetan Correspondent

ALL sanctions should be removed as soon as possible to allow South Africa to join with neighbour states to launch a continent-wide drive for economic expansion.

This was said by former British Foreign Minister Sir Geoffrey Howe in Johannesburg yesterday.

"What better way of generating employment opportunities - north as well as south of the Zambesi?" he asked.

In a keynote address at the annual conference of the Institute of Directors, Howe also advised the removal of the high degree of government regulation and intervention that had intensified inside South Africa in its prolonged economic isolation.

South Africa faced the task of handling three simultaneous revolutions: from strictly limited to universal democracy, from seriously restricted to open economic opportunity, and from national isolation to integration in the world economy. Sowetan 15/4/92

He stressed the need for better educational opportunities for all.

Oil curbs cost SA a whopping R80 billion

280 ARG 18/4/92

While international sanctions appear to have failed to stop the flow of crude oil into South Africa, some financiers estimate that sanctions cost the South African petroleum industry about R80 billion. Lifting the European oil embargo against South Africa has prompted speculation that the United Nations will follow suit, but will it make a difference? TED MAGILL reports.

DESPITE secrecy clauses in the Petroleum Products Act, the identity of sanction-busting oil suppliers who defied international sanctions agreements has been revealed — and the cost of sanctions to the petroleum industry estimated.

Although the lifting of sanctions undermines the need for the cloud of secrecy over South Africa's petroleum industry, it seems the secrecy will remain until the final United Nations sanctions are lifted.

Officials of the Department of Mineral and Energy Affairs last week declined to comment on the implications of the lifted embargo. Mr Hennie de Villiers said the department would enforce the Petroleum Products Act until the United Nations oil embargo had also been lifted.

Meanwhile, ANC spokesman Mr Willie Hofmeyer and Democratic Party MP Mr Roger Hulley have called on the government to repeal the secrecy clauses of the Act. Mr Hulley said they were "no longer necessary and counter-productive" while Mr Hofmeyer said they were used to cover up "some dubious practices".

This would facilitate open debate on the petroleum industry and specifically the "white elephant" Mossgas project, for which the government has come under fire. Mr Hulley has been an outspoken critic of the government's Mossgas project after conducting a personal investigation.

Late last year Mr Hulley claimed some Mossgas employees were earning exorbitantly inflated salaries that were adding to the unnecessarily high cost of the project.

But open debate might also reveal information to show how South Africa beat international sanctions. It would reveal (officially) the suppliers and the cost of crude oil bought by South Africa during the years of international isolation — at least to those who don't already know.

EXECUTIVE magazine recently published an exposé of South African oil suppliers and the well-paid middlemen who acted for South Africa. In the face of international sanctions South Africa appears to have maintained its crude oil supplies, albeit at some cost.

South Africa sidestepped international sanctions by securing oil from Iran until 1979, when the Shah of Iran was deposed. Then the Strategic Fuel Fund (SFF) was formed as a sub-committee of senior Sasol employees, to ensure South Africa's supply of crude.

Middlemen buying oil for South Africa "wielded awesome power, controlling billions of rands, but appeared fairly cavalier in their methods," reports Executive editor Kevin Davie.

Quoting statistics compiled by the Shipping Research Bureau in Amsterdam, South Africa received an estimated 441 crude deliveries from 1979. These originated from the Middle East, including Gulf states and the Red Sea area and accounted for 42 percent of South Africa's needs.

"The contracts are signed by middlemen who are prepared to state that the oil will not be supplied to South Africa and to falsify documents if necessary. Captains who supply their destination never state South Africa as their next port of call. Favourite fake destinations are Singapore and Europe.

"In the early years trans-shipment of crude, either at sea or at a trans-shipment port with storage facilities, was a common way of moving oil to South Africa ...

"Combined carriers have been popular in this trade ... So oil can be offloaded secretly in Durban and coal loaded later at Saldanha Bay or Richards Bay. If asked why the ship visited South Africa, the owners can say they were loading coal.

"A common misperception is that sanctions have forced South Africa to buy oil on the spot market. But this is not so. By far the majority of oil deals since 1979 have been term contracts.

"Another misconception is that South Africa has to pay a premium because it is a boycott market. While this may have been true in the early days of the crisis, South Africa is a large cash buyer."

EFFECTIVELY, it appears that South Africa beat the oil embargo. With a glut of oil on world markets, oil traders were reportedly (even in 1984), offering oil to South Africa at lower than Opec prices — and being ignored.

But the Shipping Research Bureau estimates the oil embargo has cost South Africa some R80 billion since January 1979. This includes an estimated R900 million spent on oil exploration by Soekor and R10 billion for the Mossgas project, which was made necessary only by the oil embargo.

Lifting the embargo by EC countries has been interpreted as a sign that the UN oil embargo will also soon fall away, despite appeals from the ANC to maintain sanctions until the Nationalist government has agreed to an interim government.

The EC oil embargo was imposed in 1985, while the UN embargo has been in force since 1977. According to some, the UN can be expected to follow suit with at least most EC countries voting for lifting the embargo.

Will it make a difference? As absurd as that question may sound, some sources claim that some Middle East countries are "queueing up" to sell oil to South Africa, which South Africa is getting at competitive market prices. —

STAR 21/4/92

Australians aim to forge trade links

SYDNEY — A delegation of Australian business leaders will visit South Africa in August in anticipation that Australia will lift trade sanctions and open formal trade talks by July, the organisers said yesterday.

The Australia-Southern African Business Council said timing of its mission was based on expectations that South Africa would have an interim government and constitutional assembly by July, allowing Australia to scrap remaining sanctions.

Organiser Cliff Reece said: "It's in everybody's interest to get trade going with South Africa as soon as possible.

"While we prevaricate on whether we should or not, other countries like Germany, Norway, the USA and all the southeast Asian countries are in there already, signing up export orders and forming joint ventures," he said.

The mission had the support of the African National Congress, he said.

Council chairman Mike Jones said Australians were particularly interested in joint ventures, drawing on the similarities between Australian and South African resource-based economies.

Australian trade bans on South Africa include exports of oil and imports of key South African products such as uranium, coal and steel.

Australia last year renewed direct air links and cultural and scientific exchanges. — Sapa-Reuter.

Australian mission

AUSTRALIAN business leaders, anticipating Australia would lift trade sanctions and open formal trade talks by July, planned to visit SA in late August, mission organisers said yesterday.

The Australia-Southern African Business Council said timing of its mission was based on expectations that SA would have an interim government and constitutional assembly by July, allowing Australia to scrap all sanctions.

Business Day 21/4/92

A highway into Africa

STAR 28/4/92 (280)

After years of sitting out in the cold, South Africa is now finding itself warmly accepted by most of the continent's countries in all spheres, including business, sport, culture and the academic world, writes GERALD L'ANGE of The Star Africa Service

WHAT WAS once a rocky road to reacceptance in Africa has suddenly begun to look something like a five-lane freeway for South Africa.

This country is rapidly finding acceptance at the levels of government, business, sport, culture and academics.

A striking sign of this was the meeting in Pretoria last week of government representatives from Botswana, Malawi, Mozambique, Zambia, Zimbabwe and South Africa to co-ordinate the transport of emergency maize shipments from South African ports.

It was the first time representatives of all these governments had sat down in South Africa with officials of a Government they had until recently spurned as a pariah. To some extent they were driven to the meeting by need made urgent by the drought It was, nevertheless, the respectability bestowed on Pretoria by the winding of apartheid that made it politically and morally possible for them to attend the meeting.

Pretoria may have been tempted to exploit its neighbours' starvation by exacting a political fee for transporting their emergency maize imports, such as getting their agreement to establish a permanent regional organisation revolving around South Africa. If it was, it resisted the temptation and accepted the creation of a lesser body: a committee to co-ordinate emergency shipments.

The mere fact of the meeting was perhaps seen as enough of an advance, for it established the acceptability not only of meeting jointly with South Africa at government level but of doing so on its own turf. This is almost as good as restoring diplomatic relations, as several African states have recently done.

Other recent signs of the new order were the reopening of postal services to Angola after 16 years of boycott and the almost bizarre case of South African soldiers going back to Angola to help lift the landmines they and other combatants had strewn thickly during the war.

This week it is the business community's turn to demonstrate how smoothly the traffic of trade is now moving between South Africa and the rest of the continent. At the invitation of the South African Foreign Trade Organisation (Safto), businessmen from several African countries and representatives of trade and aid bodies will meet at the Carlton hotel in Johannesburg to discuss what Safto calls a new scenario for trade and investment.

The conference will have minimal Government and academic representation. The more than 20 speakers will include representatives of private corporations and of trade and development organisations from Africa and Europe, such as the African Development Bank and the Organisation for Economic Co-operation and Development.

Even more notable will be the presence of three African bodies that once avoided South Africa like the plague: the Preferential Trade Area (PTA), the Southern African Development Co-ordination Conference (SADCC) and Tanzania's Investment Promotion Centre.

Paul Runge, head of Safto's African operations, says the conference will "give other Africans a chance to pitch themselves at the South Africans, the multilaterals and the Europeans".

Like the inter-governmental meeting in Pretoria, the Johannesburg conference will bring together parties who have never met on South African soil before. Mr Runge says it is yet another example of how the positive vote in the white referendum has "opened the floodgates".

At the sporting level South Africa has been formally welcomed back into Africa in several fields. The country's weightlifters competed in Kenya, and South Africa took part in the African badminton championships in Mauritius. South Africans will return to the Davis Cup tennis competition this week in Tunisia ' But the most dramatic return has been at the athletics meetings in Dakar and Germiston.

Academics have moved with some freedom in Africa despite the academic boycott, but the openness with which these exchanges can now take place is demonstrated by a conference on Africa that was to be opened by former Zambian president Kenneth Kaunda at Potchefstroom University yesterday, with participation from African countries that include Ghana, Nigeria and Kenya.

Cultural traffic with Africa still tends to be a one-way affair, with South African artists performing in Africa rather than the other way round, although recently a top Kenyan pop group arrived in this country. But there now seems to be little other than personal choice or financial considerations to bar African artists from South Africa.

So the road to Africa seems to be wide open in all lanes. If there are any stop-signs they are economic rather than political □

In times of dark pessimism, a heartening glimpse of rosier prospects

Africa puts out welcome mats

STAR 29/4/92

280



Allister Sparks

ONE of the most heartening features of the changing South Africa is the eagerness with which we are discovering that we are part of the African continent and the readiness with which we are being received there.

From the earliest days of white settlement, when Jan van Riebeeck planted a bitter almond hedge to seal off his little community from the indigenous inhabitants of Africa, white South Africans have tried to isolate themselves from the continent and create their own little enclave of Europe here.

That is what apartheid was all about, Van Riebeeck's hedge institutionalised in a thousand laws to exclude the black people of Africa and preserve the illusion that South Africa was really a "white" country.

Now as the stubborn old hedge gives way to the irresistible pressures of change, South Africa is beginning to venture forth to discover the continent of which it is part but from which it has cut itself off for so long.

Three weeks ago President de Klerk was in Nigeria. It was the 13th African country he has visited since he became leader of the National Party in February 1989.

His visits have included Kenya, Ivory Coast, Senegal, Zaire, Zambia, Mozambique and Madagascar. But Nigeria was the big one, Africa's most populous nation whose president, Ibrahim Babangida, is also chairman of the Organisation of African Unity In a burst of enthusiasm, the ubiquitous Pik Botha spoke about South Africa possibly joining the OAU.

Airline routes are opening up and trade talks are taking place. Twenty African speakers are attending a conference in Johannesburg this week organised by the South African Foreign Trade Organisation.

I have just returned from Cairo where I was one of seven South Africans invited by the Egyptian government to discuss the future role of our country in the African continent. The Director of the Foreign Ministry's Institute of Diplomatic Studies, Dr Ihab Sorour, described it as "a first step before the full recognition of South Africa by Egypt and the Arab countries"

Everywhere, the walls of isolation are tumbling down. Full recognition will not come just yet. As Egyptian Foreign Minister Amr Moussa explained, there will be no official contact, and certainly no question of South Africa joining the OAU, before an interim government is in place. But as this week's developments at Codesa indicate, that point may be only three or four months away.

There is a heady sense of expectation at what this new relationship may bring. To some extent, interests differ. For the South African Government the interest is primarily political. "The road back into the world runs through Africa," Pik Botha has often said, meaning that if the black states are prepared to accept a reformed South Africa's bona fides no-one else will gainsay them Pretoria has therefore put a disproportionate amount of effort into scoring these diplomatic breakthroughs in Africa.

For Africa, the interest is primarily economic. This is a continent in crisis, and particularly since the collapse of communism deprived them of the benefits of Cold War rivalry many African countries have started looking to South Africa as the regional superpower that could pull them out of the mire.

There is a deep fear that the developed world is losing interest in Africa and the Third World generally; that not only aid but investment capital is going to be channelled to the countries of Eastern Europe and the former Soviet Union, and that the Third World is going to be become more marginalised than ever.

Faced with this prospect of being abandoned, many African countries see the changes taking place in South Africa as a fortuitously timed hope of salvation.

Their hopes may be unrealistically high. At the Cairo conference, and at others I have attended, the South Africans present have warned against expecting too much, pointing out that although our economy is much larger and better developed than any other on the continent it is nonetheless an economy in trouble because of the distortions of apartheid that will take years to fix.

They talked of the terrible housing shortage, the unemployment rate, and warned that South Africa was likely to remain inward-looking, preoccupied with its own domestic problems, for a long time. It was going to be an aid receiver rather than an aid giver

But the Egyptians were not deterred. Dr Mahmoud Aziz, the country's most senior banker who heads the Bankers' Association of Egypt, told me he foresaw exciting possibilities for economic interaction with South Africa — especially in tourism and agri-industry — and planned to come here next year with a view to opening a branch of his own bank, the Commercial Industrial Bank of Egypt.

"Once we are established there I'm sure we will be able to create many opportunities," Dr Aziz said.

Dr Mona Makram, a politics professor and opposition Wafd Party MP, was emphatic that South Africa could not only be an engine of growth for all of Africa but a role model for democratisation.

"Egypt in the Arab world and South Africa in Africa can perform that task," she declared

In each case, she said, Arab and African countries had used scapegoating techniques to evade the issue of democracy and human rights in their own societies.

"Apartheid in South Africa united all of Africa and gave them an excuse to ignore their own malpractices The Palestinian argument has had the same effect in the Arab world," Dr Makram said

Now South Africa was breaking that pattern, which could make it a catalyst for political change.

Dr Makram described South Africa's desire to join the OAU as "most laudable", saying it would make the country part of Africa and force Pretoria "to espouse the problems of Africa"

South Africa's closer ties with the developed world meant it could act as Africa's interlocutor with the West in trying to get some of its crippling debts written off and generally helping to open it up as a viable market for South African exports

In times of dark pessimism, when the relentless civil violence and news of police connivance and cover-ups seem to cloud our future prospects, it does good to break out of here and glimpse some of the rosier prospects that await us when we are through this morbid interregnum. □

SA poised for full world integration, says Obasanjo

STAR 29/4/92

By Thabo Leshilo
Political Staff

South Africa was poised to be fully integrated into Africa and the world as a country with democracy, harmony, growth and development surpassing all projections, former OAU chairman and Nigerian president, General Olusegun Obasanjo, said in Johannesburg yesterday.

General Obasanjo was giving the opening address at the South African Foreign Trade Organisation's two-day international conference on the new scenario for trade and investment in southern Africa.

A post-apartheid SA, he said, could compete favourably for capital and trade with the leading economies of the world.

He said the recent whites-only referendum had indicated that the fear of extinction that had so characterised the Afrikaner's psyche and threatened to drive him into the laager was giving way to a genuine feeling of being South African.

"It must be gratifying to South Africans that those who constructed apartheid are taking the lead in dismantling it," he added.

Now the chairman of the New York-based African Leadership Forum, General Obasanjo warned that a new society should not be predicated on anger, revenge and bitterness but on the basis of remorse, forgiveness and reconciliation.

It was encouraging, he said, that African leaders who had spent more than a quarter of a century in apartheid jails were without bitterness or hatred.

The referendum, he added, had removed the last doubts about the sincerity of President de Klerk and lack of good faith of his Government to eradicate apartheid.

It, however, did not remove the obstacles caused by violence to fostering peace and brotherhood.

"Co-operation, tolerance, confidence and trust cannot reign in a situation of violence — this is an antithesis to democracy," he said.

General Obasanjo identified the next important task facing South African leaders as the elimination of violence.

This had to be followed by the establishment of an interim arrangement for bringing about full democracy.



Olusegun Obasanjo . . . new SA could compete favourably with leading economies of the world. Picture: Alf Kumalo

Babangida wants sanctions lifted

Sowetan 30/4/92

280

Sowetan Africa News Service

ARUSHA - The Nigerian president told African leaders the mandate given by whites was a warning to keep their eyes and ears open "so as not to be overtaken by history".

He was speaking at the Organisation of African Unity meeting on South Africa in Arusha on Tuesday, which ended with a proposal to call for international intervention to help stop the violence in South Africa.

President Ibrahim Babangida of Nigeria, who recently received South Africa's President de Klerk in his capital, clashed with Tanzanian President Ali Hassan Mwinyi over the issue of maintaining sanctions.

The Nigerian leader urged that sanctions be lifted gradually to encourage reform. The Tanzanian argued that sanctions were what had forced Pretoria to reform and should therefore be maintained until apartheid had been fully dismantled.

At the end of the one-day meeting the OAU's Committee on South Africa proposed that the OAU ask the United Nations Security Council to take action to secure international intervention to help stop the violence in the country.

It also proposed that the OAU send a monitoring team of its own to report on the violence and try to help in the negotiations.

Earlier ANC president Mr Nelson Mandela had requested that the OAU support the dispatch of an international force to South Africa to end the violence, which he said was inspired by the Government.

"We are convinced that international monitoring and a role in securing a peace-keeping force will bring under the spotlight all those in our country who are determined to plunge us into the abyss," he said.

"As long as the South African Police and the South African Defence Force continue to be the private armed forces of the National Party, so long will the slaughter of our people continue."

Mandela said he had contacted the OAU and the UN on April 9 about an international force similar to the UN force that monitored the Namibian independence election.

According to OAU Secretary-General Mr Salim Ahmed Salim the Arusha meeting was held at the express request of Mandela.

ANC dismisses Mangope's claims

Sowetan 30/4/92

109

By ABBEY MAKOE

THE African National Congress yesterday described as nonsense claims by Bophuthatswana leader Chief Lucas Mangope that the organisation had become a common factor in violence throughout the country.

The ANC's director of information, Dr Pallo Jordan, said Mangope's allegation was tantamount to saying "women were a common denominator in rape cases".

Mangope made the claim during the opening of his parliament in Mmabatho.

He said he had had a "long and constructive" meeting with ANC president Mr Nelson Mandela on February 27 in which Mandela had conceded that it "had been ANC policy to destabilise" Bophuthatswana.

Mangope said although Mandela was "at pains" to assure him that the ANC would stop threatening to topple the Bophuthatswana government, the organisation had failed to give effect to the undertaking by their leader.

In a hard-hitting response yesterday, Jordan reminded Mangope that he had been toppled from power before the SA Defence Force swiftly moved to rescue him and his "so-called independent government".

Ban on foreign funding to go

STAR 9/15/92

CAPE TOWN — In an effort to level the political playing field before a general election, restrictions on foreign funds for political parties would be lifted, Minister of Justice Kobie Coetsee said yesterday.

Replying to the debate on his budget vote, he said provisions of the Ban on Foreign Financing of Political Parties Act would be lifted until six months after the general election that would be held under the rules of the new constitution.
— Sapa.

No more back-door trading

CAPE TOWN — A sad legacy of the sanctions period is that South Africans have become accustomed to trading through the back door, Investec Bank executive chairman Bas Kardol said in Cape Town yesterday.

Addressing the annual congress of chartered accountants, he said many South African companies would have to develop knowledge of rules and standards set for products traded through normal channels.

"South Africans know suprisingly little of the methods of decision-making in the corridors of Brussels and the debating chambers of Strasbourg.

"South African companies should develop lobbying ability or else face the possibility of rules which may hurt their ventures."

He said South African companies with the desire to expand into Europe should internationalise their management teams as fast as possible.

"In the case of Europe 1992, it will be in our interest to secure as much access as possible to the largest single market on earth." — Sapa.

Trade group contributed to ANC policy — Mandela

STEPHANE BOTHMA

TALKS between the ANC and a Japanese trade delegation visiting SA provided valuable information for the formulation of an economic policy by the organisation, ANC president Nelson Mandela said yesterday.

Mandela, however, urged the group of businessmen to join the demand for an interim government before making new investments in SA.

Mandela met the trade delegation, led by Itoh Koya Mica, MD of Sito and Co — one of Japan's largest trading houses — yesterday afternoon shortly after his return from a week-long visit to several African states.

Speaking at a Johannesburg news conference, Mandela said he regarded Japan as one of the most economically successful countries in the world. Japan was also an inspiration to SA.

Mandela said the talks, which took place at the ANC's head office in Johannesburg, made a valuable contribution to the ANC's search for an economic policy and provided ways to draw foreign investors to SA.

He added that the ANC was seeking to break government's monopoly on political power. He expected all business groups to join the demand.

Mica, who also addressed the news conference, said SA would offer great economic prospects if stability could be achieved by people like Mandela.

SA had a strong infrastructure and good people, Mica said.

His company was interested in investing in SA, but stability in the country was a prerequisite.

Mica said the delegation was visiting SA to explore the investment opportunities for Sito and Co and to ensure the transfer of technology through licensing.

This would create independent industries capable of producing high quality products.

BUSINESS DAY, Wednesday, May 6

No 'alternative' British shows on SABC even after ban goes

DARIUS SANAI

MOST South Africans will not get the chance to watch popular British comedy classics like Fawlty Towers and Monty Python's Flying Circus — even after the British actors' union ban on television material is lifted.

The SABC says such series are too "alternative" and not commercial enough. It will show only mainstream British programmes.

TV1 programme director Hein Kern said last week British soap operas, sit-coms and dramas would be shown on SABC TV within two months of the lifting of the ban imposed by actors' union Equity.

Equity is poised to lift the ban, which is one of the last cultural sanctions on SA, within the next few months.

But Kern said it was unlikely TV1 would broadcast the Fawlty Towers and Monty Python series, which were made in the '70s, or their more modern "alternative" successors such as Not the Nine O'Clock News, The Young Ones and Black Adder.

"There is such a wealth of UK material that it would be foolish to go back 10 or 12 years to find programmes," Kern said.

He said British action drama and mainstream sit-coms would probably go down best in SA, as well as soap operas. "But a lot of market research will be required once we start to show these programmes. Two generations of young South Africans have been 'weaned' on American programmes, and the British style is very different," he said.

Children's programmes — for which British TV, and the BBC in particular, has a high reputation — were also on the SABC shopping list, as well as music shows.

But Kern said viewers should not expect to be inundated with British programmes once the ban was lifted. Prime time schedules were filled with US and local programmes, and it would be pointless to suddenly drop the US programming, which had proved highly succesful.

M-Net head of programmes Sheryl Raine said the channel was "interested in acquiring British programmes". She did not specifically rule out showing "alternative" programmes, but added the station would ensure that anything shown appealed to "a wide audience in SA".

Kern also said the SABC was considering licensing game shows from European TV companies.

Many European game shows and "adult" talk shows are noted for being salacious, and even bordering on the pornographic.

Kern said SA versions of European game shows could be made in the near future — but all saucy elements would be excised.

Oil embargo has cost SA $2bn a year — economist

(280)

B/Day 6/5/92

DARIUS SANAI

ONLY four sets of sanctions of any significance remain in place against SA, and the most damaging of these — the oil embargo — would be the last to be lifted, according to a senior visiting US economist.

The economist, an expert on southern Africa who wants to remain anonymous, said the UN oil embargo, UN-mandated world financial sanctions, US state and local sanctions and the IMF and World Bank restrictions were the only remaining measures affecting SA's economy.

Most Western economists estimated SA's measures to get around the oil embargo had cost government $2bn a year for the past decade. The recent lifting of the EC oil embargo had little effect on this, and it was ultimately down to the individual governments of oil-exporting Middle Eastern states to decide to lift the sanctions.

Most of these states would be reluctant to do so until a fully democratic government was in place, the economist said.

Iran, the only non-Arab state among Middle Eastern oil exporters, is also the only one to have signalled a willingness to rebuild relations.

It is the second largest oil producer in the region.

Financial sanctions — penalties imposed on banks in various western countries which deal with SA — were losing their bite as the banks became increasingly lax in their application. SA companies were having no difficulties obtaining short-term loans abroad, and the effects of financial sanctions on SA were frequently overstated, the economist said.

US state and city sanctions remained effective, despite the lifting of the Comprehensive Anti-Apartheid Act (CAAA) by Congress last year. It was now down to state legislatures and city councils to lift individual sanctions.

Some US cities like New York and San Francisco have highly developed economies of their own, and their sanctions — which penalise any company trading with or investing in SA — have the effect of similar sanctions imposed by small countries.

The economist said it was unlikely a democratic SA would be left in the same position as Namibia, which still had 25 state and locally imposed sanctions to cope with. Sanctions would be revoked if all Codesa participants requested it, he said.

But the effect of these sanctions could have been dulled recently by the lifting of EC and Japanese trade sanctions. "Firms from other countries are taking their place", the economist said.

The fourth category of sanctions was the restriction imposed by the IMF and World Bank on loans to SA. The Gramm amendment in the US — which is the most powerful voice in the IMF — prohibits the US government from supporting any application for an IMF loan from SA until a democratic government is in power.

But even this did not have a serious effect on the SA economy. "By the time SA really needs an IMF loan to cope with building a new SA, the political situation will mean the loan will be forthcoming," the economist said.

The World Bank's self-imposed restrictions had meant that $1bn worth of loans had been withheld from SA every year, resulting in the loss of 1% worth of potential growth in the SA economy. These loans would also be forthcoming when an interim government was installed, he said.

The UN-imposed arms embargo was also having an effect, with SA forced to manufacture material it would otherwise have imported. This ban would probably only be lifted after a fully democratic government was established.

Which sanctions remain ?

Sanction Type	Imposed by	Estimated effects on SA economy	When likely to lifted
Oil embargo	UN member states in Middle East	Severe, est. $2bn p.a	After democratic elections
Financial sanctions	UN mandate	Moderate, penalties for financial institutions dealing with SA	With approval of all Codesa participants
US state & local sanctions	135 states & cities in US	Moderate: US firms discouraged from investing, trading	After interim government
IMF,World Bank	Gramm amendment in US (IMF), general policy (World Bank)	Moderate to strong - economic growth hampered	After interim government
Arms embargo	UN	Moderate	After interim government

Graphic: LEE EMERTON

where private ... stitutions operating in markets with inherent risks is tolerated." — Sapa.

End of sanctions — 'too soon to measure effect'

Shipping Reporter 280 ARG 9/5/92

PORTNET handled only slightly more cargo during the last financial year and says it is too soon to measure the effect of the lifting of sanctions.

All ports handled a total of 106,8 million tons of cargo, an increase of 1,22 percent on the previous year.

A Portnet statement says exports (91,5 million tons) comprised 85,6 percent of the total handled and imports 13,7 percent (14,7 million tons). Transshipments comprised 0,6 percent.

Export commodities were 1,43 percent less than the previous year's figure while imports increased by 3,3 percent.

The statement says 12 331 vessels anchored at the eight South African ports — 1 596 less than the previous year

15 699

1991

SON, The Argus

...rs while ...ociation.

... marine insurance

HIPPING SCENE



Captain

vessels not requiring extensive coverage offered by the clubs.

Risks covered by the clubs are manifold, including as they do cargo loss and damage, pollution by oil or other substances, injury, illness and death of crew, passengers and dockers, repatriation of crew and substitute expense, diversion and related expenses incurred in landing injured or sick persons, stowaways and refugees, collision liabilities (including those in excess of those covered by hull insurance), damage to

...owever, while

Aussies set to lift sanctions

ST Times (Buss) 10/5/92 280

By LOUIS BECKERLING: Perth

THE Australian Government has signalled its conditional support for lifting Commonwealth trade and investment sanctions against South Africa this month.

The endorsement comes in a report on Southern Africa by the Department of Foreign Affairs and Trade.

The report refers to the initiative by Australia in Harare last year in setting a Commonwealth agenda for lifting sanctions. It expects an end to trade and investment embargoes this month.

But elsewhere in the report there remains evidence of the "stick" in Australia's formal relations with the SA Government.

Arms

"Australia has adopted, and was instrumental in formulating, the Commonwealth policy of a phased lifting of sanctions announced at the Commonwealth Heads of Government Meeting (CHOGM) in Harare in October 1991," say authors Jane Madden and Melissa Hitchman, executive officers in the Department's Central and Southern Africa section.

"The strategy is a dynamic one with triggers to remove sanctions in accordance with substantive change in the political process in South Africa."

First step taken under the Australian initiative, says the report, was the lifting of "people-to-people" sanctions when the obstacles to negotiations were lifted by President De Klerk's bold move to unban political organisations, release Nelson Mandela and allow the return of political exiles.

"The second phase, the lifting of trade and investment sanctions, will take place when there is agreement on appropriate 'transitional mechanisms'.

"This could be mid-May, the time of the postponed Codesa plenary, whose working groups appear to have achieved quite good progress to date."

The lifting of financial sanctions will take place when there is agreement on the text of a democratic constitution. The arms embargo will be removed only after a post-apartheid government is established with full democratic control and accountability.

Labour Party Senator Rosemary Crowley recalls in the report a visit to Soweto which illustrated graphically for her "the injustice and inequity that is South Africa".

Senator Crowley led an Australian delegation to the SA Development Co-ordination Conference in January.

In an account of Australia aid to Southern Africa, which totalled $42 million in 1990-91, the report says this funding programme "emphasises Australia's determination to assist those countries facing destabilisation by South Africa because of their support for the international campaign against apartheid".

New York delegation visits ANC

Business Day Reporter

NEW YORK mayor David Dinkins has sent a senior delegation to SA to hold talks with the ANC on the lifting of his city's anti-apartheid sanctions.

The six-member delegation met ANC deputy president Walter Sisulu on Monday, but details of their meeting were not disclosed. The delegation is led by deputy mayor Bill Lynch and finance commissioner Carol O'Cleireacain.

The visit was only announced on Monday — after the delegation had already arrived. Delegation members could not be reached at their Johannesburg hotel for comment last night.

According to the New York Times, the visit was arranged after ANC international affairs director Thabo Mbeki phoned Lynch last week to tell him "the time was right to talk about the city's sanctions".

Under a 1990 local law, the city is prohibited from contracting with companies or banks which have business ties with SA. It also gives business to those banks which it considers have done the most to end apartheid and has avoided investing $43bn in pension funds it controls in companies involved in SA.

Reuter reports that ANC spokesman Gill Marcus declined to say whether the lifting of sanctions was discussed at Monday's meeting.

Lifting of arms sanctions will make 'little difference'

CAPE TOWN — The lifting of arms sanctions would make little difference to SA, SA Defence Force chief-of-staff finance Vice-Admiral Paul Murray said yesterday.

However, he did not believe arms boycotts would be lifted soon and pointed out that arms sanctions were still being enforced against Namibia. Even if they were lifted, many of the best type of weapons for SA conditions were produced in the country, he said at a news briefing.

Murray also disclosed that more soldiers currently were deployed in townships than had been used at any time during the border war in Namibia and Angola.

He said about R100m of the secret R4 383m special defence account was spent on line-function intelligence and counter-intelligence.

The remainder of the account, all of which was fully audited both internally and by the Auditor-General, was spent on equipment.

Although he would not give details on how the SADF's capital budget during the current financial year was allocated, he said a new tank cost in the region of R15m and a new fighter aircraft between R125m and R150m.

However, Murray said 54% of the defence budget of R9 705m during the 1992/93 financial year was for operating costs such as clothing, rations, computer services, fuel and spares, and 46% for capital costs such as aircraft, tanks, ships, ammunition, spares, maintenance and the special defence account.

He said the army would receive R3 219m, or 33,2% of the budget, the air force R4 112m (42,4%), the navy R827m, (8,5%) and others R1 547m (15,9%).

If defence spending had been maintained in terms of the five-year plan drawn up in 1988, when it had been anticipated that the Cuban army would be in Namibia, the budget this year would have been about R17bn and about R14bn if the 1990 estimates had been maintained.

It was, however, R9,705bn, a decline in real terms of 7,7%, and it accounted for 9,7% of the total Budget and 2,8% of the gross domestic product (GDP).

In 1989, defence absorbed 15,7% of the Budget and 4,3% of GDP, and operating costs were 66,8% of the defence budget during the current financial year, compared with 56,8% in 1988.

Murray said it was a misconception that the special defence account had plenty of slush funds to spend on secret projects.

A Cabinet committee had been examining state income and expenditure over the next five years and had appointed 12 groups. The defence group had drawn up a five-year plan with various spending and strategic options.

Every cent of the defence budget was fully audited by the Auditor-General but the disclosure of the special defence account had to be agreed by the Auditor-General and President.

He said the Cabinet had laid down strategic guidelines for the SADF 18 years ago, including an internal political settlement by 1994.

Political Staff

ANC tells Dinkins to move against sanctions

The Argus Foreign Service

NEW YORK. — A New York City delegation that flew into Johannesburg for an unheralded three-day visit for talks with the ANC returned today armed with assurances that the rate of progress at the Codesa talks justified New York lifting its strict anti-South African sanctions.

As a result, New York Mayor David Dinkins is expected to talk to Mr Nelson Mandela tomorrow and then announce a phased withdrawal of the city's severe trade and business sanctions, a move that is expected to lead to similar moves in the many US cities and states.

The Bush Administration removed Federal sanctions last year in the wake of political reforms in South Africa, but New York and many other municipal and state governments, in deference to the ANC's wishes, retained their restrictions.

Mr Dinkins, New York's first black mayor, who says he is a "fervent admirer" of Mr Mandela, sent the group of top aides, including deputy mayor, Mr Bill Lynch, at the suggestion of the ANC.

The group arrived last Sunday and spent two days meeting with Mr Mandela, other senior ANC officials and Cosatu.

The group is to report back to Mayor Dinkins tonight.

Municipal officials today, however, seemed unsure whether New York would lift its sanctions entirely against firms doing business with South Africa, as several major New York banks are urging, or would comply with any proposal Mr Mandela might make to the mayor tomorrow to introduce a phased rescinding of the restrictions to keep pace with the negotiations towards an interim government.

It is also thought likely that New York, which is considered the leader of the remaining pro-sanctions lobby in the United States, might introduce a "code of conduct" for companies wishing to invest or re-invest in South Africa.

ARG 14/5/92 (280)

PAC warns Dinkins against 'haste'

JOHANNESBURG. — The Pan Africanist Congress has warned New York City mayor Mr David Dinkins against lifting sanctions before a democratic constitution was in place in South Africa.

The PAC issued the warning yesterday after reports quoted the deputy-mayor, Mr Bill Lynch, as saying Mr Dinkins would make the move if African National Congress president Mr Nelson Mandela gave the signal.

"This will be an unforgivable betrayal of the victims of apartheid and colonialism," said Dr S E M Pheko, PAC chief representative to the United Nations. — Sapa.

Lifting of sanctions tied to conference

PATRICK BULGER (280)

COMMONWEALTH secretary-general Emeka Anyaoku said yesterday the lifting of Commonwealth trade and investment sanctions would largely depend on the success of Codesa II. BIDay 15/5/92

Anyaoku, in SA to meet political leaders and observe Codesa II, said he would report his findings to a committee of Commonwealth foreign ministers.

The Commonwealth resolved at its heads of government meeting in Harare last year to lift sanctions in three phases, starting with people-to-people sanctions.

"We decided that the second phase (trade and investment) would be triggered by progress made on the ground in the context of interim government. We are here to observe how that progress is to be made. We hope that progress will be made in such a way that it will allow us to lift the second phase. At the end of Codesa II we can talk about lifting sanctions."

The third phase of Commonwealth sanctions — involving embargoes on trade in oil and weapons — would be lifted once a new constitution was in place.

The Commonwealth was involved in attempts to persuade those parties not involved in Codesa to join negotiations. He said its experience in pluralistic societies placed it in a position to assist SA in the areas of constitution drafting, conducting elections and acquiring skills. However, it was guided in its actions by the wishes of the major political players in SA.

New York to retain SA sanctions

NEW YORK — New York Mayor David Dinkins said yesterday he was not going to lift the city's sanctions on SA yet, but indicated he might do so within "weeks".

He said sanctions would be lifted when "the prospects for the establishment of an interim government in SA appear to be very good". Bloody ...!...

He said establishment of an interim government could be completed within a matter of weeks. 15/5/92

New York City forbids its $43,1bn pension funds to be invested in companies that do business with SA, nor does it do business with companies or banks operating in SA. 280

Dinkins said he spoke by telephone to ANC leader Nelson Mandela yesterday.

"He repeated his request for our continued support."

The mayor said that until the security forces were brought under the direct and complete control of the SA people under a new democratic constitution, he would ask the city council and the pension system to maintain sanctions against munitions or weapons firms that did business in SA.

SIMON BARBER reports Dinkins has positioned himself as a principal spokesman for the ANC on state and local sanctions, and his word will almost certainly have a major effect on the roughly 140 other authorities that have SA-related restrictions on their books.

US businesses have repeatedly said that local sanctions are the single most serious impediment to their considering investment in SA.

No magic wands around for that economic miracle

STAR 18/5/92

THE floodgates to the rest of Africa are opening up rapidly for South Africa. Sanctions are teetering on the brink, and their end is bound to be hastened by the call for their abandonment by the deputy president of the African National Congress, Walter Sisulu.

The visit by President de Klerk to Nigeria has cleared the way for trade and other links between the two African countries with the greatest economic clout. A political seminar held in Cairo, which was attended by South African and Egyptian academics and politicians, also forged new links.

Except for Zimbabwe and, to a lesser extent, Namibia, opportunities for South Africa's trade links now exist with the entire continent.

Apart from the European Community and some of the countries in the Far East, the markets of Africa hold the greatest prospect for South Africa.

However, the great test for Pretoria is likely to be its success in developing economic co-operation within southern Africa.

Superficially seen, an economic grouping would appear to offer great advantages to all 10 countries in the region. But the difficulties of establishing structured institutional relations are formidable.

These difficulties are rigorously examined by the South African economist, Jesmond Blumenfeld, in a study sponsored by the Royal Institute of International Affairs, London.

His central theme is the relationship of dependence and interdependence among countries of greatly varying economic strength and political agendas.

Blumenfeld cites as one reason for caution the, as yet, uncertain future strength and prosperity of the South African economy itself.

A second reason he advances is the uncertain future economic prosperity of the region as a whole, including the scale of cross-border economic relations These will depend upon the political stability in the region, and upon the domestic economic policies pursued by each of the governments. Future stability remains an open question.

Beyond these reasons, Blumenfeld argues that the conditions for translating the "need" for economic co-operation into effective practice are not matched by evidence of a general desire for reconciliation and rapprochement.

Blumenfeld goes on to say that "effective economic co-operation universally requires politically difficult choices and adjustments, including surrender of some sovereignty.

"The experience of the Southern African Development Co-operation Conference (SADCC) has confirmed that sovereignty is not likely to be surrendered very readily in southern Africa, with or without apartheid.

It would therefore be prudent to discount grandiose ideas about a southern Africa Common Market.

"The belief that in the post-apartheid era, conflict between South Africa, on the one hand, and the neighbouring states, on the other, will evaporate, is too simplistic partly because the nature and duration of the transition to majority rule in South Africa and because the characteristics and strength of the post-apartheid economic system are still too uncertain.

"There is — and will remain — throughout southern Africa a legitimate fear that South Africa, however governed, will always exercise overweening economic power over its neighbours. This fear will need to be addressed before there can be any prospect of creating a prosperous regional order."

Blumenfeld believes that, in practice, the emphasis on regional economic co-operation is likely to remain on more ad hoc and essentially bilateral arrangements.

Blumenfeld discounts the scope for Western policy in the region. His cautious conclusion is that southern Africa may not be capable of the "economic miracles" which Western Europe and the Pacific Rim have achieved.

"There has been too much economic dislocation in southern Africa and there remain too many political imponderables and too many reasons to fear the alternative scenario in which the region would be consigned to increasing despair and decline." □

STAR 19/5/92

Norway wants to lift sanctions

OSLO — ANC leader Nelson Mandela was told yesterday that Norway is considering lifting its economic sanctions against South Africa.

"Only Norway and Sweden still maintain the sanctions policy," Foreign Minister Thorvald Stoltenberg said after meeting Mr Mandela.

The ANC leader repeated his request that sanctions re main until an interim government was established.

Mr Mandela is to meet Swedish Prime Minister Carl Bildt tomorrow. — Sapa-AP.

An earlier psychological report said Mr Ingram had been in a heightened emotional state and under the influence of alcohol when he shot his wife. His actions had been triggered when he unsuccessfully tried to complex activities to reach that goal. His actions were purposeful, he knew what he was doing and could act in accordance with that knowledge.

The trial adjourned to Monday.

280

Norway to maintain limited curbs

OSLO — Norway will maintain trade sanctions on South Africa for two more months, while allowing more exemptions from the embargo law, Foreign Ministry spokesman Bjorn Blokhus said yesterday. STAR 21/5/92

The government was worried that continued sanctions would cause Norwegian business to be left behind in the rush to establish post-apartheid trade.

During a visit to Norway this week, ANC leader Nelson Mandela urged the government not to end the trade boycott until an interim government had been installed. He hoped that would happen in one or two months.

Mr Blokhus said Norway had not committed itself to waiting for the formation of a multiracial interim government.

Sweden's Prime Minister Carl Bildt told Mr Mandela in Stockholm yesterday that the Swedish government would lift trade sanctions as soon as there was agreement to form an interim government. — Sapa-AP.

NEWS IN BRIEF

TV film ban to end

THE ban on foreign TV film imports should end as soon as an interim government was in place, the International Federation of Actors said in London yesterday.

General secretary Michael Crosby said the recommendation had been welcomed by the federation's 54 autonomous member unions worldwide, including the British actor's union Equity.

Sweden 'forgiven' for resuming trade

BIDay 21/5/92

STOCKHOLM — ANC president Nelson Mandela said yesterday he would understand if Sweden lifted sanctions against SA, adding that the ANC would never forget its Scandinavian friends.

Swedish Prime Minister Carl Bildt said there were few reasons left for maintaining sanctions. Sweden wanted to lift some within weeks.

In Oslo yesterday, the foreign ministry announced that Norway would maintain trade sanctions for two more months but would allow more exemptions from the embargo law.

"This will make it easier for companies with special needs to get exemption from the law and do business with SA," said Foreign Ministry spokesman Bjorn Blokhus. He said Norway had not committed itself to waiting for the formation of a multiracial interim government.

Norway had been worried that because of continued sanctions it would be left behind in the rush to establish post-apartheid trade.

In Stockholm, Bildt said he had told Mandela he did not wish Sweden, which had rigorously applied sanctions against Pretoria, to be at a disadvantage now that the process towards democracy had reached a decisive stage.

"As soon as we see something which can be called an agreement to set up an interim government" in SA, restrictions on trade would be lifted, Bildt said.

Mandela, who travels to Finland today, said international sanctions had undoubtedly helped bring SA's government to the negotiating table

(280)

He said he understood Sweden's position "because the irony is that ... many countries are lifting sanctions unilaterally and it is our friends who are going to be sidelined ... because of loyalty to our views".

When the ANC began its struggle, "we went around the capitals of the Western world and we were unable to meet even the most junior officials.... But when we came to Scandinavian countries, and in particular to Sweden, we immediately got a sympathetic hearing". This would not be forgotten.

Bildt said his government had included $20m for aid to the ANC in its next fiscal budget. However, future aid would be intended for projects such as educating voters rather than helping the ANC politically.

Mandela met King Carl Gustaf and business leaders after yesterday's news conference. He encouraged them to begin making deals and preparing for the lifting of sanctions.

At a lunch with industrial leaders, he invited Swedish businessmen to study the feasibility of trade with SA.

□ Mandela said he was sorry he had to refuse Turkey's $9 500 Ataturk Prize, which was to have been awarded on Tuesday.

"When this offer was made to me, our office was bombarded with objections from anti-apartheid groups throughout the world.... It became .. an international question which I could not ignore. We are guided by the views of the masses of the people and if, on any issue, they take a position, I cannot ignore it," he said. — Sapa-Reuter-AP.

Sanctions brigade cling on

STAR 21/5/92. (280)

FIRST the rumours began, then the first tendrils to suggest that there might just be something to them, and now has come what seems like confirmation that as the impetus for sanctions against South Africa wanes it is being replaced by something potentially as troublesome.

Instead of abandoning their crusade, the panoply of organisations and individuals who fought the battle to get sanctions into place in towns, cities and states across America have diverted their efforts towards seeking to control and filter whatever trade and investment might flow when local sanctions end

When the rumours started, the gist of them was that the anti-apartheid establishment, alarmed by the ease with which President Bush was able to lift federal sanctions last year and recognising the peril of being sidelined in this process, got together and worked out a response.

Reportedly it had two parts — a short-term strategy, which was largely a holding manoeuvre to retain the very considerable local sanctions still in place, and a long-term programme based on the acceptance that all sanctions soon would have to go, and that if those supporting punitive measures wished to remain involved in the broad issue of South Africa, a substitute for sanctions would have to be devised

Some organisations have very pressing needs to retain their involvement with South Africa. They depend for much of their national standing, and financial support, on their South African connection. In the case of many of them, the only media attention they have had in recent months has been based on developments in South Africa.

For the rest, they have been largely ignored as public interest in Africa as a whole has dwindled sharply. Being out of sight in the US all too often translates not only into being out of mind, but in the case of public pressure groups also being out of pocket.

Last week the rumours and speculation were given credence when the new strategy was spelt out in a statement by a consortium of anti-apartheid groups, among them such prominent advocates of sanctions as The Africa Fund, TransAfrica, the Washington Office on Africa and the Interfaith Centre for Corporate Responsibility.

"Sanctions must be maintained until an interim government is in place in South Africa and a clear signal is given by Nelson Mandela and the democratic movement that it is time to end them We will then be working with local governments, churches, civil rights organisations and trade union groups to implement a code of principles for investors, to take effect when sanctions are lifted," their statement said.

The code, termed "Freedom principles", is based on a code drawn up by Cosatu for multinational corporations, and the US organisations have pledged to support it and to press for its acceptance throughout the country.

A little burrowing has shown, indeed, that informal discussions have taken place with individual state legislators, and city and town councillors, on the possibility of setting into legislative concrete a series of conditions which would have to be met by companies investing in South Africa if they wanted to continue doing business with local authorities in the US.

So far no firm decisions have been forthcoming, but in some areas the proposal has been put forward to merely amend existing sanctions laws to permit trade and investment — on condition that the "freedom principles" are adhered to.

There are other elements also pressing for a more proprietary grip on the emerging US-South African relationship, among them black businessmen who see potential fresh pastures in the new South Africa and who recognise the advantage of having leverage at home on how those pastures might be seeded and cultivated.

Among them are some emissaries sent to South Africa by New York Mayor David Dinkins, men whose acquisitive instincts far outshine their reputations for philanthropy but whose advice on the city's sanctions policy is eagerly sought. There is nothing wrong with anti-apartheid groups working out strategies for their own survival, or promoting whatever foreign cause they choose And there is nothing wrong with attempts to promote the upliftment of black South Africans.

A move in Congress, for instance, to set aside an amount to promote business undertakings by those who have been denied access to capital is a commendable idea, even if it appears to be a non-starter at this stage.

But there is something very disturbing indeed about groups and individuals, Cosatu included, dictating terms to investors and traders from positions of notorious ignorance when it comes to the free enterprise system

And there is something deeply suspicious when the constraints which a free society places on business — the ceaseless probing of the media, the meticulous scrutiny of Congress, the pressure of public opinion and the sentiments of shareholders — apparently are regarded as inadequate in the case of involvement in South Africa

If investment and trade could be turned on or off on demand, or directed according to political whim or social agenda, South Africa would have no problems. But the reverse is true. Everyone with knowledge of the subject has warned that foreign investment is scarce and will become scarcer — for all countries.

Yet in this climate, there is people who would subject pot tial US investors to special con tions, all dogmatically conceiv and who would seek to cond South Africa's economic orches when not one among them known to read sheet music.

Victimising an investor cause, in the opinion of the Afr lobby in the US, or Cosatu in Sou Africa, his involvement does n directly redress the injustices the past, is an almost embarra ingly simplistic policy. All inve ment ultimately contributes creating jobs, building wealth a accumulating capital for soc programmes, and it is hard to b lieve that so basic a fact has elu ed the US Africa lobby.

Most of them are well-inte tioned and they have been sta wart allies in the long marc against apartheid. But their pla to perpetuate the march is ill-cor ceived and deserves an urgent re view — if not by themselves, ther by their South African allies wh should avoid the familiar mistak of assuming that all Americans are born with financial acuity and corporate wisdom. □

Norwegian sanctions to stay for 2 months

OSLO. — Norway will maintain trade sanctions against South Africa for two more months, while allowing more exemptions from the embargo law, the foreign ministry said yesterday.

"This will make it easier for companies with special needs to get exemption from the law and do business with South Africa," said ministry spokesman Mr Bjorn Blokhus.

The government had been worried that continued sanctions would result in Norwegian business being left behind in the rush to establish post-apartheid trade.

During a visit to Norway this week, Mr Nelson Mandela said he would understand if Sweden lifted sanctions against South Africa, adding that the ANC would never forget its Scandinavian friends who aided it in its struggle against apartheid.

ITN gets tough on corporation

By MATHATHA TSEDU

THE British Independent Television News has stopped supplying the SABC with material in the wake of a strike by members of the Media Workers Association of South Africa.

The secretary general of Mwasa, Mr S'thembele Khala, said the union had also approached CNN to ask them to stop "undermining" the strike.

He said the union was told contractual arrangements precluded the international corporation from stopping its services to the SABC.

Political and labour organisations pledged their support as the strike entered its fourth day yesterday.

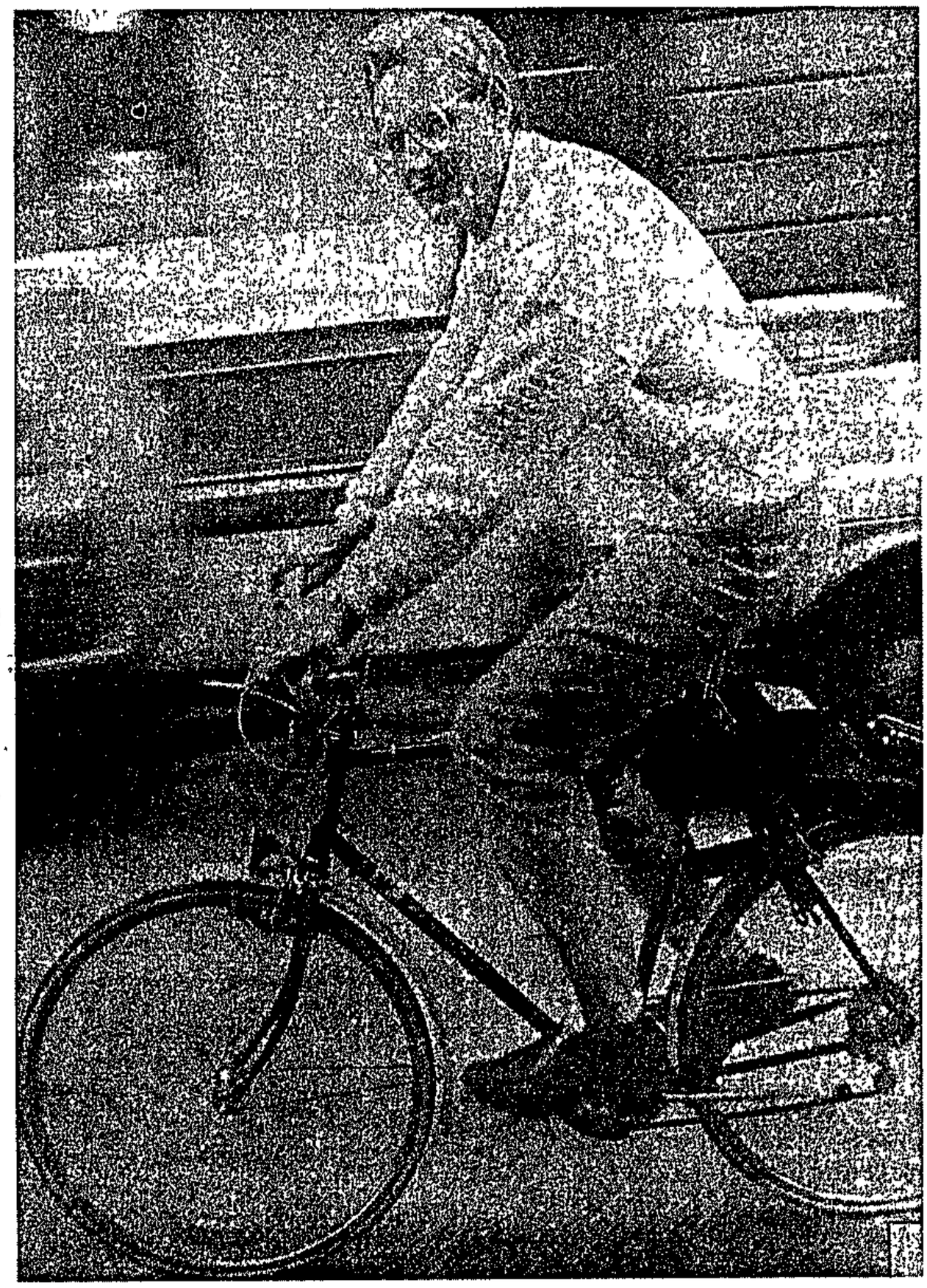
The organisations, including the ANC, Azapo, PAC, IFP, Paso, Cosatu and Nactu, announced they would march on the corporation's Auckland Park on Tuesday.

Radio Metro, which had been used to feed paralysed black stations with material, stopped its supply yesterday.

Khala said the SABC was using old cassettes on both radio and TV to give people the impression that those appearing in those recorded programmes were actually at work.

Attempts to reach SABC management yesterday were fruitless as persistent telephone calls were answered by an answering machine.

Nactu has threatened to call for a boycott of TV licences if the SABC does not meet the demands of the strikers.



MOVING FAST: Swedish prime minister Carl Bildt disagrees with ANC president Nelson Mandela on the pace for the lifting of sanctions

We reserve the right to use power — Mandela

By Madi Gray South 23|5-27|5|92

ANC president Mr Nelson Mandela differed with Swedish Prime Minister Mr Carl Bildt at a press conference in Stockholm on Wednesday over when to lift sanctions

Mandela said trade and investment sanctions should remain until an interim government was installed Bildt said they should be lifted as soon as there was agreement on an interim government

Mandela heads a delegation including Mr Thabo Mbeki, Mr Thomas Nkobi, Mr Aziz Pahad and Ms Gill Marcus on visits to Norway, Sweden and Finland.

"Sweden is a highly respected friend and between us there is no problem that cannot be overcome. We fully understand the position of the government and people of Sweden. They do not wish to be sidelined when many countries are lifting sanctions unilaterally," Mandela said.

During his talk at a gala concert on Tuesday, Mandela welcomed the lifting of people-to-people sanctions and called for more contacts, specially tourism. He encouraged the business community to continue preparations for a rapid re-entry and expansion in South Africa when sanctions are lifted

Mandela and Bildt were satisfied about Swedish assistance Bildt said about 120 million kronen (nearly R276 million) in aid were budgeted for the current financial year and a similar amount for next year.

Bildt said Swedish aid was changing Two years ago it was strictly humanitarian but recently became more political, to encourage the transition to democracy.

Discussions are underway on new forms of aid which would include support for voter education and the transfer of skills

Despite the breakdown of Codesa II, Mandela remains optimistic. He said the ANC had faced serious difficulties in previous talks with the South African government. The current issues were similar and he was convinced that they will be resolved

Only an interim government would have the credibility and the legitimacy to control the security forces responsible for fuelling the violence, Mandela said

He said 13 000 lives had been lost. He refused to be drawn into a debate on the role of leaders like Chief Mangosutho Buthelezi

The fundamental difference at Codesa II was between the minority that wanted to hold power and the majority determined to break that monopoly, Mandela explained.

He said the majority believed apartheid was the wrong policy for South Africa However a minority feared a reversal was inevitable and that blacks would dominate whites. "This is wrong," Mandela said, "but the fears are genuine and we are addressing them."

The ANC was committed to negotiations and discussions on the way to a peaceful resolution of differences But if the organisation became convinced that this was not possible, then it reserved the right to use power

Mandela stressed he was not talking about violence He referred to demonstrations like last year's anti-VAT strike which involved three million people.

"We cannot ask six million starving people to postpone their hunger or the homeless their need for housing," Mandela said several times during the visit

"Thus we are anxious to move forward as rapidly as possible," he said.

Top Finnish mine group sets up shop in SA

ST Times (Bus) 24/5/92

FINLAND'S largest mining company Outokumpu — an international supplier of mineral processing technology — has set up a subsidiary in South Africa.

The subsidiary will also serve Southern Africa.

It could become a base for worldwide exports of technology

Outokumpu comprises four segments: base metals production, copper production, stainless steel and technology

By IAN ROBINSON

Outokumpu Mintec, a group in Outokumpu Technology, has established an office at Halfway House The group supplies equipment, processes, instruments and automation for the mining and metallurgical industries.

Outokumpu Mintec president Seppo Kreula, who visited SA, says that although the group operated here through agents for more than 20 years, two reasons prompted its decision to establish a subsidiary.

Outokumpu is in other major mining countries — such as Canada and Australia — and has long felt a need to add SA to the list. The lifting of trade sanctions by Finland — the first Scandinavian country to do so — in July last year gave Outokumpu the green light.

A bill has also been presented in the Finnish Parliament to lift investment sanctions. It is expected to be passed soon.

Outokumpu was the first Finnish company to move into SA after the lifting of trade sanctions.

Outokumpu also believes it needs a base in SA to service its equipment already installed. It regards service as more than maintenance. It includes knowhow and expertise. Outokumpu is committed to improving the recovery and efficiency of existing plants.

It also wants a base to promote sales of equipment and technology During his visit Mr Kreula examined the most effective strategies

Several mining houses also want Outokumpu to have a direct presence in SA.

Since it established a presence in SA, Outokumpu has contracted to supply Kloof gold mine with two PROSCON process-control equipment systems. It is discussing the supply of similar equipment to other mines.

Outokumpu supplies more than 30% of flotation cells sold worldwide and is promoting the concept of "intelligent mineral technology" — an effective combination of equipment and technology — to maximise recoveries and to lower costs.

Fine

Flotation cells are used to separate milled (finely ground) sulphide ore from waste material.

Outokumpu has developed the next generation of flotation cells which give better recoveries. It has also made the world's largest flotation cell of 100 cubic metres, which provides savings in capital expenditure.

Finnish interest in the SA mining industry was also illustrated by the visit of 10 members of the Finnminers group of mining equipment manufacturers this year.

SA ban comes under attack

IT was scandalous that SA had been blocked from attending the Rio Earth Summit, Lampie Fick (NP Caledon) said yesterday.

Speaking during the Environment Affairs vote debate, he said he was disappointed that SA had not been allowed to attend officially. B | Day 27/5/92

He also said SA would have to address the problem of violence urgently if it wanted to exploit the full potential of eco-tourism. (280)

SA 'has to win world confidence'

Blday 27/5/92

MADDEN COLE
and LINDA ENSOR

THE need to attract foreign investment was vital for economic growth in SA and this made it imperative for the country to generate foreign confidence, Shell SA executive chairman John Kilroe said in the company's annual report yesterday.

Kilroe said violence and the refusal by some political groups to participate in Codesa was cause for "considerable concern".

"It is quite clear that those leaders on both the left and the right who are co-ordinating terror or threatening violence have scant concern for either this country or its people."

He warned that potential investors looking at SA were seeing what they considered a massive gulf between the major arbiters of future economic policy in the country.

Some policymakers advocated the free market system, but others persisted in talking of nationalisation.

"We have no choice as a country but to get the economic fundamentals right, and we must demonstrate our commitment to an economic system which works and is sustainable over the long term."

Kilroe said while talk of nationalisation and the threat to renege on foreign loans undermined local and foreign business confidence, SA should not lose sight of the immense demands being made to eradicate costly socio-economic backlogs.

Kilroe saw education as one of the most pressing social needs, but cautioned that even under a new government, township schools with all their shortcomings would remain a "harsh reality".

It was necessary to establish a culture of learning among adults and children. This should be preceded by the rapid eradication of obstacles to successful education, such as textbook shortages, underqualified teachers and overcrowding. All schools should be opened to all children.

The report said Shell had spent more than R50m on community programmes over the past five years, with about R11,3m spent last year.

The group had also adopted a strategy to achieve a staff profile which better reflected SA society. It said the number of blacks in management positions had significantly improved as a result. Blacks in managerial jobs had increased from 4,9% in 1986 to 16,2% in 1991 while blacks in supervisory positions and above rose from 7% in 1980 to 30% last year.

● See Page 10

In my view . . .
A daily commentary on current economic affairs by writers of the Star.

STAR 1/6/92.

Blessings from abroad

280

By John Spira

The prospect of South Africa receiving funds from the World Bank and the IMF is viewed positively by leaders of all politicial persuasions.

Correctly so, since SA needs capital for socially related infrastructural spending. And the money being channelled in this direction would thereby be freed to fill the depleted tank that drives the economic engine.

More importantly, an influx from global institutions would be tantamount to a signal to world bankers and investors that SA can be trusted to use foreign capital to improve the living standard of all.

However, several criteria must be met before the sought-after dollars reach their destination.

While the politics aren't yet right, at least they seem to be getting there. Equally crucial is the requirement that the World Bank and IMF be satisfied that a firm enough foundation exists for growth to proceed from where it languishes at present.

They will certainly query the inability of the monetary authorities to conquer inflation via the orthodox measures they've pursued for so long.

They'll want to know why the Government hasn't eliminated the monopoly pricing policies of major retailers. They'll ask why the outcome of an official inquiry



into the exorbitant margins being reaped by exploitationists in the food sector hasn't yet seen the light of day — weeks after its scheduled release date.

And after the money has landed, they'll want to know how it's being spent and whether or not the economy is being run in such a way that such expenditure reaps the optimum results.

For those many of us seeking an end to corruption and mismanagement, along with all the benefits accruing from an influx of foreign capital, we say roll out the welcome mat.

...easily in a small space. Picture: Associated Press

Arab states open portals to SA traders

STAR 1/6/92 (280)

Arab states have begun lowering commercial barriers, while keeping diplomatic ones in place, in their eagerness to resume trade without waiting for apartheid's last gasp. NEIL MOORHOUSE reports for The Star Africa News Service.

TRADE between the Middle East and South Africa is breaking through the sanctions barrier as countries in the region amend policies and attitudes to join the scramble for what they see as lucrative South African markets.

On the political level, countries in the region are taking the line that diplomatic relations will not be restored until apartheid has been completely dismantled. At the same time, their doors are being opened to trade with South Africa.

A small indication of this is the opening of direct telephone lines to South Africa by Bahrain and Morocco.

Bahrain, the least wealthy of the oil-rich states, has taken the lead in publicising its contacts and trade with South Africa. According to an English-language publication in Kuwait, trade between the two countries had been taking place surreptitiously for years. The announcements initially surprised some of Bahrain's Gulf neighours, who have been more discreet about broadcasting the recent visits by South African entrepreneurs. The issue is clearly politically sensitive.

The signing last month of an agreement between the South African Foreign Trade Organisation (Safto) and the Dubai World Trade Centre, giving South African food and manufactured goods above-board access to the area, went unreported in local media.

A visit by Safto to Bahrain, the United Arab Emirates and Oman in February was also unpublicised. However, after Bahrain's broadcasting of its own activities, business sources in the UAE say it is likely Dubai authorities will give the green light to free trade with SA.

In north Africa, Egypt is keen to display its diplomatic credibility. After a visit last month to Johannesburg, the first such visit in 31 years, ambassador Said Refaat of the Egyptian African department said Cairo would consider restoring ties only once apartheid had been completely dismantled.

However, Egypt's keenness to see apartheid dismantled can in part be attributed to its own critical need for trade with South Africa. Egyptian authorities are desperate to inject some energy into a crumbling and apathetic economy.

The political bodies of the region are adamant that relations with South Africa will depend wholly on the dismantling of apartheid. Gulf Co-operation Council (GCC) secretary-general Abdullah Bishara said there would be no political overtures until apartheid disappeared.

"So far, there have been no political contacts between the GCC and South Africa, but we follow developments with interest and are watching to see if the changes fulfil our criteria," he said.

"The ban on commercial contacts was due to the policy of apartheid. These restrictions will be affected by recent moves in South Africa," Mr Bishara added.

Diplomats in Saudi Arabia, the most influential member of the six-nation alliance, say Riyadh will want to compare notes with its allies in the group. The Arab League's close links with the Organisation of African Unity might mean that the unconditional lifting of sanctions will be delayed until South African blacks are given full political rights.

Trade, however, looks as if it is going ahead. Officials in Oman have told shopping agents they will now accept South African documentation. Riyadh-based oil executives say a private Saudi oil firm began negotiating with a South African company but the deal fell through for technical reasons.

In October, a Jersey-registered shipping firm, Afris Line, quietly started a direct service linking Durban with the UAE and Saudi Arabia.

According to diplomats in the region, South Africa may well find a keen market for arms exports. Qatar and the UAE last year ordered G5 long-range artillery guns from Armscor. Qatar, however.

For its part, Egypt has encouraged commercial exchanges. Morocco is going one step further than most other countries in the Middle East; according to a recent report, it is ready to establish diplomatic relations with Pretoria.

Beyond the political talk, the Middle East is clearly keen to deal with South Africa. Oman, the UAE, Bahrain, Saudi Arabia, Morocco and Egypt all have their eyes on South Africa and are preparing to facilitate trade. □

The Tokyo

De Klerk cracks Japanese barriers

Star 4/6/92

By John MacLennan and Sapa

TOKYO — All barriers to Japanese investment in South Africa were removed after understandings reached between President de Klerk and Prime Minister Kiichi Miyazawa in Tokyo yesterday.

Mr de Klerk said: "It was an extraordinarily constructive conversation. I am convinced that much good for South Africa will flow from it."

Mr de Klerk arrived in Tokyo yesterday morning on a three-day mission to lure Japanese capital to both South Africa and the southern African region.

Japan is already SA's second-largest trading partner.



How about that? . . . President de Klerk tries out Sony's 8 mm video camcorder during his visit to the electronics giant's Media World in central Tokyo yesterday. With him is Sony chairman Akio Moruta. Picture: Associated Press

All now depends on how the traditionally conservative Japanese business community gauges South Africa's political stability and the safety of investment in the country.

Mr Miyazawa questioned Mr de Klerk closely on constitutional developments and praised him for taking a "bold and courageous" step.

According to sources who attended the meeting, Mr Miyazawa said all doors had now been fully opened for a completely normalised relationship.

Mr de Klerk said that in addition to money-making possibilities in southern Africa, Japan had a moral duty not to walk away from Africa.

He said South Africa provided a jumping-off point to a potential southern African market of 100 million people. With proper technology and investment, he said, South Africa had the potential of becoming the Japan of the subcontinent.

He cited the example of the Pacific Rim countries which had all become economic successes following an injection of Japanese capital and know-how.

Sources said that after the talks, which they described as surprisingly warm, "the Japanese are poised for take-off".

They added there had long been a close partnership between the Japanese government and big business. According to the sources, Mr Miyazawa's official approval of the power-sharing vision sketched by Mr de Klerk "means that harmony reached at political level will definitely translate into investment, provided the corporations believe that the conditions are right to put their money down in South Africa".

Sources said Mr Miyazawa was impressed with the belief and conviction with which Mr de Klerk put his case, and said he was sure efforts at power-sharing would succeed. He termed the Codesa talks as nothing less than "miraculous".

The possibility of a direct air link between Jan Smuts and Tokyo's Narita Airport was also raised, but this idea ran into a practical problem.

Tokyo's airport is clogged with traffic and SAA's application is near the bottom of the list of 40 airlines which hope to cash in on the Japanese tourist trade.

Sources made it clear that the lack of progress on the proposed link was not because of political reasons.

Today Mr de Klerk continues with his super-sales job in meetings with politicians and important business groups and leaders.

After addressing a meeting of businessmen yesterday, he was warmly applauded. This was considered most unusual in a country where showing any emotion is almost a sin.

W
gr
ca

Firemen in planes put

Polls and

South Africa interests ready to bear fruit

Guardian IW [in W/Mail] 5/6-11/6/92

THE South African dilemma facing liberal shoppers in Sainsbury's may soon come to hard-nosed brokers in the City. Anglo American Corporation, the mining group whose interests encompass most of the South African economy, is preparing to embark on a European roadshow to sell its (and hence its country's) potential attractions to investors. Few of those investors are likely to share shoppers' angst over whether it is yet acceptable to buy South African apples and oranges. Their main concern is likely to be whether the risk of a breakdown in South Africa is balanced by the potential financial return if there is not.

But the ethical investment service, Eiris, reports its subscribers are still concerned about companies with South African interests — one of the earliest ethical criteria for investors. And despite the haste with which Britain and some other countries have abandoned

By Roger Cowe

sanctions, the stance of international agencies from the Untied Nations downwards is that sanctions should remain until the successful completion of negotiations between the government and the African National Congress.

Anglo American has long been a prime mover in the internal business campaign to end apartheid, but opposed sanctions, bolstering criticism that the company's commitment to equality and democracy was barely skin-deep.

There was a time when the group's commitment to South Africa was questioned. The 1989 bid from an Anglo satellite Minorco, for Consolidated Gold Fields was seen in some quarters as an attempt to lessen the group's dependence on its home country. Anglo strenuously denied this, but in any event the bid failed.

Now there is no doubting Anglo's patriotism. "We are still basically optimistic about South Africa," a spokesperson said. And it believes now is the time to promote itself in Europe as the ideal vehicle to invest in the country.

Sisulu calls for investor boycott

BOSTON — ANC chief economist Max Sisulu told an investment meeting on Sunday it was not time to put money in SA, saying this would wrongly reward Pretoria's white leaders and stymie democracy talks.

Sisulu said sanctions had brought SA's white leaders to the negotiating table, where talks aimed at establishing a nonracial democracy had stalled. Sanctions alone would keep them there, he said.

"We are therefore saying now is not the time to reward (President F W) de Klerk, now is not the time to embrace apartheid, now is not the time to invest in SA," Sisulu told a meeting of the Social Investment Forum, a private US group that encourages value-oriented investing.

He said opportunities in a post-apartheid SA were "limitless" but that the ANC did not think a free market alone could deal with "the structural imbalances and inequalities" centuries of colonial and apartheid rule had brought.

The ANC was committed to the creation of a "mixed economy" with co-operation between the state, private companies, financial institutions and unions, Sisulu said.

SA would need "massive flows of foreign investment" but the ANC believed this should "complement" domestically derived investment and productivity, he said. — Sapa-Reuter.

Azapo claims govt and ANC have secret pact

WILSON ZWANE

AZAPO claimed yesterday to have documentary evidence that government and the ANC had come to a secret agreement ruling out majority rule for 10 years.

The organisation claimed the ANC/SACP/Cosatu alliance had misled its supporters by saying its mass action programme, starting today, was aimed at ousting government.

ANC and Cosatu officials have said the mass action programme was aimed not only at breaking the Codesa logjam but also at the transfer of power to the majority.

A senior Azapo official said yesterday his organisation had documentary evidence that the transfer of power to the black majority was not the alliance's top priority.

The official said according to documents — obtained from Azapo supporters in Europe — there was an agreement between government and the ANC, which effectively ruled out majority rule for 10 years.

ANC spokesman Saki Macozoma said yesterday Azapo would be better advised to concentrate on its campaigns aimed at ousting government.

Macozoma also rejected Azapo's proof as fabricated.

The Azapo official said judging by statements by the alliance's officials, including ANC Youth League president Peter Mokaba, it was obvious the campaign was aimed at making Codesa negotiations successful.

Mokaba last week said his organisation would hold a "people's referendum" to test the scale of rejection of government's proposal of a senate, a 75% majority in a constitution-making body and on regionalism.

The Azapo official said his organisation was not opposed to mass action. "On the contrary We are prepared to launch joint mass action campaigns with whatever organisation, provided such campaigns centred on the transfer of power to the black majority and the redistribution of wealth."

Cosatu assistant general secretary Sam Shilowa said at the weekend his union would propose discussions with Azapo, the PAC and Nactu to secure their participation.

The Azapo official said his organisation would treat today as a public holiday. But that did not suggest Azapo supported the alliance's mass action programme.

National peace committee spokesman Val Pauquet said the committee's executive had agreed to set up a system to monitor violations of the national peace accord during the mass action programme.

Embargo on SA missile programme

280

ARG 16/6/92

HUGH ROBERTON
The Argus Foreign Service

WASHINGTON. — South Africa's surface-to-surface missile programme has been identified as one of 21 international weapons development projects on which a new United States embargo will be enforced from today.

The Commerce Department said here the new embargo was part of an international effort to prevent the further spread of weapons of mass destruction, and that specific details of the goods and services that would be prohibited in each case would be published in the Federal Register today.

The embargo will apparently prohibit US citizens from being involved in designing, building or testing missiles in South Africa and will ban the export of a wide range of materials to South Africa and 20 other countries.

The countries include Iraq, China, India and North Korea, and exports of specific goods to these countries — either directly or through third countries — will be prohibited. The resale and re-export of goods to these countries would also be prohibited.

Penalties for US offenders include 10 years' jail and fines of up to $1 million (R2,8-m).

The new measures follow a failure earlier this year to persuade the South African government to sign the international protocol on the limitation of weapons of mass destruction — and, specifically, their means of delivery.

Talks 'did not violate embargo'

STAR 16/6/92

NAIROBI — A senior government official in Nairobi has reacted with caution to reports the ANC's cancellation of the planned meeting between Nelson Mandela and Kenya's President Daniel arap Moi.

James Simani, head of the press and public relations department in the Ministry of Foreign Affairs and International Co-operation, denied that Mr Moi's meeting with President de Klerk violated a long-standing embargo involving contacts with South Africa.

Star Africa Service. (280)

US slaps embargo on SA missile project

STAR 17/6/92

280

By Hugh Roberton
Washington Bureau

WASHINGTON — South Africa's surface-to-surface missile programme has been identified as one of 21 international weapons development projects on which a new United States embargo was enforced yesterday.

The US Commerce Department said the embargo was part of an international effort to prevent the spread of weapons of mass destruction. Details of prohibited goods and services would be published in the Federal Register.

The embargo apparently will prohibit US citizens from being involved in designing, building or testing missiles in South Africa, and will ban the export of a wide range of materials to SA and 20 other countries, including Iraq, China, India and North Korea.

Penalties for US offenders include 10 years' jail and fines of up to $1 million (about R2,8 million).

The new measures follow the failure earlier this year to persuade the South African Government to sign the international protocol on the limitation of weapons of mass destruction — and, specifically, their means of delivery.

DJ Jay 'needs to relax'

Alex Jay, one of South Africa's most popular radio disc jockeys, is in hiding until he is well enough to return to work.

Radio 5 managing director Lance Rothschild said Jay was resting after collapsing from exhaustion and stress. Rumours flying round since Jay took sick leave were unfair because "all Alex needs is relaxation and isolation." — Staff Reporter.



Taking five . . . popular disc jockey Alex Jay is in hiding.

Musician killed robbed at home

Johannesburg musician W liam Andrew Schultz (5 was stabbed to death in l Brixton home at the wee end. His body was found i his domestic worker on Mo day. Police believe the m tive was robbery.

Fined over ivory

A former ANC exile yeste day pleaded guilty to po session of ivory in the Hil brow Magistrate's Court. V sumusi Masondo (35) c Soweto was sentenced t R30 000 or three years in ja and an additional fine o R10 000 or one year in ja for the value of the elephant

Statutory rape case

A university student re ceived a 12-month suspende sentence in the Krugersdor Regional Court yesterda after being found guilty o statutory rape. Sean O'Sulli van (21), of Plot 13 Sonnedal Muldersdrift, admitted hav ing sex with a girl, then age 12, for a period of a year.

Lake project launch

A public participation pro gramme for Pretoria's lake project was launched last night. The city council said it was similar to Cape

Colin Legum ponders the return to respectability of this derided weapon

Sanctions once more the 'in thing'

STAR 17/6/92

(280)

THE conversion of the international community to the idea of sanctions against governments whose behaviour is condemned by a majority of UN members is as sudden as it is welcome.

Sanctions are the most civilised way of dealing with gross offenders of human rights — but are they the most effective? That still remains to be tested in the three latest decisions — against Gadaffi's Libya, Saddam Hussein's Iraq and Slobodan Milosevic's Serbia. Sanctions against South Africa, though crumbling, still carry UN endorsement.

Why this sudden, almost universal, turning to sanctions to bring errant governments to heel?

Three main arguments have been deployed over the years against sanctions. It was wrong, argued Margaret Thatcher and her successors to use economics — meaning, of course, that it is bad for trade. They and successive American administrations, argued further that sanctions would impose hardship on those least able to bear it. And, finally, the crunching argument was that "sanctions have never worked".

The example of failure usually quoted was the supposed oil sanctions by the League of Nations on Mussolini's Italy over the invasion of Ethiopia. This juicy red-herring ignored the fact that the Anglo-Dutch decision to apply an oil embargo was, in fact, never implemented: no wonder it failed.

Later, when there was a clamour to impose comprehensive sanctions against the Smith regime over UDI in Rhodesia, there was a slow and half-hearted response. The flawed weakness of the campaign against Rhodesia was that its borders with Portuguese Mozambique and South Africa were never closed, and no action was ever taken against Lisbon and Pretoria, both of which openly breached sanctions.

Now, when the sanctions measures were adopted against the Libyan, Iraqi and Serbian regimes nothing was said about the foolishness of using an "economic weapon" (ie trade); or of the hardship that would be suffered by the weakest; nor were we told that "sanctions never work".

Zimbabwe — the current African member of the Security Council — was alone with China in abstaining on the Serbian decision; that was not because the Mugabe government is against the principle of sanctions or sympathetic to "Slob" Milosevic's repugnant policy of "ethnic purifications", but because of its resentment of what it sees as the hypocrisy of those major powers who had been reluctant sanctioneers when it came to meeting African demands, but who turned their own arguments on their head when it came to issues affecting direct European and American concerns.

Nevertheless, now that sanctions promise to be a key element in the slowly evolving new international order, it is vitally important that they be applied only under the right conditions. There are three absolute prerequisites.

First, that sanctions should be applied only through a UN decision; second, that they should be made binding on all UN members, and third, that they should be comprehensive and enforceable.

Sanctions as a non-violent means of maintaining world order are too important to be allowed to fail. □

US acts against SA missile programmes

SIMON BARBER

WASHINGTON — The Bush administration this week sought to tighten its noose around SA's space and ballistic missile programmes by requiring US companies to seek special licenses for any commercial activity related to these projects.

The new regulations cover exports to SA and 20 other countries deemed to present a missile proliferation threat.

Exporters are warned to take care when offering SA any goods or services that might be destined for the country's "surface-to-surface missile project" or "space launch vehicle" programme.

Penalties for shipping without a licence include a $1m fine and a 10-year jail term. It is extremely unlikely that any licenses will be granted for SA transactions under present circumstances.

Armscor, its subsidiaries and its newly privatised spin-off Denel, are already subject to a total US embargo, imposed last October after US intelligence determined that SA had received long-range ballistic missile components from Israel.

Washington has offered to waive these sanctions if Pretoria agrees to adhere to the guidelines laid down by the US and its industrialised partners in the Missile Technology Control Regime.

Negotiations on the issue remain stalled over whether the SA can continue work on a civilian space launch programme within the MTCR framework, given that rockets capable of launching satellites can easily be reconfigured to carry warheads.

Brazil has sidestepped a similar problem by transferring all space-related activities to a new civilian space agency and drafting legislation restricting the export of sensitive technology.

Viljoen calls on Brussels to encourage foreign aid

BRUSSELS — Pretoria's chief negotiator in talks to end apartheid, Gerrit Viljoen, appealed to the European Parliament in Brussels yesterday to encourage an immediate return of foreign aid and investment to SA.

In an address to the Euro-parliament's foreign affairs commission, he called for foreign pressure to be put on extremists on both sides in SA to join negotiations for a new constitution.

Viljoen, State Affairs Minister, said a week of mass action launched by the ANC on Tuesday risked degenerating into political intimidation and violence.

The ANC called the protest to put pressure on government to make more concessions in constitutional talks deadlocked over Pretoria's insistence on safeguarding minority rights under future black majority rule. Behind-the scenes talks were continuing.

He pleaded with foreign governments to give development aid to SA and to encourage private foreign investment without first waiting for the installation of a new, democratically-elected government.

"The sooner those governments ready to do so help us with development funding and facilitate new investment by the private sector in economically viable projects, the sooner the socio-economic climate will promote the holding of (all-race) elections," he said. — Sapa-AFP.

Tos Wentzel talks to the departing Aussie ambassador Colin McDonald

Enmity turned into friendship

280

STAR 18/6/92.

AUSTRALIAN ambassador Colin McDonald, soon to leave South Africa for a posting in Europe, has much to feel pleased about these days.

He can tell the story of how enmity turned to friendship.

When he arrived from Down Under four years ago his country was decidely unpopular.

Recently there has been a distinct turnabout in these relations. Sports contacts have been restored and there are visions of trade missions.

"Australian companies may look at South Africa as a basis for operations in the rest of Africa.

In an interview the genial 55-year-old spoke about what was his toughest posting in 33 years in the foreign service, most of it in Asia and the Pacific. Before he came to Pretoria he was ambassador in Fiji.

Along with his government he had the reputation of being very critical of South Africa. Not true. "We were mainly critical of apartheid. I am very fond of the people," he corrected.

But even though apartheid is going, its scars remain. "It made the country, even the upper classes, very inward-looking.

"The country does not have a very strong international outlook and it is well behind on developments elsewhere in the world.

"It is one of the legacies of the past 40 years and the obsession with internal problems that you are still measuring things in terms of the issues of the '50s.

"Now, hand in hand with its internal emancipation, South African society will have to catch up with new causes," he says.

About his leaving at this crucial stage Mr McDonald adds:

"In a sense I came here when the ending of apartheid was the main issue. It is time for someone else to come here to move into the new issues without the baggage of the past weighing him down."

Referring to the hostility between the governments of the two countries in the past he said it became so bad at one stage that even Australian criminals were allowed to take refuge here.

In one such case, Australia sought deportation because there was no extradition treaty but the South African Government refused to take action.

"There really was very little basis for confidence in discussion on official level.

"Both sides were more interested in promoting public scenes of hostility. This was not peculiar to relations between the two countries. It applied to South African relations with many others."

The improvement started with the visit of Australian Foreign Minister Senator Gareth Evans a year ago although there was unfavourable media coverage of some aspects of the visit.

The real breakthrough came with sporting contacts.

He maintained that, had it not been for people like former Australian Prime Minister Bob Hawke, South Africa would not have been invited to the World Cup. There was also the part played by Nelson Mandela.

"Now there is the danger of we Australians becoming the flavour of the month," he quipped.

In the old days of enmity, Mr McDonald said, Pretoria put out the line that the purpose of Australia's sanctions policy was self-seeking: that it was looking for markets at South Africa's expense, coal particularly.

"In fact the principle of our policy was to bring about the end of apartheid and to make the principals in this country get together and negotiate a new constitution.

"In the past we had often been indentified as friends of white South Africa and it became necessary for us to take a high profile of antipathy.

"The coal sanctions, in fact, hurt Australia, because South African exporters undercut the going world market price in the Far East where we happened to be the main exporters." □

Canada 'may drop curbs'

THE Canadian government could soon lift economic sanctions on SA — opening the way for increased trade between the two countries estimated at R390m, says international legal firm Goodman & Goodman.

It forecast exports worth R121m to SA this year.

However, Canadian imports of SA's products and raw materials could be more than double the export figure at R268m.

The three top imports from SA are gems and precious stones; iron and steel; and ores, minerals and slag. The top three exports to SA are nuclear reactors, parts and equipment; salt, sulphur and construction materials; and paper and paper products, according to the firm.

Goodman & Goodman believed if Canada was to lift sanctions, there would be a surge of interest in SA from Canadian businesses. "As a result, SA could become one of the top four or five key markets in which Canadian businesses expand in the next few years," it said. — Sapa.

280

STAR 19/6/92

Canada may lift sanctions

The Canadian Government could soon lift economic sanctions against South Africa.

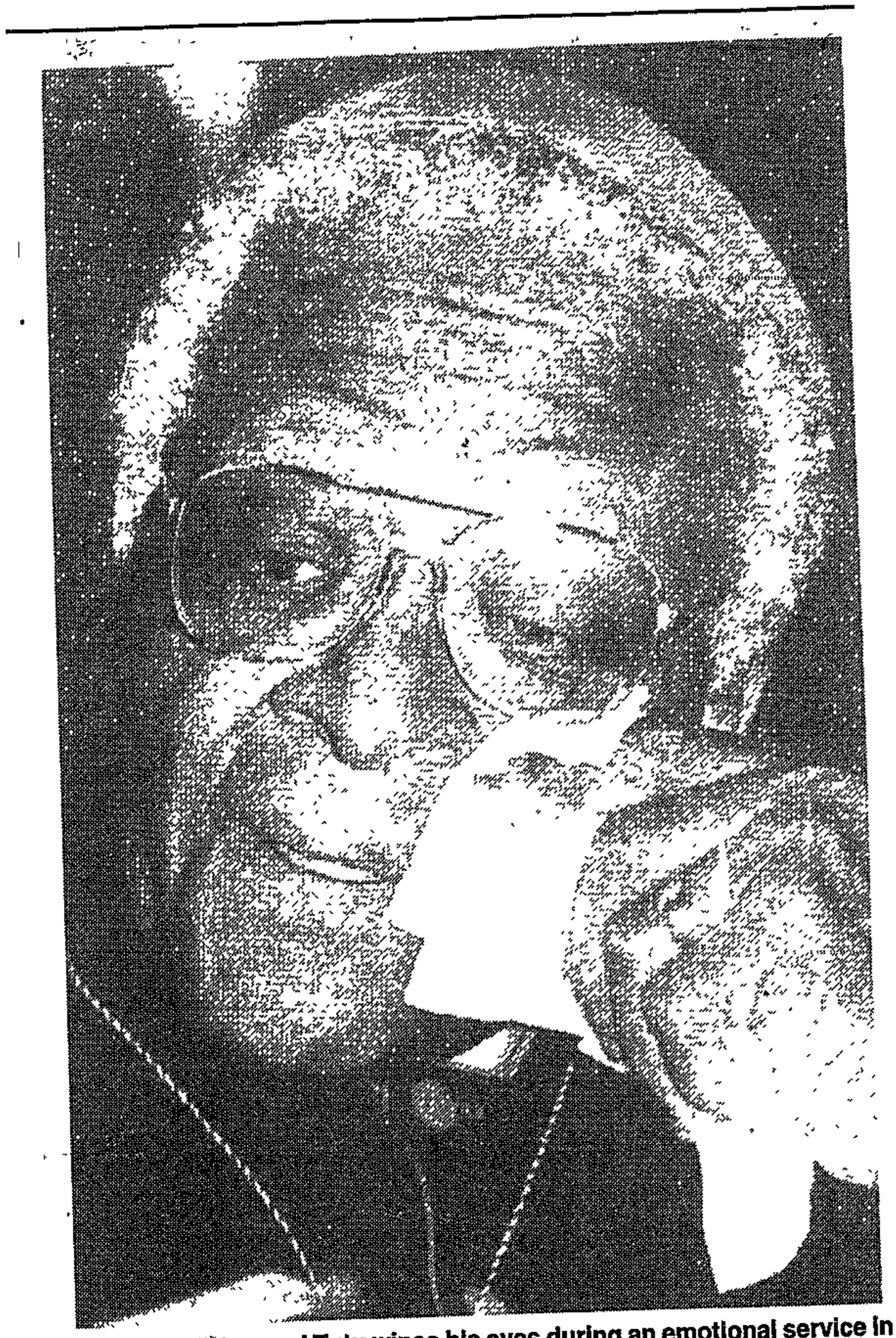
Trade between the two countries is currently estimated at R390 million (160 million Canadian dollars), according to international legal firm Goodman & Goodman.

Based on the North American country's trade figures for January to February 1992, exports to this country could total R121 million (Can$52 million) this year.

However, Canadian imports of South Africa's products and raw materials could be more than double the export figure at R268 million.

The three top imports from South Africa are gems and precious stones; iron and steel; and ores, minerals and slag. The top three exports to South Africa are nuclear reactor parts and equipment; salt, sulphur and construction materials; and paper and paper products, according to the firm.

The Goodman Forum, a public policy discussion centre created by the law firm, will host a conference on investment opportunities in a post-apartheid South Africa on June 25 in Toronto. — Sapa.



Archbishop Desmond Tutu wipes his eyes during an emotional service in Cape Town yesterday for the victims of the Boipatong massacre.

More support sports ban

Sowetan 23/6/92 (280)

CALLS by the African National Congress for the international community to reimpose the ban on sporting links with South Africa following the Boipatong massacre have received mixed reactions.

The call was also made by the Archbishop of Cape Town Desmond Tutu yesterday, who challenged President FW de Klerk to meet three conditions in response to the massacre or he would call for South Africa's withdrawal from the Barcelona Olympics.

At a lunchtime service at St George's Cathedral, Tutu demanded justice against those responsible for the massacre, an international peace monitoring force and multiparty control of the security forces.

"...I am calling today on our friends around the world to begin a campaign to achieve that end," Tutu said.

ANC sports spokesman Mr Steve Tshwete said there was a strong feeling for the moratorium and that police and defence force members should not be considered for tours.

Azapo's spokesman for the cultural secretariat, Mr Oupa Ngwenya, said: "We can't be lifting or imposing the boycott on the basis of the tragic presence of abnormalities as indicated in Boipatong or in the absence of such tragedies."

IFP spokesman Mr Humphrey Ndlovu said: "All we need is to negotiate whatever problems arise," Ndlovu said.

Mr Waters Toboti, PAC director of publicity and information, said: "The PAC once more calls on the international community to cut all links with the racist South African regime in played sports and culture."

'SA may be isolated again'

STAR 23/6/92

EDINBURGH — Commonwealth Secretary-General Chief Emeka Anyaoku said yesterday South Africa risked a return to international isolation if it failed to take action against township killers.

"The latest news of the horrific massacre of more than 39 innocent men, women and children in Boipatong has taken the violence in South Africa to new depths," Mr Anyaoku told a conference of Commonwealth press groups in the Scottish capital of Edinburgh yesterday.

He said unless "effective and impartial measures" were taken, especially by the South African Government, to arrest the killers, "we will soon be witnessing not only the weakening of the negotiation process but a return to the days of full international ostracism of South Africa."

The ANC alleges that Government forces were involved in the massacre last week of at least 39 people in clashes between ANC supporters and the rival Inkatha Freedom Party at Boipatong.

The Commonwealth, an organisation of some 50 former British colonies and dependencies, includes black African states neighbouring South Africa. — Sapa-Reuter.

LIGHTS

Suspend SA from Games, says PAC

Sowetan 24/6/92

DAKAR (Senegal) - The Pan Africanist Congress has called on the International Olympic Committee and all other sporting bodies to suspend South Africa's participation in the Barcelona Games.

This would force the South African Government to agree to a speedy implementation of majority rule.

The call was made by Mr Gora Ibrahim, the PAC's spokesman on foreign affairs in his address to African foreign ministers in Dakar on Monday.

He said the suspension of South Africa from the Games was a peaceful tool which he was confident would have the desired impact.

Ibrahim urged African countries to take the issue of violence in South Africa - especially in the wake of the Boipatong massacre - to the UN Security Council, a call which was supported by the Namibian foreign minister, Mr Theo Ben-Gurirab, who said State President FW de Klerk should not be allowed to get away "scot free" without blame on the question of violence.

Ben-Gurirab said words could not adequately describe the ferocity of the carnage that had been "unleashed" on people living in black townships.

Unless the violence was arrested immediately, Ben-Gurirab said, Codesa stood no chance of succeeding.

Ibrahim, who was addressing the meeting on behalf of both the PAC and ANC, said the Boipatong massacre was not an isolated incident. Since De Klerk delivered his historic speech more than two years ago, he said, an average of seven black people had been killed every day.

The priority should be the early convening of the Patriotic Front to decide on a common strategy and united action against the Government, he said.

[redacted] [redacted] 280

Sowetan Africa News Service

Sweden hardens sanctions stand

STOCKHOLM — Sweden announced yesterday that its intended removal of commercial sanctions on South Africa might be delayed as a consequence of the ANC's withdrawal from democracy talks.

"It can ... take longer before our sanctions are removed. We shall see," said Foreign Minister Margaretha af Ugglas.

Sweden said last month that commercial sanctions on Pretoria could go once an interim government was in place. — Sapa-Reuter.

Anti-apartheid lobby ready to flex muscles

STAR 25/6/92

By Garner Thomson
Star Bureau

LONDON — As South Africa rakes over the coals of Boipatong, the international anti-apartheid machine is getting ready to roll again.

MPs, politicians, European Community leaders, civil rights campaigners and veteran political opponents, whose long-running campaigns were mothballed following the release of Nelson Mandela, are already marshalling their forces.

Their action could all too easily end in renewed sanctions on South Africa.

Even trusted and tried allies such as Britain's Conservative government are seeking to steer a more neutral course.

At the same time, though, British ministers are conducting urgent private talks with the Government and ANC in a bid to avert what looks like a suicidal plunge into bloodshed and chaos.

British Prime Minister John Major's message of encouragement to President de Klerk earlier this week was warm and cordial enough.

But senior Whitehall sources say he is becoming increasingly perturbed at what is seen as Pretoria's refusal to control security forces and move swiftly towards a democratic solution.

Already embarrassed by Britain's role in pressing the EC to lift economic and oil sanctions, Mr Major now lacks the passionate pro-South African-ism of his predecessor Margaret Thatcher, and is unlikely to want to be seen to be piloting South Africa to a new, more refined state of white elitism.

Overseas Development Minister Baroness Lynda Chalker's recent offer of British assistance in "reintegrating" South Africa's police and military is a direct hint that even the Tory government believes that South Africa's forces must be swiftly purged.

And there can be no doubt as to where the blame is being laid for the troubles.

Where Mr de Klerk was regarded just a few months ago as a man of courage, determination and insight, he is now widely seen as manoeuvring to divide and defuse black resistance, placate international opinion and preserve white power.

Pretoria's approach to negotiation is now seen in many quarters as a thinly disguised bid to secure white interests at the cost of basic freedoms for blacks. Southern Africa expert Professor V L Allen says: "Negotiation is all about meeting white demands."

Meanwhile, as Pretoria strives to contain the damage in the face of growing internal disorder, plunging share prices, the threat of renewed political isolation and the shying away of serious foreign investors, elements ranging from the centre to the Left of European politics are starting to gather to discuss what action to take.

EC ministers will meet in Lisbon at the weekend, and the issue of sanctions will not be far from their concerns. The opinion that Mr de Klerk must be told to hold full and free elections within six months, otherwise sanctions would be reimposed, is now being held in all but the most right-wing quarters.

And, while Australia and New Zealand have insisted publicly that the violence does not affect their South African tours, there is the barely concealed caveat "for the time being, anyway".

Sport, as Labour MP Peter Hain knows, remains South Africa's Achilles heel, and most efforts are likely to be focused on South Africa's expulsion from the Olympics. Mr Hain has already called for an international campaign to force South Africa out.

The Anti-Apartheid Movement, which a few months ago discussed what amounted to its dissolution, has moved quickly to mount a campaign in response to the crisis in South Africa.

This includes delivering to Mr Major a series of suggestions for action the British government could take, a national "call to action" over Boipatong, an emergency protest march and a mass picket of South Africa House in London.

Like blacks in South Africa, enemies and allies alike are waiting for a single sign that Mr de Klerk is indeed committed to positive change — and is prepared to act against even those closest to him who threaten to disrupt it.

US mayors vote to keep sanctions

WASHINGTON — The mayors of some 900 towns and cities across the US voted yesterday to retain sanctions against SA following the Boipatong massacre, dashing hopes that some major cities would begin to relax their restrictions.

The vote, on a resolution put to a plenary session of the US Conference of Mayors in Houston yesterday, was passed by acclamation.

Hours before the vote on the resolution was held, each mayor at the conference received a personal letter from South Africa's ambassador to the US, Harry Schwarz, appealing for an end to sanctions and pointing out that the overwhelming majority of South Africans of all races were committed to a peaceful transition to full democracy.

But the letter, and an intensive lobbying effort at the conference, were not enough to overcome the sense that it would be wrong for a government, believed to have a hand in the violence, so soon after the killings to be rewarded. — Star Bureau.

PUBLISHED WITH THE WEEKLY MAIL

The Guardian Weekly

Volume 146, Number 26

Friday, June 26, to Thursday, July 2, 1992

INCLUDING REPORTS FROM The Washington Post AND Le Monde



Mr Nelson Mandela speaking at an ANC rally on Sunday

Massacre brings call for South African Olympics ban

[redacted] 280 [redacted]

Guardian/W [in W/mail] 26/6 – 2/7/92

By David Beresford and Hella Pick

SOUTH AFRICA'S government this week faced a rising chorus of demands for international sanctions to be reinforced and its newly restored foreign sporting links to be suspended in the wake of last week's slaughter in Boipatong squatter camp, in which more than 40 men, women, and children were murdered.

The Commonwealth secretary-general, Emeka Anyaoku, said that the South African government risked a return "to full international ostracism" unless it acted "quickly, effectively, and impartially" to stop the murder of blacks. Although the Zulu-dominated Inkatha movement is suspected in the Boipatong killings, police are accused of supporting them at worst, or at best doing nothing to stop them.

Chief Anyaoku added that the determination of Commonwealth governments, with only Britain excepted, would now be bolstered to maintain financial sanctions against South Africa until agreement was reached on a transitional government in the country.

The ANC's spokesman on sport, Steve Tshwete, said he had a "gut feeling" that the crisis might force the postponement of forthcoming Australian and New Zealand rugby tours. He added that the ANC leader, Nelson Mandela, was unlikely to take up his invitation to attend the Olympic Games opening ceremony in Barcelona on July 25.

Archbishop Desmond Tutu called for the exclusion of South Africa from the Olympics unless President de Klerk allowed the establishment of an international monitoring force and placed the security forces under multi-party control

"Those who choose to insulate themselves from the suffering and grief caused by this horrific slaughter must realise that they cannot have both a Boipatong and Barcelona," said the Anglican primate of South Africa. "If our Olympic committee does not withdraw the team then it must be expelled from the forthcoming games, and I am calling today on our friends around the world to begin a campaign to achieve that end."

In Washington, congressional spokesmen have told President Bush that the congressional ban on South Africa's membership of the IMF and the World Bank cannot be lifted in present circumstances.

In London, anti-apartheid campaigners, led by Labour MP Peter Hain, made an urgent call for the suspension of South Africa from the Olympics. Mr Hain raised the issue as a Commons point of order saying: "Surely after the appalling massacre of black citizens by South African police, the Government should introduce immediate diplomatic sanctions."

But the Foreign Office, although declaring itself "appalled" by the killings in Boipatong, brushed aside the sanctions question. It has appealed to President de Klerk and Mr Mandela to maintain the constitutional negotiations.

In private messages to both leaders, the Government urged them to use the legacy of the township killings to make significant concessions on township policing and the establishment of an interim government.

The Minister for Overseas Development, Lady Chalker, said: "I am still sure that the new basis for co-operation can be made to work." But in an apparent admonition of the South African police, she called for "fair and proper dealing with violent behaviour". This was "as much a hallmark of democracy as free and fair elections".

SA may face new boycotts

Sowetan 26/6/92

LONDON - South Africa may be on the brink of returning to cultural isolation as activists here call on performers' unions in Britain to maintain or reinstate their bans.

And the Musicians' Union, the lifting of whose boycott on South Africa in March led to widespread conviction that all cultural restrictions were soon to be lifted, is "watching closely" developments which might lead it to change its mind.

At the moment, the union will allow members to visit South Africa only if they accept engagements from what it calls "representative groups".

General secretary Mr Dennis Scard says this instruction will hold until a decision is made either way following the slide back into violence and political turmoil in the townships.

Both the Musicians' Union and Equity, which has resisted calls to lift its ban on the sale of recorded material to South Africa, are said to be watching the situation "very closely".

But both unions are already under pressure by the newly reactivated anti-apartheid machine which is pushing strongly for a return to an all-out boycott of South Africa until the situation there rights itself.

Veteran black rights campaigner Archbishop Trevor Huddleston appealed personally to MU members not to join any "scramble" for commercial jobs in South Africa.

Scard, who admits that the apparently changing political climate in South Africa prompted his executive committee to abandon its embargo, is sympathetic to the Archbishop's plea for continued support for the anti-apartheid movement.

● Australia is coming under increasing pressure to reimpose its sporting boycott and the first casualty could be the Wallabies' tour of South Africa in August. Rugby Union chiefs in Australia said they were keeping a close watch on developments.

Denmark won't boycott SA

STAR 26/6/92 280

COPENHAGEN — Denmark will not reintroduce sanctions on South Africa or support a boycott of South African athletes at the Barcelona Olympic Games, the Foreign Ministry said yesterday.

Foreign Minister Uffe Ellemann-Jensen, at the parliamentary foreign affairs commission on Wednesday, rejected the reintroduction of sanctions.

Most of Denmark's centre-Left parties called for sanctions to reintroduced following the Boipatong killings last week.

Mr Jensen, however, said there was a need for constructive proposals to keep alive the peace process in South Africa.

He repeated his earlier proposal that the European Community send observers to SA to report on acts of violence.

The Social Democratic and People's Socialist parties have said that such a corps should be placed under the aegis of the United Nations, not the EC.

● Swedish Foreign Minister Margaretha af Ugglas, of the Conservative Party, has said in Stockholm that, because of the recent upsurge in violence, Sweden would not remove trade sanctions on Pretoria as quickly as planned. — Sapa-AFP.

Stage set for cultural ban

By Garner Thomson
Star Bureau STAR 26/6/92

280

LONDON — South Africa may be on the brink of returning to cultural isolation as activists in London call on performers' unions in Britain to maintain or reinstate their bans.

And the Musicians' Union, the lifting of whose boycott on South Africa in March led to widespread conviction that all cultural restrictions were soon to be lifted, is "watching closely" developments.

At the moment, the union will allow members to visit South Africa only if they accept engagements from what it calls "representative groups".

General secretary Dennis Scard says this instruction will hold until a decision is made either way following the return of violence.

Both the Musicians' Union and Equity are said to be watching the situation "very closely".

But both unions are already under pressure by the newly reactivated anti-apartheid machine which is pushing strongly for a return to an all-out boycott of South Africa.

ANC would sway me, says US governor

STAR 29/6/92

By Carina le Grange

Virginia Governor Douglas Wilder said in Johannesburg last night that any decision of his on lifting sanctions would be "very, very heavily influenced" by the ANC.

Mr Wilder, head of the first trade and cultural mission from his state to sub-Saharan Africa, will today attend the funeral of victims of the Boipatong massacre.

The Virginians are guests of the ANC, but will meet a wide range of people, including President de Klerk and Chief Mangosuthu Buthelezi "if it could be scheduled", said Mr Wilder.

The mission is to investigate trade opportunities, facilitate cultural exchanges and improve government communications.

Speaking at a press conference last night, Mr Wilder said leaders of other African states he had visited had all stressed the importance of the resolution of South Africa's problems to the ultimate mutual benefit of many nations. Among those countries already visited are Senegal, Nigeria, Angola and Zambia.

On racial problems in the US, he said that the Los Angeles riots were an aberration and not descriptive of its people. He did not claim his country was perfect but it tried to achieve as much as it could.

Africa surveys its tra

280 STAR 29/6/92

Conflict and the economy are some of the problems to be discussed at the OAU summit in Dakar, writes BARNEY MTHOMBOTHI of The Star Africa Service.

AFRICAN heads of state assemble in Dakar today for the 29th summit of the Organisation of African Unity with a trayful of intractable problems awaiting their attention — but with the South Africa issue no longer one of them.

A mighty row over this issue had been expected. Some African countries lobbied for a South Africa made respectable by reform and Codesa to attend this year's summit as an observer, but others opposed it.

A week ago a showdown seemed possible, but the Boipatong massacre apparently came to the OAU's rescue by pulling the rug from under the feet of the pro-Pretoria lobby.

Rumours persisted early last week that SA Director-General of Foreign Affairs Neil van Heerden was in Dakar waiting for a call to the summit, but his department denied it.

In a press briefing, OAU secretary-general Salim Ahmed Salim left South Africa out of his list of important issues to be discussed. He condemned the violence in South Africa only after he was prodded.

The massacre and Dr Salim's uncompromising language have now put paid to any chance of any country standing up for South Africa. The foreign ministers, who met before the summit to draw up its agenda, were unanimous in their condemnation of the Government and closed ranks behind the ANC and PAC.

According to sources, not a single foreign minister argued the case for South Africa. ANC representative Joe Modise told reporters that the massacre had made it much easier for the ANC to persuade certain states to stop supporting Pretoria. The massacre had dealt President de Klerk's personal image and prestige a severe blow, he said.

The ANC campaigned at last year's OAU summit in Abuja, Nigeria, that some sanctions be lifted, but this year it is presenting a position fairly similar to that of the PAC, which has maintained that Codesa was not the correct forum for constitutional talks. The PAC wants to resuscitate the Patriotic Front with the ANC.

Although they may have been let off the South African hook, African leaders face other tough problems. Anarchy is reigning in Liberia and Somalia, and about a dozen low-level conflicts are raging on the continent.

There are also the economic decline in most countries, the Aids epidemic and the unprecedented drought in most of eastern and southern Africa. Southern African countries have called for greater co-ordination of drought relief.

Because of the venue of the summit, west African concerns will tend to dominate. The civil war in Liberia tops the list because the host country, Senegal, has lost troops serving with the peacekeeping force Ecomog in Liberia.

There are fears that the Liberian civil war could engulf the entire region. It has already led to the overthrow of the government of Joseph Momoh in Sierra Leone. The summit will have to decide what to do about Liberian rebel leader Charles Taylor, who has broken every agreement reached with him. Last week Ecomog threatened to impose an embargo on the country to force a settlement.

In Somalia, civil administration has completely broken down. Various parts of the country are controlled ferent armed militia. the factions turned up i each claiming to be th mate government.

Dr Salim has complai the international cor has not always respo African tragedies with t speed as elsewhere. "Th is not interested (in Afr more," he said, addi Africa would have to own resources to solve i lems.

The OAU's impotence with the continent's pro something that has lor ered many of its sup Just being able to e been an achievement.

Africa is now a victir end of the Cold War. G

urveys its tragedies

STAR 29/6/92

Conflict and the economy are some of the problems to be discussed at the OAU summit in Dakar, writes BARNEY MTHOMBOTHI of The Star Africa Service.

se for South Africa. ANC
ntative Joe Modise told
rs that the massacre had
t much easier for the
persuade certain states
supporting Pretoria. The
re had dealt President
k's personal image and
a severe blow, he said.
ANC campaigned at last
OAU summit in Abuja,
, that some sanctions be
ut this year it is present-
osition fairly similar to
the PAC, which has
ned that Codesa was not
rect forum for constitu-
alks. The PAC wants to
ate the Patriotic Front
ANC.
ugh they may have been
the South African hook,
leaders face other
problems. Anarchy is reigning in Liberia and Somalia, and about a dozen low-level conflicts are raging on the continent.

There are also the economic decline in most countries, the Aids epidemic and the unprecedented drought in most of eastern and southern Africa. Southern African countries have called for greater co-ordination of drought relief.

Because of the venue of the summit, west African concerns will tend to dominate. The civil war in Liberia tops the list because the host country, Senegal, has lost troops serving with the peacekeeping force Ecomog in Liberia.

There are fears that the Liberian civil war could engulf the entire region. It has already led to the overthrow of the government of Joseph Momoh in Sierra Leone. The summit will have to decide what to do about Liberian rebel leader Charles Taylor, who has broken every agreement reached with him. Last week Ecomog threatened to impose an embargo on the country to force a settlement.

In Somalia, civil administration has completely broken down. Various parts of the country are controlled by different armed militia. Some of the factions turned up in Dakar, each claiming to be the legitimate government.

Dr Salim has complained that the international community has not always responded to African tragedies with the same speed as elsewhere. "The world is not interested (in Africa) any more," he said, adding that Africa would have to use its own resources to solve its problems.

The OAU's impotence to deal with the continent's problems is something that has long bothered many of its supporters. Just being able to exist has been an achievement.

Africa is now a victim of the end of the Cold War. Gone are the days when Soviet envoys could influence policy decisions in exchange for armaments and easy terms of trade.

Now the remnants of what was the Soviet Union are joining the queue for international aid, and it annoys the Africans that they jump the queue.

OAU officials are saying that, colonial emancipation having been attained, the time has come for economic independence. The signing of the treaty establishing the African Economic Community in Abuja last year is seen as signalling the second phase of the continent's liberation. But the governments know that without political stability it will be almost impossible to pull Africa out of the economic quagmire.

Dr Salim wants some mechanism for conflict resolution, and it will feature high on the summit's agenda. He wants the OAU to decide on how to build its capacity for the control of conflict both between and within states.

But some countries are expected to resist this development because it seems to go against the OAU policy of non-interference. If the suggestion is adopted, it will mean that the organisation has at last been given teeth.

The OAU faces another issue. It is often asked to observe elections in member countries, but it does not have enough money to do so. It is $38 million (about R106 million) in the red and almost half of its members are in arrears with their contributions. □

Mandela pleads for freeze on ties with SA

STAR 30/6/92

By Barney Mthombothi
Star Africa Service

DAKAR — ANC leader Nelson Mandela yesterday scolded the international community, including some African states, for what he called the unseemly rush to establish ties with South Africa.

Addressing the OAU summit in Dakar, Mr Mandela said all contacts with South Africa should be frozen until an elected interim government was in place

He said some African countries had put themselves in the untenable position where the South African Government was now regarding them as its friends against black people in South Africa.

Mr Mandela said the massacre in Boipatong was yet another proof that the South African authorities were conducting "a reign of terror against our people" He said black people in South Africa were crying out for help and were appealing to the OAU to come to their rescue and save their lives.

He appealed to Dr Boutros Boutros-Ghali, UN Secretary-General, and Chief Emeka Anyaoku, head of the Commonwealth, both present, to live up to the ideals of their organisations and "stay the blood-stained hand of apartheid"

Mr Mandela said his organisation was prepared to negotiate, but would not do so until the reign of terror in the townships had been halted.

He said Africa would have to realise that the present South African Government was not an agent of change, it had had no change of heart.

"We have entered into negotiations with the regime not because it's a friend, but because it's an adversary. Friends do not negotiate, but enemies do."

Referring to the Government's insistence that a two-thirds majority was not enough to pass a new constitution, Mr Mandela said any lasting settlement in South Africa would have to conform to internationally accepted principles of democracy

The ANC was demanding an elected constituent assembly to draw up a new constitution and a democratically elected interim government which would be in charge of the transitional phase.

"We call on you to support this position," he said.

The outgoing OAU chairman, Ibrahim Babangida of Nigeria, said the recent killings in Boipatong had horrified even those who were used to violence.

"We condemn this act in the strongest terms. We call on the South African Government to carry out its primary responsibility of maintaining law and order"

Mr Babangida also called on black organisations to strive towards unity and to prevail on their followers.

He suggested that a "peace meeting" among black organisations be convened by the Frontline states. Negotiation, he said, was the only way to solve the South African problem.

Dr Boutros-Ghali told the summit he had had talks with Mr Mandela, representatives of the PAC, Inkatha and the South African Government, and had impressed on all of them the need to resume negotiations

UK activists to revive sanctions

w\mail 3\7-9\7\92.

●From PAGE 2

serious negotiations by July 15, it would launch a defiance campaign.

Huddleston, the president of Britain's Anti-Apartheid Movement, also said that in co-operation with the United Nations Special Committee Against Apartheid he was convening a two-day "international hearing on violence and the implementation of the National Peace Accord". Funded by the UN Committee, it will take place in London on July 14 and 15.

Professor Ibrahim Gambari, who chairs the UN Special Committee, is due to deliver one of the opening keynote addresses along with SACC general secretary Frank Chikane.

The international hearing, functioning like a court of law, will:

●Take evidence on political violence in South Africa.

●Assess moves taken to stop the killings, woundings and destruction of homes.

●Examine the results of the National Peace Accord and consider the contribution that the international community may be able to make towards a peaceful resolution of the obstacles to democratic settlement.

●Alert public opinion to the issues at stake.

Among the authorities invited to present papers are John Hall, chairman of the National Peace Committee, and Mr Justice Richard Goldstone. Organisations which will be presenting evidence include Amnesty International and South Africa's Human Rights Commission and Lawyers for Human Rights.

UK activists to revive sanctions

By ARTHUR GAVSHON: London

VETERAN leaders of the international Anti-Apartheid Movement plan to reactivate their campaign for world sanctions against South Africa as a means of forcing changes in government policies.

Announcing this yesterday, Mike Terry, secretary of Britain's Anti-Apartheid Movement, said he was calling key figures in the global anti-apartheid movement to a strategy conference in London in mid-July.

"The purpose is to back up internationally the protests and demonstrations which have been launched in South Africa," Terry said. "(President FW) de Klerk's policies have brought the Republic to the brink of disaster and anarchy and only mass action, with support from abroad, can change the situation."

And in a parallel development, Archbishop Trevor Huddleston confirmed that most South African church leaders had agreed to lead a new campaign of civil defiance against the government this month.

At an emergency meeting in the wake of the Boipatong killings last week, English-speaking church leaders — including those from the South African Council of Churches (SACC) and the Southern African Catholic Bishops' Conference — decided that if the government had not responded adequately to demands for an end to violence and

● To PAGE 4

Beware of the shady tax proposal

B/Day 8/7/92

DUMA GQUBULE

THE end of sanctions has opened new vistas for African opportunists who are eyeing rich pickings from SA businessmen by promising amazing returns from supposedly risk-free high-finance deals.

Scores of SA businessmen, apparently targeted at random, have recently received faxes from Nigeria and Zimbabwe offering them millions of US dollars to help get money out of these two countries.

One businessman received this letter from one Fred Kuti of Lagos, saying: "I am a civil servant, head of contracts and payments in the office of the presidency of the Nigerian National Petroleum Company.

"There is at this moment the sum of $12m which is over-invoiced money from a supply contract."

Kuti went on to request the businessman to send by courier service: Two blank copies of his company's letterhead; two blank copies of the company's pro forma invoices; an account number and the name plus address of the bank to which the funds could be transferred.

"The documents will enable us to obtain immediate approval from the Ministry of Finance and the Central Bank of Nigeria for the transfer of the funds.

"After the money has been transferred to your account, I will have 60% and your company will have 35%. The remaining 5% will be set aside to cover expenses."

In a telephone interview, Kuti told a reporter posing as an interested party that he would come to Johannesburg in a few weeks to share the money.

Another businessman received a fax from one Prince Tony Obiekwu of Harare, who claimed to have $22,5m in a sundry account waiting to be sent abroad.

However, it appears that SA businessmen have not taken the faxes seriously.

'These chaps never stop trying. The letters were so badly written, I found the whole thing hilarious," one businessman said.

New US call for sanctions

BDay 9/7/92

SIMON BARBER

WASHINGTON — The US Democratic Party platform, on the basis of which Arkansas governor Bill Clinton will theoretically run for president once he is nominated next week, has called for reimposition of federal sanctions on SA in light of the Boipatong massacre and the collapse of negotiations between the ANC and government.

The document is framed largely to appease the party's activist wing and is not be be read as a blueprint for what Clinton might do if he is elected in November.

However, US companies are concerned by the platform's adoption of the anti-apartheid lobby's new demand that state and local governments enforce compliance with Cosatu's labour code.

At the urging of the UN-supported Africa Fund and other groups, the Democrats say they are committed to "maintenance of state and local sanctions (on US firms in SA) in support of an investment code of conduct".

Oppose

Also to be continued are "existing limits on deductibility of taxes paid to SA", they say.

In other words, the party would oppose the negotiation of a new bilateral US-SA tax treaty to replace the one that was rescinded under the Comprehensive Anti-Apartheid Act in 1986.

It might also seek steps to restrict the benefits US firms might obtain from any tax incentives the SA government might offer to lure new investment.

The platform also endorses a pet project of Congressman Mervyn Dymally, chairman of the House Africa subcommittee, to establish a $230m SA/American Enterprise Fund.

This would be controlled by an independent board of Americans and black South Africans.

It would "provide a new interim government with public and private funds to assist in the development of democracy".

The Democrats say the US government "should consider reimposing federal sanctions".

At the very least it should maintain existing pressures until the SA government has reached an "irreversible ... accommodation with the black majority".

Australia halts trade mission

(280)
CT 10/7/92

SYDNEY. — Australia's first trade mission to South Africa since the easing of sanctions was called off yesterday amid uncertainty over the country's political and business future.

The mission was to have been represented by diverse interests such as mining, the food industry, the legal profession, manufacturers and others.

"There's just too much uncertainty," the mission leader, Mr Ivan Chait, said.

"As soon as they get something concrete on talks going again, we'll be interested in another mission," Mr Chait said. "We remain enthusiastic about trade and investment opportunities in the medium- to long-term." — Sapa-AFP

Sanctions must stay, says Norway

OSLO — Norway said yesterday it would not lift sanctions on South Africa yet, following the breakdown of multiparty democracy talks.

Norway said in May that the sanctions would probably be upheld for just another two months.

"The process towards majority rule has come to a standstill due to all the violence in South Africa and we do not find the time appropriate to lift the sanctions," a Foreign Ministry spokesman said.

But he added that there was a limit to how long Norway could uphold the sanctions when lifted by most other nations.

"We are monitoring the situation closely," the spokesman added.

Norway introduced trade, investment and oil embargoes on South Africa in 1986 and 1987.

Oslo has however made exceptions for some Norwegian firms which depend on South African minerals. — Sapa-Reuter.

Norway keeps sanctions

OSLO. — Norway has said it will not lift sanctions on South Africa yet, following the breakdown of multiparty democracy talks. (280)

"The process towards majority rule has come to a standstill due to all the violence in South Africa and we do not find the time appropriate to lift sanctions," said a foreign ministry spokesman.

But he said there was a limit to how long Norway could uphold sanctions when they had been lifted by most other nations.

"We are monitoring the situation closely."

Norway introduced trade, investment and oil embargoes against South Africa in 1986 and 1987. But Oslo has made exceptions for some Norwegian firms which depend on South African minerals. — Sapa-Reuter. ARG 22/7/92



Gareth Evans . . . not enthusiastic about changing policy in midstream.

Australia won't step up sanctions

CANBERRA — The Australian government will not consider increasing existing sanctions to step up pressure on South African, Australian Foreign Minister Gareth Evans said yesterday.

He told a group of visiting South African journalists that his government was committed to the phased lifting of sanctions as agreed to by the Commonwealth heads of government meeting last year.

"We are not enthusiastic about changing midstream to up sanctions," he said.

Trade and financial sanctions would be lifted as soon as agreement was reached on a transitional government.

The "tragedy" was that the deadlock in negotiations could have been avoided if the Government had made its concessions on transitional government at Codesa 2. "You have to drag the Government every inch of the way," Mr Evans said. — Political Reporter.

Australian official moots aid programme for SA

B/DAY 27/7/92

TREVOR BISSEKER

CANBERRA — World governments, the IMF and World Bank should do something positive to help SA when financial sanctions were finally lifted, a top Australian official said at the weekend.

Treasury Secretary Tony Cole, who chaired a committee in 1988 which devised the basis for the British Commonwealth's financial sanctions package, said it was difficult to see SA's political transition going "entirely smoothly".

"The need for capital will be immense," he said. "Official flows will be needed for comfort programmes like education, and these should point the way for unofficial finance to be used for development."

Australia still imposes trade and financial sanctions, in line with the Commonwealth's official standpoint taken at the organisation's Harare summit.

Trade and investment will be permitted when there is agreement in SA on transitional arrangements, and financial barriers will go when a democratic constitution is drawn up.

"At this stage, the Australian government says 'OK' to notebooks, but not to cheque books," a department of trade official said.

Asked about the role Australia could play when financial sanctions were removed, Cole said his country could work through the boards of the IMF and World Bank. It could lobby "to get them to do something for SA".

It could also establish a "facility capacity" at its embassy for potential traders.

Cole expected Australian companies to be anxious to establish a presence in SA. Mining companies would be looking for business and wine companies might also be interested.

It would be natural for Australia and SA to renew their old ties. "We would not have felt so strongly about events in SA if it had not been for the kinship," said Cole.

The trade department in Canberra receives about 10 calls a day about possible trade with SA. However, the Australia-Southern African Business Council expected 100 people at a recent meeting here, but only 30 turned up.

'Africa must not block imports

BIDAY 28/7/92

MICHAEL HARTNACK

HARARE — For the sake of a better future, African economic groups must look outwards and not block imports, Zimbabwe's leading economist Prof Tony Hawkins said here yesterday.

The head of business studies at the University of Zimbabwe said it was impossible to talk of all sub-Saharan Africa as a single unit, but it was conceivable that West Africa, southern Africa and East Africa might separately group together around Nigeria, SA and Kenya.

"Bear in mind that the critical thing is to make it outward-looking, rather than inward looking — trying to keep out imports," he said.

Hawkins said for real regional co-operation to develop, governments had to relinquish power and autonomy, which they were most reluctant to do.

"You have to have a cultural change," he said, noting Africa's record of creating inefficient parastatal monopolies behind tariff barriers, which can act as vehicles for politicians to create "patronage" jobs.

Hawkins said fear of post-apartheid SA dominating a regional grouping seemed more prevalent the closer countries lay to Pretoria.

SA and Kenya welcomed the prospect of co-operation, but neighbouring Zimbabwe feared for its manufacturing industries, noting SA's major advantages of scale and technology.

Experience suggested the sub-Saharan problem lay with weak, inefficient implementation of reforms, he said.

He attacked dependence on commodity exports, noting that as the developed world's high-technology industries became more efficient, they required less and less raw materials, meaning depressed prices.

Obstacles remain to economic integration

BIDAY 28/7/92

HILARY GUSH

ALTHOUGH ample opportunity had arisen from the end of political constraints on SA trade, there were still many obstacles to SA's reintegration into the world economy, a visiting UK academic said yesterday.

Jesmond Blumenfeld, of Brunel University in West London, is a Bradlow fellow of the SA Institute of International Affairs and is in SA to finalise a paper on incorporating the domestic economy into the international arena.

"SA has a long history of state intervention in resource allocation. Shedding this history will be very difficult regardless of who is in power or what government the new SA has," he said.

Industrialisation had always been subject to political manipulation and the attainment of international competitiveness was a complex task. Manufacturers still imported an overwhelming majority of their capital goods, intermediate goods and spare parts, he said.

Although a stable political settlement was needed to attract foreign investment he cautioned against the belief that this was all SA needed to regain its position in the world economy. Structural problems also plagued the domestic economy.

A highly competitive international capital market made it difficult to attract investment This constituted a chicken-and-egg situation; foreign capital would not flow back into SA until political and economic stability was guaranteed. This, however, could not be achieved until there was investment.

Blumenfeld said there was a conflict between job creation and the kind of goods SA could produce competitively for export.

The manufacturing industry was traditionally capital intensive: the price of capital relative to labour was still cheap and it would be difficult to reverse this trend and generate labour-intensive practices.

"The cliche that SA is the gateway to southern and central Africa is certainly true and the contribution of export earnings from the regional market should not be knocked.

"On the whole central and southern African countries are poor and thus SA's reliance on the regional market for salvation is dubious," he said.

Blumenfeld was sceptical of the success a regional common market would have; trade relations with African countries would continue on a bilateral basis.

He hoped SA's neighbours would become exporters of commodities besides migrant labour, water, live animals and electricity. Financial sanctions which had prevented SA's return to international capital markets were still in place.

This was clear from the inability of the World Bank and IMF to lend to the SA government.

Blumenfeld cautioned that an end to financial sanctions would not lead to a huge inflow of capital, although funds for infrastructural projects and technical assistance would become available.

He suggested that export incentives should be moved avay from those set out in GEIS and towards supply-side measures. Rebates on training programmes and substantial investment in human capital were examples.

Past atrocities are haunting Mugabe

MICHAEL HARTNACK

HARARE — Escalating fury over the discovery of bodies in disused mineshafts threatens to undo all President Robert Mugabe's recent efforts to revive political support in Matabeleland for his government. BIDAY

The controversy over the bodies — believed to be opposition supporters killed by government troops — has overshadowed Mugabe's recent tour of Zimbabwe's western provinces — once the stronghold of former Zapu leader, vice-president Joshua Nkomo.

Mugabe travelled around promising land to drought-stricken peasants, but the tour was plagued by the revival of memories of the 1981-87 Matabeleland unrest when thousands were killed.

Churchmen have appealed to SA's Archbishop Desmond Tutu to join them in a march to Antelope mine in memory of all opposition supporters allegedly killed by Mugabe's security forces. Most atrocities were blamed by Amnesty International on his North Korean-trained Fifth Brigade. 28/7/92

Churches have demanded an apology to the people of Matabeleland for the victimisation of civilians during the violence that preceded Mugabe's 1987 unity pact with Nkomo, payment of damages for burned homes and businesses, and support for orphans.

They also want publication of a report on the atrocities — kept secret by Mugabe for the past seven years — prepared by former chief justice Enoch Dumbutshena. BIDAY 28/7/92

The Zimbabwe Human Rights Association at the weekend called for a new inquiry into all cases of those who died in mysterious circumstances.

Trade opportunities open in Mid-East

SHARON WOOD

THE lifting of Middle Eastern sanctions imposed on SA had created opportunities for medium and smaller sized businesses to trade in the region, Safto spokesman Geoff Fitchatt said yesterday.

He noted keen interest in the upcoming Dubai trade fair, and that its 76 stalls had been 40% oversubscribed.

Trade between SA and the Middle East has grown steadily during the past decade but data on the full volume of trade was discrete due to sanctions, he said.

"Now markets for a broad range of manufactured goods and services are open to SA business. Price levels and joint trading associations point to significant increases in trade volumes in both directions," he said.

SA's investment opportunities will be scrutinised by two correspondents from Egypt's leading newspaper, Al-Ahram, during the next two weeks.

Abdel Mohamed and Samir Abdel Atty Mohamed arrived last weekend and will interview political, industrial and commercial leaders.

Their report will appear in a special Al-Ahram supplement on SA in mid-September, ahead of an SA trade exhibition in Dubai in October.

Sweden stands fast over solidarity for South Africa

SOUTH 8/8-12/8/92

280

SWEDISH anti-apartheid activists are reinvigorated after their success earlier this year in dissuading their new conservative government from lifting sanctions against South Africa.

After a Swedish parliamentary delegation including conservative MPs visited South Africa in February, many expected that sanctions would be lifted soon after.

Activists anticipated that the Swedish foreign minister would announce the policy change during May when ANC president Nelson Mandela visited Stockholm.

Intensive lobbying of MPs, however, prompted a re-think and sanctions have been retained.

So the Isolate South Africa Committee (Isak) is still in business. It staged demonstrations outside Pretoria's Legation in Stockholm last month in protest against the Boipatong massacre.

The organisation demanded that the South African government act immediately to stop the killings, and allow an international commission of inquiry to investigate Boipatong and monitor the violence.

Isak accepts that sanctions should be lifted once an interim government is set up in South Africa, but believes its own role will continue for a while thereafter.

"We have decided to dissolve Isak only when a democratic constitution is in place in South Africa," says journalist Mr Magnus Walan, an executive member of the organisation.

Isak is an alliance of 64 organisations, including church, student, labour and other groupings that was set up in 1979 as a broad anti-apartheid front.

The organisation has campaigned vigorously for sanctions over the years and ensured that Swedes are kept informed about developments in South Africa.



STOP THE KILLING: Swede's demonstrate outside the South African Legation in Stockholm after the Boipatong massacre. Photo Martin Appel, Tidningen Broderskap

Non-Swedes are always surprised at the uniquely high level of knowledge of South Africa among the broad Swedish public.

Sweden's past social democratic governments have also historically been unique among Western countries for their generous aid to the ANC.

That the new conservative government appears to have now decided to retain much of the past policy is an indication of the strength of public sentiment on South Africa in Sweden.

Many churches in Sweden have seen congregations learning South African freedom songs, and there have been thousands of meetings and demonstrations against apartheid.

There is an Isak-week during the year, where solidarity activities peak, and people collect money to support democratic groups in South Africa.

"I think the fact that a number of Swedish companies used to have activities in South Africa resulted in some feelings of guilt among Swedes," says Walan.

Unlike other European countries, the anti-apartheid movement in Sweden has received financial support from the state.

"There has been a risk of dependency, but I believe we have avoided this," says Walan.

One of the challenges facing the movement in Sweden is engaging young people in regular activity.

Observes Walan: "Recently we had a big youth-conference against apartheid which was a big success, attracting several hundred people."

"But it seems that young people are interested in music and cultural happenings, and are more reluctant to take part in long-term work."

Isak's main project last year was a travelling exhibition called "The Black Township", done in co-operation with the Africa-groups association in Sweden.

The purpose was to show daily life in South Africa as experienced by squatters.

A group of Swedes who visited South Africa brought back materials and rebuilt a shack to its original size, complete with newspapers as wallpaper and the characteristic smell of paraffin.

There has been criticism of Isak for concentrating too much on South Africa at the expense of the frontline states.

"It is true that we have focused a lot on South Africa. But we see clearly that the problems of the frontline states are much linked to South Africa."

Walan has visited South Africa several times, and has reported his trips extensively in Swedish papers.

It is Walan's hope that contacts will continue, despite changes in both countries.

"It is important that the organisations inside South Africa do not forget the international solidarity groups.

"Keep contact and make use of the resources we can consolidate."

— ANNA JOHANSSON

US sanctions force firm to pull out of drought-relief effort

ST Times 6/9/92

From Simon Barber in Washington

ANC-backed sanctions have blocked an American company's plans to participate in a UN-sponsored project to speed up emergency aid deliveries to South Africa's drought-stricken neighbours.

CSX Corp, a major US rail company, was to have provided a state-of-the-art freight and warehouse management system to help South Africa and the SADCC nations to cope with the massive relief effort.

But, alerted by the Washington-based Investor Responsibility Research Centre, California and more than 12 states and local authorities threatened to act against CSX because of their laws penalising companies that do business with South Africa.

This was despite pledges by the ANC, at whose behest US sanctions remain in force, to co-operate with the drought relief effort, which has resulted in a quadrupling of traffic on already stretched regional transport networks.

Only Virginia, where CSX is based and whose governor, Douglas Wilder, was briefed on the project during a visit to South Africa earlier this year, agreed to waive its sanctions on humanitarian grounds.

Effort

California, whose giant public employee pension fund is a major CSX stockholder, has belatedly agreed to adopt a similar waiver

After an unusual lobbying effort, in which the ANC joined forces with SA ambassador Harry Schwarz to urge the state to reconsider, legislation exempting humanitarian initiatives from state sanctions was this week awaiting Governor Pete Wilson's signature.

But this was not enough to persuade CSX to go ahead.

"California is only one-eighteenth of the problem," said CSX's vice-president for corporate communications, Tom Hoppin, referring to other local sanctions.

As part of the UN relief effort, CSX had tentatively agreed to provide a South African company, Viamax Logistics (Pty) Ltd, with its proprietary freight tracking system — known as SPACS — and a warehouse automation software package called Genoa3.

CSX also sent staff to South Africa to work on the project and help install the new system, which is widely regarded as the best available.

Bless

Realising that its involvement might breach state-level sanctions, the company appealed to California and other authorities to bless what it insisted was a special case approved by the UN.

The Californians said they could find no loophole to exempt CSX and the company announced it was withdrawing its personnel and terminated all dealings with Viamax as of July 10

Although it appears to have come too late for CSX, California's change of heart could free other companies to provide similar services and equipment, according to Ambassador Schwarz.

He also welcomed the ANC's willingness to press its supporters in the state assembly to alter their stance

World intervention welcomed

By MOSES MAMAILA

INTERNATIONAL bodies which spearheaded the campaign to isolate SA are now flocking to the country at the request of the government and opposition groups.

The United Nations has sent a high-powered delegation to SA to monitor the political situation and ongoing violence.

UN special envoy to the country, Virendra Dayal, arrived at Jan Smuts airport on Wednesday to promote resolution 772 which contains Cyrus Vance's recommendations on SA.

Dayal would liaise with the 18 UN observers currently in the country. The observers, who jetted in at the weekend, have been allocated to the country's 11 regions, according to National Peace Secretariat official Anton Venter.

Venter said more UN representatives were expected soon but he could not give a date.

He said there were also representatives from the Organisation of African Unity currently in the country.

The Commonwealth has also sent a delegation of three to observe the situation.

On Thursday, World Council of Churches president Emilio Castro also arrived and is expected to pay homage to the victims of the Bisho massacre.

Mediate

The apparent intervention of international bodies follows repeated calls by various political organisations that they should mediate between the contesting forces.

While most of these organisations appear to be observing, they're being prompted to actively participate in the resolution of the country's political problems.

Reacting to the presence of the international bodies, Azapo secretary general Don Nkadimeng said his organisation regarded this as the first step towards full international involvement in the resolution of the conflict, of which violence was only a part.

"The sooner political organisations realise that they cannot be mediators in their own dispute, the better for the country," said Nkadimeng.

The PAC and ANC have also gone on record calling for international participation in the transformation period to democracy.

Although initially the government was opposed to international participation, saying it was not necessary, Foreign Affairs Minister Pik Botha has requested the UN to help get the peace and negotiations process back on track.

Manuel outlines ANC position on sanctions and investment code

STAR 23/9/92 (280)

By David Canning

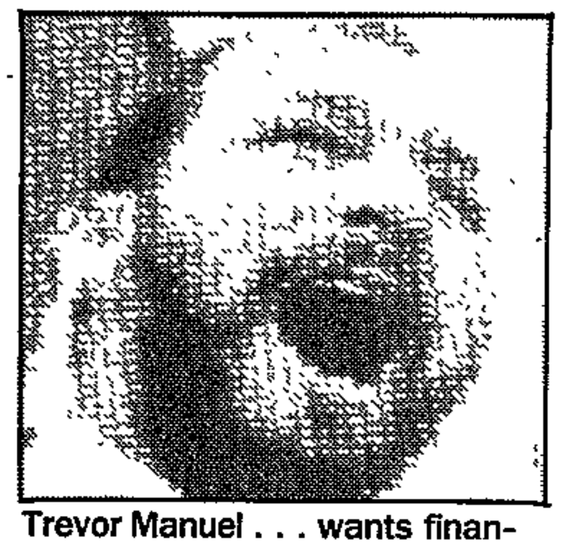
NEW YORK — Business and political leaders here are worried substantial US state and local sanctions will be maintained after democratic elections in South Africa.

The concern was raised repeatedly at a National Foreign Trade Council Foundation seminar on South African investment yesterday after Herman Cohen, US Assistant Secretary of State for African Affairs, urged that remaining sanctions should be quickly removed following installation of an interim government.

Mr Cohen called on South Africans, including the ANC, to send "a clear signal" to state and local authorities in the US to remove remaining sanctions legislation after elections in SA.

"In view of its parlous state, the South African economy could ill-afford the continuing effects of these impediments," he said.

Harry Schwarz, the South African Ambassador, Dr Conrad Strauss, chairman of Standard Bank Investment Corp, and several business chiefs echoed his concern that legislation could be retained in an effort to achieve "social engineering" in South Africa.



Trevor Manuel . . . wants financial pressure maintained.

Dr Strauss said maintenance of such codes would hinder growth. "I am nervous about elements of social engineering which could creep into the process."

Another fear expressed by speakers by South Africa and American company executives was the shape of the "investment code" being proposed by the ANC. They wanted to know whether they would get an opportunity to participate in its formulation.

Answering questions on behalf of the ANC, Mr Trevor Manuel, director of its department of economic planning, said consultation with US companies would take place in the drafting of the investment code.

Such a code was important to create a sense of "transparency" for overseas investors.

Fielding questions about the ANC's threat to renounce debt being incurred by the present authorities, he noted that "very little" of this money was finding its way to disenfranchised groups.

He personally felt a future government would meet its foreign commitments, but would retain the right to reschedule in terms of the many priorities which it would face.

In his main address to the conference, Mr Manuel appealed to the international community to maintain financial pressure on the SA authorities until an interim government was established.

There was growing consensus about the need to fundamentally restructure the economy on the basis of a sustainable growth path. From the ANC viewpoint, this restructuring should be aimed at reducing economic inequalities and improving the quality of life of the majority.

The ANC remained deeply concerned about the deleterious stranglehold that a few conglomerates held in the SA economy. It also believed trade policy should be geared to raising levels of productivity.

While SA manufacturers were quite highly protected, trade barriers would have to be adjusted in a way that did not permit rapid destruction of jobs and domestic producers.

SA had the capacity and will to establish a deep-rooted democracy. "Never do we want to see South Africa balkanised or going the route to the wasteland that the former Yugoslavia has become."

3 US cities impose SA sanctions

STAR 24/9/92.

By Hugh Roberton

WASHINGTON — Kansas City, one of the larger metropolitan areas of the United States, has imposed sanctions on South Africa in response to the Boipatong and Bisho massacres, and attempts to get sanctions lifted or modified in Florida, Maine, Maryland, North Dakota and Oklahoma have failed, in large measure because of political violence.

A sanctions report by the Investor Responsibility Research Centre, an independent corporation which provides impartial analysis on public policy issues to top institutional investors in the US, reveals that a further two major cities — Baltimore and Hartford — have joined the 105 US cities which already have sanctions in place.

Sanctions stick fast in US

THREE US cities adopted sanctions against South Africa in the past year, according to an Investor Responsibility Research Centre (IRRC) report. (280)

The report found that despite federal sanctions being lifted just over a year ago, 164 cities, states and counties continue to support sanctions against South Africa. W\Mail 25\9-1\10\92

Only two jurisdictions — the state of Oregon and Fairfax County, Virginia — have lifted sanctions. Twenty six states and the Virgin Islands, 105 cities, and 32 counties and regional authorities maintain restrictions on investments in, or contracts with, companies doing business in South Africa.

Many surveyed by the IRRC say they are waiting for the go-ahead from representative black South African groups or from the coalition of groups, such as civil rights and anti-apartheid groups, which pressed for sanctions in the first place.

Still a threat of sanctions

JOHANNESBURG — The international community could be mobilised to reintroduce sanctions if South Africans remained the victims of apartheid, former Commonwealth secretary-general Sir Shridath "Sonny" Ramphal warned yesterday.

Giving the keynote address at the official launch of the Matla Trust at a hotel here, Sir Shridath said talks had to proceed swiftly.

ET 29/9/92

The same community that dismantled sanctions before could be mobilised again, he said. "Apartheid's victims will not be alone if they remain the victims of this evil." — Sapa

280

SA offers 'excellent investment potential'

By David Canning

NEW YORK — A post-sanctions South Africa should offer global fund managers and investors with above-average potential for economic development and investment performance.

This is the view of Michael Brown, economic consultant to Frankel Max Pollak Vinderine, who spoke at a seminar of potential investors here last week.

He challenged a misconception that SA is resource-based or, even worse, a one-commodity economy.

He told a National Foreign Trade Council Foundation conference on South Africa the economy was, in fact, well diversified. Manufacturing and construction made the biggest contributions to total economic output.

However, the level of value added was fairly low and there had been little improvement in the past decade.

He attributed this to lack of access to new markets, resulting from sanctions. Sanctions made investment in costly new processing plants too risky.

However, the post-sanctions era would appear to offer a substantial opportunity for raising the treatment rate of raw material products, with beneficial forward and backward linkage effects.

The key issue for potential investors was that higher levels of upstream processing should significantly improve the total output potential of the economy, as well as the rate of return to the providers of capital.

The growth threshold of the economy could be raised by access to international and regional markets. Despite sanctions, SA remained one of the world's 25 top trading nations. In the past few years, manufacturing export volumes had improved by an average 12 percent a year.

US sanctions against SA up — report

Political Correspondent

AMERICAN state and city sanctions have increased in the year since President George Bush repealed most US federal sanctions against South Africa, according to the Washington-based Investor Responsibility Research Centre (IRRC).

An independent IRRC survey found that most of the officials in 164 US cities, states and counties "have no intention of lifting their sanctions soon".

The IRRC, which provides analysis on business and public policy issues for more than 400 of the US's top institutional investors, said the eight most populous cities in the US and six of the 10 most populous states currently apply sanctions against SA.

~~102 113~~ 280

in strategic areas such as ~~land and~~ natural resources." FM 2/10/92.

The PAC, for its part, has said "new foreign investment will be expected to contribute towards the elimination of conditions that have brought about the marginalisation of the African majority from effective participation in the mainstream of the economy." But the PAC, in a break with conventional liberation-movement wisdom, also "takes as a truism that foreign investors are not philanthropists but individuals and institutions that would like to invest their resources with an expectation to gain returns within acceptable risks."

Observers say US business managers accept that it's not business-as-usual in SA; they are prepared to spend money on affirmative action and social responsibility and placate the unions. What they are not prepared to do is to compete on a skewed playing field. They insist that SA companies must be held to the same standards as US and other multinationals. And they are against legislation in the US that would proscribe their activities overseas, or more particularly, in SA.

"American companies feel put out," says one analyst. "European companies never came under the same pressure to join the Sullivan Principles.

Maureen Sullivan

Row over USAID purchases

Biden 9/10/92

SIMON BARBER

WASHINGTON — The US Agency for International Development (USAID) has come under fire for purchasing $5,8m worth of fuel, equipment and farm supplies from SA for Mozambique during the late '80s in apparent contradiction of US sanctions policy.

Senate intelligence committee chairman Senator David Boren has asked the General Accounting Office, a congresssional watchdog agency, to investigate.

Boren's move is part of a growing election year row over foreign aid, which Democratic presidential candidate Bill Clinton charges is being used to benefit foreign economies at the expense of US jobs.

Boren says USAID's transfers to "Marxist" Mozambique went on more than $30m worth of Japanese, British, German and Brazilian trucks, tractors and spares. "This is a shocking use of our tax dollars to support foreign interests instead of protecting our interests around the world." (280)

USAID has responded that it had little choice but to buy the non-US equipment since there were no US dealers or service facilities in the region.

Boren is seeking to tighten existing "Buy American" requirements for USAID projects by converting aid disbursements to credits that can only be used to purchase US goods and services.

This could have repercussions for the $80m a year programme USAID is now running in SA, reducing its local benefits by adding to the cost of projects — including a $30m housing initiative now in preparation.

An effective prohibition on local procurement would also reduce the multiplier effect of the assistance.

Diplomatic coup for SA in Riyadh

PETER DELMAR

BAHRAIN — Foreign Minister Pik Botha will visit Saudi Arabia next month in SA's biggest diplomatic breakthrough in the Middle East.

The visit is expected to pave the way for the establishment of an SA representative office in the capital, Riyadh.

News of Botha's visit comes after the successful SA trade exhibition in Dubai, United Arab Emirates (UAE).

Deputy Trade and Industry Minister David Graaff — who opened the exhibition last week — said SA also planned to open representative offices in Bahrain and Dubai, the two leading distribution centres in the Gulf. BDAY 12/10/92

It is believed Foreign Affairs is keen on establishing a Saudi office first because it is the region's most politically influential state and biggest market.

Because of Arab League sanctions, likely to be dropped only once an interim government is installed in SA, an official diplomatic presence in the Arab states is not being considered yet.

Virtually all exhibitors at the Dubai trade fair expressed their satisfaction with the four-day show which ended on Friday. In one breakthrough, Cape Town-based Protackle clinched a deal to supply inflatable boats for coastal patrol duties.

□ Meanwhile, Arab carrier Gulf Air has confirmed it will start flights to Johannesburg in December. The flights will be direct from the UAE capital of Abu Dhabi.

'Pioneer' traders woo Arabs

PETER DELMAR

MOST of the 250 South Africans taking part in last week's SA exhibition in Dubai considered themselves pioneers in a strange and at least formerly hostile land.

For decades the region had been officially and firmly closed to SA. A Dubai promotional brochure given to the media still warned that visitors with Israeli and SA passport stamps were unwelcome. But by the time the exhibition, SA and the Gulf: A New Link, closed on Friday, the mood among participants was euphoric.

Benefiting enormously from the South Africans' novelty appeal, the show attracted 4 500 businessmen from 27 countries. They came from as far afield as Russia, Senegal and Japan (although organisers said the Japanese were there to check out the new opposition, not to buy). So many Saudi Arabians wanted to attend that they could not all get flights. Iranians and Kuwaitis flooded the exhibition.

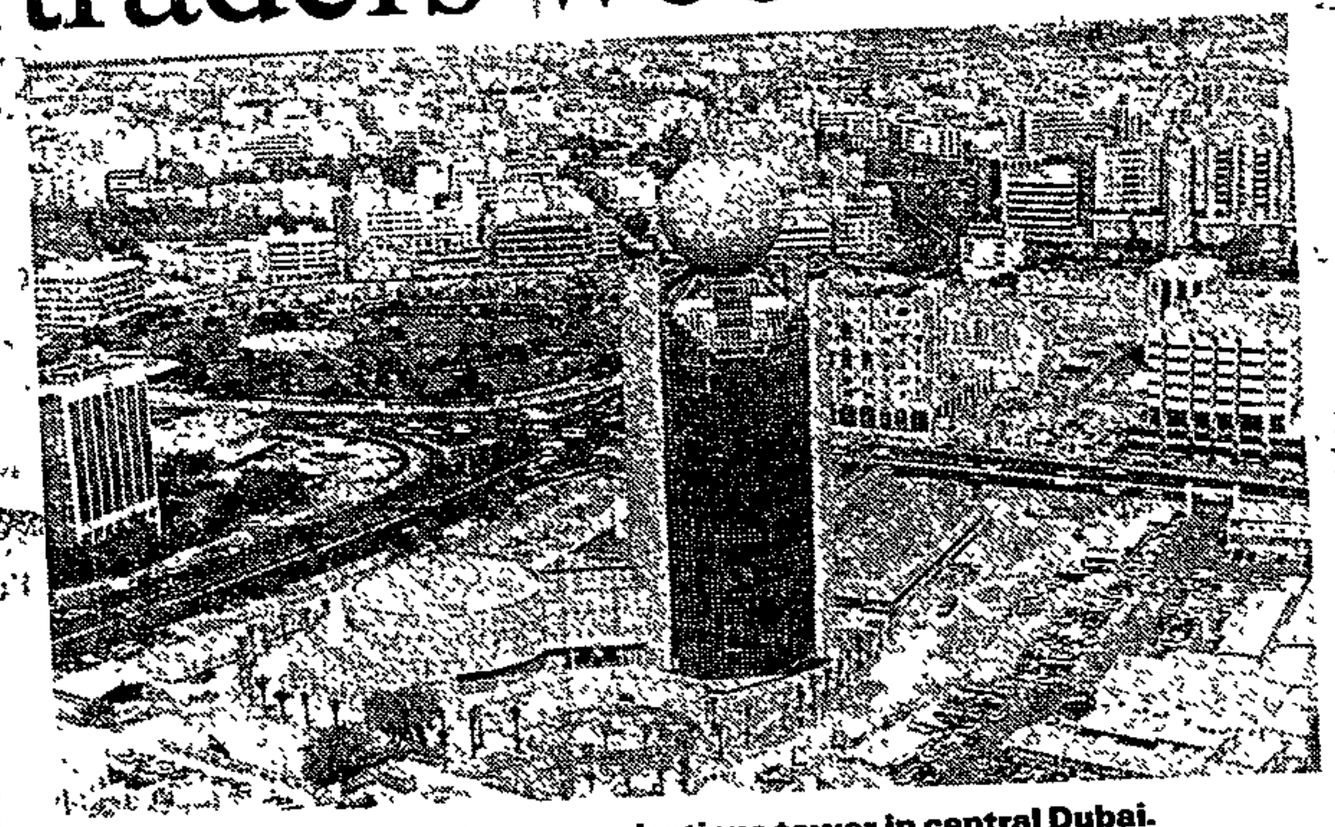
The venue for the show was well chosen. Dubai — a bustling, fascinating *arriviste* on the world trade scene — is the undeniable trade centre of the Gulf. It is home to only 600 000 people, but last year its imports were worth more than R30bn and its non-oil exports and re-exports R8bn. It claims to distribute to a market of 1-billion people. Each year more than 5-million passengers pass through the Dubai international airport.

Exhibitors were repeatedly cautioned beforehand by Safto officials not to expect to sign deals at the show, and that doing business in the Arab world was a long-term process which required a lot of spadework.

But many went ahead and did business anyway. At night, after the show closed, it was not uncommon to see, in hotel lobbies, South Africans and Arabs in their traditional "dishdash" robes poring over price lists and even contracts.

By the time the show ended more than half had sold their exhibition material and all were surprised with the quality of serious inquiries. The fact that so many tied up firm distribution arrangements and orders underlined the potential of the Middle East for SA exporters.

The show scored a number of firsts. It was the first SA-only trade show outside of Africa. It was the first time South Africans had exhibited their wares openly in the Middle East, and the Flitestar flight bringing many of them to Bahrain was the first air link.



The Etisalat telecommunications tower in central Dubai.

The show's success had as much to do with curiosity about SA as it did with the quality of products. Safto CE Len van Zyl said his "biggest thrill" was being told that the SA products were of a surprisingly good quality and Safto international GM David Graham said he believed prices were generally "in the right ball park".

Despite being a latecomer to this hugely lucrative market, SA exhibitors found they could compete. Many show visitors remarked on how technology home-grown in the isolation years had impressed them.

Another vital factor in the show's success was the co-operation between the private sector, Safto and the departments of Foreign Affairs and Trade and Industry.

International exhibitions of this nature do not come cheap. It is believed the exhibition cost about R2,5m. The money came from the participants themselves, four major sponsors as well as a healthy contribution from Foreign Affairs and Trade and Industry. Few, if any, of the participants would dispute that it was money well spent.

Describing the show as "a victory for the whole of SA", Foreign Affairs Middle East head John Sunde said it was the first time that his department, Trade and Industry and Safto had co-operated in such a venture. "We recognised the region as a priority market and Dubai as a priority centre and for this reason decided to put more money into the show," he said.

As SA emerges from isolation, similar ventures will have to be undertaken in all the major markets of the world. And there will have to be repeated follow-up exhibitions and visits, particularly in the Middle East where the market requires continual wooing.

The governments of many other countries sponsor such trade shows 100%, and if the SA authorities are serious about export-led growth they will have to find much more money for external trade promotion. So, too, will the private sector.

LETTERS

Disinvestment over, but US firms 'still shun SA'

BIDTY 14/10/92

MEREDITH JENSEN

THE wave of US disinvestment has practically stopped since ANC president Nelson Mandela's release from prison in February 1990, but US companies seem in no hurry to reinvest in SA, local financial analysts say.

More than 200 companies had pulled out over the past decade, and there has been no new investment since President George Bush lifted the Comprehensive Anti-Apartheid Act of 1986.

The analysts believe economics, politics and the "nationalisation" threat have kept Americans at bay.

US assets in SA have been reduced by almost two-thirds, from $2,6bn in 1981 to $889m. There are currently 105 US companies which maintain direct investment or employees in SA.

Foodcorp group CE Dirk Jacobs said Americans were more cautious towards SA than their European counterparts. "Europeans are more relaxed about investing, their decisions being based on pure economics, risk versus reward."

He said economics as well as emotions over the present political situation tended to influence US decision-making. Sanctions imposed by individual states had also curbed potential US investment.

However, if an interim government came into power, many states would give US companies the green light to enter the SA market. Analysts said food giant Heinz had been hoping for just that when Codesa talks collapsed and hopes for an interim government in May, as well as a signed deal with Foodcorp, were dashed.

Jacobs said the risk:reward ratio was unbalanced at the moment. "An American company which took the decision to enter SA despite moral suasion could stand to lose US market share, which would be costly and more than any benefit it would derive from its SA investment."

Market research and consultant firm World Information Network director Neil Kaufman said a lack of business confidence was a major problem for foreign investors. "International clients want to come into SA because there is a growing market and tremendous potential yet we must get our house in order first."

He said foreign investors had identified the homelands as the biggest potential growth areas as they "believe they can benefit from the more decentralised structure as well as from other financial and trade benefits".

Meanwhile, said Jacobs, "US companies are doing their homework, looking for the best partners and vehicles in SA in preparation for the go-ahead".

l as continued restric-
cess to IMF resources.
, Democratic Party
ours unspecified diplo-
e until he is satisfied
d far enough.
rrently leading Presi-
Bush in the polls for the
lection, gave his clear-
far of SA policy in a
of the US magazine
t.
at Americans need to
l attention to the strug-
cracy in SA.
s there are high, and
in SA will inevitably
spects for democracy
growth in the rest of

work to help end the
has ravaged black
threatened the Codesa
nust firmly insist that
government investi-
secutes those responsi-
olence, target some of
toward strengthening
eeping structures, and
on Mandela's call for
monitoring.

when the transition to democracy is assured, his administration will start to develop a programme of aid and provide investment incentives to assist a "democratically elected government overcome the bitter legacy of apartheid".

Most analysts and pundits here predict a Clinton victory. Some are talking of a possible landslide.

Energy

It is expected in Washington that a Clinton administration would probably want to nominate an African American to replace Assistant Secretary of State for Africa Herman Cohen .

In his article, Clinton says: "If we are to lead the global alliance for democracy, we must be willing to work as hard in Africa as we are working in other parts of the world.

"That means putting the same kind of energy into helping South Africans overcome the legacy of apartheid as we do into helping the peoples of the former Soviet Union overcome the legacy of communism." — Sapa.

paid their last respects ... on Tuesday morning after a long battle with cancer.

Court backs shipping company with SA ties

SAN FRANCISCO — A federal appeals court has ruled that a shipping company that does business in SA should be exempted from the San Francisco's anti-apartheid ordinance and allowed to dock. (280)

The appeals panel upheld a decision by the city port commission to let Nedlloyd Lines berth its ships regularly in San Francisco. The court said the Dutch company purportedly maintained direct shipping lines with SA. BIDM 22/10/92

The ordinance states that the ban does not apply where it would conflict with federal law or regulations, an exemption required by the supremacy of federal law under the US constitution.

The appeal court said on Tuesday that the San Francisco ban would conflict with a federal law that governs international shipping.

The 1986 ordinance prohibits San Francisco from doing any business, including signing leases or permits for the use of city property, with anyone who has business relations with SA.

·A ban on shippers doing business with SA "might be justified as a matter of public policy, but it is forbidden by the (federal) Shipping Act," said Judge D King in the 3-0 decision. — Sapa-AP.

African links now all in a day's work

BIDAM 22/10/92

BAIDOA — The unthinkable has landed. The plane on Runway One is South African and is ferrying food for Somalia's famine.

Two years ago its presence would have caused a diplomatic incident. African ambassadors to Mogadishu might have been abruptly recalled for consultation.

But in Africa's new order, the Safair plane is just another Hercules the better-off world has chartered for a disaster without precedent for decades.

"It's good to be here," Capt Hennie Engelbrecht told a visitor in English rich with the broad vowels of Afrikaans. "We've got close to 19 tons of rice on board."

Dripping with sweat, a team of Somalis unloaded the cargo for close to a quarter of a million people camped around Baidoa, dubbed the City of Death by aid workers.

The plane is under charter to the French government and is operating out of the Red Sea state of Djibouti, one hub of an emergency operation which also revolves around the Kenyan capital, Nairobi. It has flown daily sorties to Somalia for nearly two weeks.

The SA Air Force has also flown food and drugs to Somali refugees in northern Kenya, a donation from SA Muslims to fellow believers now streaming across the border in search of peace and food.

Pretoria has also flown aid to Mozambique and Angola in recent times as part of its attempts to make peace with African states.

Last year SAA began scheduled flights to Nairobi as part of a drive to seek markets hitherto closed by sanctions. ANC supporters bitterly oppose such trade.

But commerce has its own logic. SA businessmen have set up shop across Africa and are also looking to the Gulf states.

The history of SA air links with the rest of the continent is cloak and dagger stuff. The government is thought to have bypassed a ban on landing in much of Africa by operating through "front" companies.

Somalia played a part too. SA managed to get round the ban in the late 1980s by establishing an airline on the Comores Islands in the Indian Ocean. It refuelled in Somalia, said aviation sources.

"They also operated under the cover of Air Gabon and even flew beef and wine to Libreville when the president there had some kind of shindig," said one such source.

That "shindig", Africans recall, was an OAU summit which ended, like all the body's gatherings in those days, with a ringing denunciation of apartheid. — Sapa-Reuter.

WANTED
MALE & FEMALE GO-GETTERS

US focus is firmly on SA democracy

Sowetan 30/10/92

■ ANC plans to garner international support for democratic movements:

By Ismail Lagardien
Political Correspondent

THE ANC will attend an important conference in America next month at which the further lifting of sanctions and the future role and a code of conduct for foreign investors will be discussed.

The conference, arranged by "American solidarity movements" will be held in New York from November 13 to 15, under the theme "National Conference in Support of the ANC and other Democratic Forces for a new South Africa."

The main objectives of the conference, according to ANC sources, will be to shift the emphasis in America from an anti-apartheid mode to one of pro-democracy and to engender support for the democratic movements in the country.

The draft programme explains that the conference is a forum for "the presentation and discussion of current priorities of the ANC and other democratic forces of South Africa."

The conference will, with interim government in view, focus on issues "beyond sanctions" such as worker's and women's rights, health care, local government, education and training , increasing business investment, a code of conduct - access to justice, culture and sports as well as the role of the religious community and the media.

Well-placed ANC sources confirmed that with the distinct possibility of elections to an interim government by the end of next year, the time had perhaps arrived to consider the lifting of the next phase of sanctions - trade, investment and finance.

A spokesman for Cosatu confirmed yesterday that "if" the federation were represented it would present its standard "code of conduct for multinational companies."

India on the ball in SA's markets

(280) PETER DELMAR

DESPITE decades of political hostility and continuing trade sanctions, Indian businessmen were visiting SA at the rate of 120 a month, a Safto spokesman said yesterday.

However, Safto executive Paresh Pandya said local businessmen were not reciprocating the interest shown by their Indian counterparts and were neglecting valuable opportunities. BIDAY 3/11/92

The first SA trade mission to India was announced at the weekend and will form part of a new Safto initiative to exploit opportunities in Asia.

Safto has published a report, Gateway to India, which outlines that country's business environment, trade opportunities and its latest economic reforms.

Pandya said that with a population of 844-million and a ranking as the world's 18th most industrialised nation, India was an important market for SA.

Since the lifting of person-to-person sanctions by India, businessmen visiting SA included senior executives from major Indian conglomerates such as Birla and Tata.

"Their visits are exploratory and research-orientated, identifying two-way trade and investment opportunities for development once economic sanctions are removed," Pandya said.

"In addition to sourcing finished goods and raw materials, most Indian businessmen perceive SA as a major supplier of industrial and scientific technology. India genuinely holds big, new potential for both suppliers and procurers."

India could be a supplier of engineering products, raw materials and agricultural products to SA, he said.

□ A second SA business mission to Jordan is being planned for December ahead of the establishment of a dedicated distribution and warehouse facility for SA goods in Amman.

Jordan-SA Business Association chairman Mamduh Abu-Hassan said yesterday the second mission would, like the first which comprised 10 companies, be relatively small.

US ELECTION

Schwarz expecting few changes to policy on SA

B10M 5/11/92

GERALD REILLY

THE attitude of the US Democratic administration to SA in the short term would be conditioned by the extent to which violence was brought under control and progress made towards an interim government.

That is the view of SA ambassador to the US Harry Schwarz, who said in an interview no dramatic changes in policy towards SA could be expected when Bill Clinton was sworn in as US president on January 20.

The Democrats had inherited huge domestic problems from the previous administration, and easing them would be the major preoccupation of the new one. Significant volumes of US investment and the lifting of state and local government trade sanctions would also depend on progress towards social and political stability in SA.

Schwarz said the influence of African Americans would become more potent in a Democratic administration. In the past this influence had been directed at anti-apartheid pressure and calls for sanctions.

The emphasis now was likely to shift to benefit the ANC.

Schwarz said in strategic terms Africa had been marginalised. The continent was no longer regarded as important. This attitude, too, could bemodified by the new administration.

He said another factor which could have an influence on constitutional development in SA was that the Democrats strongly favoured the protection of minorities. This could have some influence on the attitudes of SA's constitution-makers.

He added that Democratic Congressmen indicated to him that sympathy for Inkatha was almost certain to diminish, while it would strengthen for the ANC.

LLOYD COUTTS reports President F W de Klerk yesterday congratulated US President-elect Bill Clinton on his victory and said he looked forward to mutually beneficial relations between SA and the US.

The President also sent a message to President George Bush "expressing his appreciation for the friendly and constructive relations built up between them".

ANC leader Nelson Mandela said his organisation looked forward to continued co-operation with Clinton to end apartheid and transform SA into a democracy.

"We hope that it will also be possible for us to avail ourselves of your good offices in terms of securing the support of the US as we work, in future, to rebuild the economy of our country," Mandela said in a message.

IFP president Mangosuthu Buthelezi said he hoped Clinton would see the importance of SA's quest for democracy.

DP foreign affairs spokesman Colin Eglin said while he expected no significant change in the US foreign policy towards SA, the change in presidency could result in advantages for the republic.

"Undoubtedly the new president, Clinton, and his administration will go all out to get the US economy moving again — and this can only do good to the ailing SA economy."

The Afrikaner Volskunie (AVU) said it expected a period of increased interference in SA's negotiation process, and pressure from the Clinton administration on government to yield to ANC demands.

The Institute for Multiparty Democracy's Oscar Dhlomo said that he was confident the new US administration would affirm its wider concern for SA's peaceful transition to a democracy.

Democrats offer more stick, less carrot for SA

B/DAY 5/11/93

LLOYD COUTTS

THE Clinton administration in the US would withhold investment and economic aid for SA until an interim government was in place, the American Chamber of Commerce (Amcham) and Sacob said in Johannesburg yesterday.

Both organisations said the new administration, which takes office on January 20, was unlikely to encourage the lifting of embargoes imposed on SA by US cities and states.

Academics interviewed by Sapa warned that Clinton could ensure SA did not get access to IMF support until a black government was in place.

Amcham executive director Michelle Cohen said that, while Clinton's victory would not fundamentally change US policy towards SA, his Democratic Party had committed itself to an SA-American enterprise fund once an interim government had been constituted.

"The Democrats are unlikely to lift the remaining trade and local sanctions. However, it is possible that they will be more forceful about a timeframe for change and will push for more peacekeeping efforts."

President F W de Klerk would be pressured to establish an interim government and once this had been achieved a US programme of investment was likely to implemented, she said.

Cohen said it was unlikely that Clinton would try to reintroduce sanctions which had been lifted by the Bush administration.

In its reaction to the US presidential elections, Sacob said Clinton would have other key priorities, but that his party was likely to take a tougher stance on the need for political progress in SA.

"The remaining US sanctions at state and city level may take longer to be phased out and there may be an insistence on their replacement by stringent investment codes."

GATT refuses to approve US sanctions

GENEVA — The US was yesterday blocked in its attempt to seek GATT approval to impose up to $1bn worth of sanctions in retaliation against EC oilseed subsidies.

The US has said the EC oilseeds subsidy scheme caused up to $2bn a year injury to oilseeds exports from the US and nine other exporting nations. (280) (5M)

Deputy US trade ambassador Rufus Yerxa threatened the tariffs on EC food imports as he entered a meeting of the GATT council. BIDAY 5/11/92

However, the 105-nation council must make decisions unanimously, so the EC opposition last night was enough to block the US request.

The opposition was backed by Canada and Argentina, and to a lesser extent by the members of the Association of Southeast Asian Nations, sources said.

Yerxa said the two trading blocs had failed to break an impasse at bilateral farm talks in Chicago earlier this week.

The European Commission in Brussels said it was ready to announce retaliation if Washington imposed sanctions.

The commission's Trade and External Relations Commissioner Frans Andriessen told a news conference: "In my personal view, if the US should enter into sanctions, the commission should try to do what it can to establish counter-sanctions." — Sapa-Reuter-AFP.

● See Page 7

Oil embargo might not go

BDAY 6/11/92

NEW YORK — A UN body yesterday recommended retaining a non-mandatory oil embargo against SA.

A report approved by the 10-member intergovernmental group to monitor the supply and shipping of oil and petroleum products to SA said premature lifting of the ban would harm negotiations for nonracial government.

"It is against this background that the group believes the oil embargo against SA should be maintained for the time being," the group said. It was set up in 1986 to monitor an embargo enacted by the UN General Assembly.

The group was convinced "the oil embargo may be lifted when an interim government representing the majority of the population of SA has been established and when such a government requests the lifting of the embargo".

It noted "rapid political developments" in SA, saying: "Some of these developments were positive, particularly the continuing conviction among the political parties ... on the need for negotiations..."

However, a "premature lifting of the oil embargo against SA would be counter-productive". — Sapa-Reuter.

US court hits at sanctions

ARG 10/11/92 (280)

HUGH ROBERTON
The Argus Foreign Service

WASHINGTON. — A California court has ruled that San Francisco's anti-apartheid sanctions contravene the US constitution.

The decision is expected to lead to court challenges throughout the US, where 28 states and 126 local authorities have sanctions against South Africa.

It is the first major test of the constitutional implications of local sanctions and follows more than a year of argument between officials in Washington and state and local officials over whether or not local sanctions are constitutionally valid.

The California court that gave yesterday's ruling is a court of appeal and it is unlikely that the case could be taken much further.

The decision came after an influential civil rights group, the National Lawyers' Guild, brought an action in a lower court against the Port of San Francisco — an autonomous authority that controls shipping and port freightage in the greater San Francisco area — in an attempt to make the authority comply with the anti-apartheid ordinance of the San Francisco Board of Supervisors — the equivalent of a city council.

According to the lawyers, the Port of San Francisco had violated the city's ordinance prohibiting all local government agencies within San Francisco from doing business with companies that have South African ties.

The offence allegedly took place when the port authority did business with the Dutch shipping line Ned-Lloyd Lines, which has a South African subsidiary.

But the court ruled that "the restriction would discriminate against shippers that do business with South Africa".

The court also accepted the argument of the Port of San Francisco that the city's ordinance violated the commercial clause of the US constitution, in that the constitution prevented local interference in international commerce.

The lawyers' group appealed against the ruling, claiming that shipping law was intended only for matters of economic discrimination and was never intended to forestall local governments from exercising public policy initiatives.

But the appeals court dismissed the argument as "patently meritless" and sided with the position of the Port of San Francisco that the ordinance against South Africa could not be enforced when it came to shipping and international commerce.

According to officials of the Port of San Francisco, the case was seen as a watershed "because we would face an impossible situation if every group with a political grievance was empowered to enforce regulations on the international shipping community".

A spokesman said the South African connection was "coincidental".

Clinton's date with SA

By JOAO SANTA RITA

EXISTING sanctions against SA will be maintained until there is a constitutional agreement with the black majority, new United States President Bill Clinton has said.

Although foreign affairs was hardly an issue in the campaign and Africa never got mentioned in the hundreds of rallies and interviews in the campaign, Clinton has made it clear that he supports maintaining sanctions against SA.

Because foreign affairs has not been an issue in the campaign, analysts were this week scrambling to predict changes in US foreign policy.

Their task was complicated by the fact Clinton came to power by creating an image of a more conservative "new democrat". Clinton thus abandoned previous liberal policies on welfare and minorities that had alienated many conservative democrats in previous elections.

Paradoxically, analysts have said that in global trade affairs a democratic president will probably be more conservative than Bush. Clinton, they believe, will follow a much more isolationist line than Bush with his liberal free-trade policies.

Clinton's foreign policy is thus expected to be more protectionist than the Bush administration and this will probably increase tensions between Washington and the other western powers.

However, as far as SA is concerned, Clinton is expected to adopt a much more sympathetic approach towards the ANC than Bush.

For the democrats and its black constituents SA continues to be one of the main priorities in US policies towards Africa.

Clinton has said new policies towards SA are among his three priorities for Africa, the other two being reform of the aid programmes and support for growing UN peace-keeping intervention in Africa.

In a recent article written in the American magazine *Africa Report*, Clinton accused the Bush administration of being "tepid . in reacting to the crisis caused by escalating violence in SA".

Clinton said that "what happens in SA will inevitably affect the prospects for democracy and economic growth in the rest of the continent". He proposed three measures to encourage the transition to democracy.



POWER AND GLORY . . . Although SA blacks can expect US support, new US President Bill Clinton has a lot to deliver to blacks back home.

First, his administration would work to help end the violence. "We must firmly insist that the De Klerk government investigate and prosecute those responsible for the violence, target some of our assistance towards strengthening local peace keeping structures and support Nelson Mandela's call for international monitoring," Clinton wrote.

Clinton said all remaining State and local sanctions should be maintained "until there is an irreversible, full and fair accommodation with the black majority to create a democratic government with full rights for all its citizens". Access to international financial institutions should also continue to be restricted.

Clinton promised that once "the transition to democracy" is assured, his administration will develop an aid programme and investment incentives that can be used to help a democratically elected government. He gave no details of this plan.

Abraham Lowenthal, director of the Centre for International Studies at the University of Southern California, said that as far as foreign policy is concerned the Clinton administration will probably be more consistent in its policy of promoting democracy and protecting human rights and "might well look for innovative approaches and quick symbolic gestures in this arena".

Lowenthal said the Clinton administration will probably be much more committed to strengthen multilateral institutions, including the UN and various regional organisations.

In his article on African policies, Clinton said his administration would explore the idea of creating a UN Rapid Deployment Force "that could be used for purposes beyond traditional peace keeping for humanitarian purposes".

Unlike Bush, who was accused of paying too much attention to foreign affairs and neglecting the situation in the US, Clinton is expected to concentrate on the US economic situation.

Experts warn that Clinton's internal economic policies could affect relations between the US and the major western powers.

Although Clinton is not expected to renege on international trade agreements, such as the recent creation of the North American Free Trade Association, Lowenthal said the Clinton Administration "is likely to be somewhat more attentive than the Bush government to the claims and complaints of American labour".

European diplomats said Clinton will pursue more interventionist domestic economic policies than either Bush or former president Ronald Reagan and this could produce serious tensions between Washington and Europe.

Robert Birchel, Professor of American Studies at Manchester University in England, told a US newspaper a democratic president and a democractic congress can only create trade relations problems for Europe.

Economists agree that Clinton faces the enormously difficult job of creating jobs, accelerating economic recovery and at the same time curtailing spending to ease the growing US deficit.

Some economists say these two objectives are contradictory.

Black Americans are looking at the new president with mixed feelings. Although the overwhelming majority of blacks voted for Clinton, a number of black leaders are upset that unlike democratic candidates in the past, Clinton ignored black voters as a special interest group, concentrating rather on the political interests of the growing black middle class. He addressed the interests of this class as part of the larger society, thus alienating some of the traditional black political leaders such as Jesse Jackson and Charles Rangel.

The Clinton strategy worked by denying Republicans their usual racial appeals to white conservative voters.

Since Clinton made no specific promises to the black minority, American Black voters are anxiously looking for indications of what Clinton's policies towards them will be.

Analysts have said that if Clinton's policies to reduce poverty, expand jobs, improve schools, control crime and rebuild the inner cities fail, the traditional black leaders, now being slowly marginalised, might rise again.

BUSINESS

'Don't blame sanctions for the economic mess'

W/Mail 6/11-12/11/92. (280)

South Africa's economic woes started way back in the supposedly successful Sixties, argues a new book on the Old Mutual-Nedcor Scenarios.

REG RUMNEY *reports*

THE swamp in which the South African economy now finds itself mired owes little to sanctions, and almost everything to an inward-orientated policy pursued for decades.

That sanctions alone have brought the economy to its present sorry state is one among a few common economic misconceptions dismissed in the book version of the Old Mutual-Nedcor scenario exercise.

Ascertaining why the economy has performed so dismally is essential to putting it right.

The South African economy has performed poorly since 1975, and been in decline since 1981. But the book suggests that even the 1960s, which white South Africans regard as a golden age of strong investment and growth, with rising incomes and low inflation, were not as good as they seemed. The world economy as a whole saw low inflation and rapid growth then.

South Africa's performance in the 1960s matched the lowest-performing group of countries identified by a World Bank study of middle-income developing countries, of which South Africa is one.

From 1963 to 1973 South Africa's growth in per capita incomes was slightly over two percent a year, only marginally better than the average for the lowest-performing group of countries identified by the World Bank.

Sanctions are a partial explanation for South Africa's poor economic performance since 1985, says the book. Also, all the blame cannot be laid at the door of a declining gold price: economic stagnation began while the gold price was rising, and continued as gold hit its peak.

Rich resources do not a prosperous nation make: rather the opposite, as an appendix to the main part of the book explains. Almost none of the resource-rich economies such as Mexico, Nigeria, Norway or Venezuela have performed as well as the resource-poor Asian countries.

The reason for South Africa's economic decline was the failure to depart soon enough from its inward-looking, import-substituting industrial strategy. While commodities such as gold were booming, import substitution was a motor for investment in local manufacture. But the inward-looking strategy had run into a dead end by 1975. Also, South Africa followed strongly consumer-orientated policies directed towards whites, such as subsidies on imports through an overvalued exchange rate.

The rate of savings, says the book, plummeted after 1985 and all but vanished after 1990.

In the 1980-83 gold price peak protection on manufactured goods was wiped out: the rising value of the rand cancelled out the 20 percent protection!

However, protection against imports was raised from a traditional level of around 20 percent to about 40 percent in the 1980s.

Protection in home markets for manufacturers did not help exports. Between 1960 and 1990 South African manufactured exports have grown by a little more than two percent a year, while world growth in manufacturing was more like six percent.

South African spending on research and development illustrates our failure to grasp opportunities. Our apple growers, it says, spend four times more on R&D than leading South African manufacturers. One leading South African manufacturing conglomerate spent 0,12 percent of turnover on R&D, only five percent of the average in the United States.

"The issue of spending on R&D was hardly one of affordability. It was a matter of choosing to utilise technologies developed elsewhere, paying licence fees and, in many cases accepting — as a condition of the licence — that there would be no exports involving that technology. This amounted to a corporate strategy that sacrificed export capabilities for the sake of earnings. The effect was to restrain South Africa's exports and thus its potential growth."

South African firms's investment declined, not because firms were unprofitable in the years of stagnation in the 1970s and 1980s, but because of a lack of perceived opportunity.

South Africa's low investment performance was outdone by its manufacturing productivity. During the 1980s productivity grew at a rate of about 0,5 percent, much lower than that achieved by such well-known laggards as the US and the UK. At the same time inflation pushed up nominal wages, so that unit labour costs rose dramatically.

"The two issues were connected. Low productivity growth was one of the driving forces perpetuating inflation. The lack of exports was a major contributor to that poor productivity growth."

In short, the OM-Nedcor book concludes that the inward-looking strategy resulted in:

- Stagnation of our manufacturing output.
- Declining investment in our manufacturing sector.
- Low productivity growth in manufacturing, which, in turn, together with increases in nominal wage rates, resulted in "cost-push" inflation.

The book's point is that South Africa can expect continuing poor economic performance until there is a radical change in economic policy and strategy.

- ***South Africa: Prospects for Successful Transition*, edited by Bob Tucker and Bruce R Scott. Published by Juta & Co.**

Ruling too late for port

SIMON BARBER

WASHINGTON — An appeals court has rejected an attempt to bar the Port of San Francisco from handling ships operated by firms with SA ties.

The court ruled that the Federal Shipping Act, which forbids terminal operators to discriminate between shipping lines, superceded San Francisco's anti-apartheid ordinance.

The case arose two years ago when Nedlloyd Lines BV, a Dutch concern with an SA subsidiary, decided to use San Francisco as a trans-shipment hub in a deal worth $2m a year to the port authority.

The National Lawyers Guild sued to block the deal, arguing that the Shipping Act was not intended to stop local governments pursuing their own policies.

However, the Californian State Court of Appeals ruling came too late for San Francisco to keep Nedlloyd's business.

Setback for US sanctions

(280) CT 11/11/92

From SIMON BARBER

WASHINGTON. — The United States sanctions lobby has suffered a rare legal setback in California where an appeals court has rejected an attempt to bar San Francisco port from handling ships operated by companies with South African ties.

The court ruled that the Shipping Act, which forbids terminal operators to discriminate between shipping lines, superseded San Francisco's anti-apartheid ordinance under which local government agencies are barred from any dealing with firms that do business with South Africa.

The case arose two years ago when Nedlloyd Lines BV, a Dutch concern with a South African subsidiary, decided to use San Francisco as a trans-shipment hub in a deal worth $2 million (about R5,6m) a year to the port authority.

The National Lawyers' Guild sued to block the deal, arguing the Shipping Act was only intended to prevent economic discrimination and not to stop local governments pursuing their own policies.

To the relief of the shipping industry, which is faced with similar anti-apartheid discrimination elsewhere, the State Court of Appeals last week ruled that this reason was "patently meritless".

However, Nedlloyd has already moved its operations to another port.

Guide unveiled for US investors

B1 DBM 16/11/92

280 65

SIMON BARBER

NEW YORK — The ANC and Cosatu have unveiled a set of "interim" foreign investment guidelines which they want US campaigners to help enforce until a new government is in a position to legislate a code of its own.

The guidelines, released at a conference of ANC solidarity groups at the weekend, would go into effect once power had been transferred to a "national unity" executive.

In stressing that new investment "should enhance employment creation", they represent the ANC's first formal attempt to discriminate between types of investment.

ANC economic planning chief Trevor Manuel said he hoped the transitional authority would be in place by next April.

Manuel said he envisaged US state and local governments replacing their sanctions laws with language binding US companies to the code.

Don Mkhwanazi, co-ordinator of the ANC's trade and investment group, said the guidelines would bridge the gap between new investment flowing into the country and the ANC having the power to legislate its own regulations.

The guidelines are broad, and not especially onerous compared with the statement of principles and the similar State Department code American companies currently have to comply with under residual clauses of the Comprehensive Anti-Apartheid Act.

Investors should be willing to recognise workers' rights, provide equality of opportunity, be environmentally sensitive and offer "conditions of work and life" that "compare favourably with the best ..."

They are asked also to provide training and education for black workers and a degree of job security, and to "adopt business practices which enhance the development of black business".

US companies are less concerned by the content of SA investment rules than by the way US campaigners might seek to enforce them.

If investment in post-apartheid SA entails bureaucratic and political hassles at home, many executives insist they will shun the country.

However, a senior World Bank official at the conference predicted that once an ANC government was in power, it would be so anxious to create employment that the investment code question would become moot.

A more serious deterrent for US companies might be the SA-American Business Council, established in October by TransAfrica director Randall Robinson and ANC US lobbyist, former congressman Walter Fauntroy.

The possibility that Robinson and his allies will seek to act as officially-appointed gatekeepers once the sanctions era is over is a prospect many investors find intolerable.

ANC's American allies queue up to sponge off new SA

B|DAY 17/11/92

SIMON BARBER in Washington

THE politically correct wing of the American parasite class went into conclave at New York's Riverside Church over the weekend to consider how it could continue feeding on SA now that the sanctions era is coming to a close.

The ANC, which called the gathering and sent about 50 of its officials to brief it, seemed only too happy to oblige. Even now, with all the power and resources of the state within its grasp, the movement lacks the confidence to believe it can operate without them

To be sure, the new SA will need all the outside help it can get. If groups like TransAfrica, the Interfaith Centre on Corporate Reponsibility and the American Committee on Africa can rejig their activism away from sanctions towards generating real inflows of capital and development assistance — as ANC president Nelson Mandela asked them to do in a videotaped message — it would be churlish to criticise.

Unfortunately, most have another agenda. Themselves They are in the game to sate their own appetites. The ANC is merely at the head of the queue for whatever crumbs they may brush from their table.

This is a ferocious judgment. But it can be documented. Furthermore, many in the ANC know it to be true, having witnessed the scandalous siphoning off of funds Mandela raised during his 1990 tour here. Sadly, they seem resigned to letting the travesty continue, at the expense not only of their dignity, but of their sovereignty.

Last October, TransAfrica's Randall Robinson convinced Mandela to sign a "memorandum of understanding" endorsing the creation of an entity called the SA-American Business Council (SAABC). Its purpose: "To foster a closer working relationship in the areas of business and economic development between dispossessed South Africans and African Americans."

This sounds reasonable. But the kicker comes a few paragraphs later, where it is stated that one of the SAABC's principal functions will be to "review investment and business proposals from US corporations planning to locate or relocate in the New SA in order to assure that appropriate affirmative action guidelines are adhered to and respected".

In short, Robinson the sanctioneer is to become Robinson the gatekeeper. Having helped force scores of US corporations out of SA, he now proposes to dictate who shall be allowed to re-enter once an interim government is in place. He is joined in this endeavour by former congressman Walter Fauntroy, the ANC's US lobbyist, who seems to have taken the movement for a $230 000 ride on a promise to raise millions for the Mandela Freedom Fund.

There is no mystery about the use to which the SAABC intends to put its ANC-granted shakedown licence. The idea is simple, and none of those involved has made any attempt to conceal it. It is to ensure that Robinson and his associates reap, as compensation for their supposedly leading role in the anti-apartheid struggle, a "fair" share of whatever profits are to be generated from post-apartheid reconstruction.

Harlem International Trade Centre Corp president Gene Norman puts the case thus. "As emerging democracies come into being, they get a lot of emotional, cultural and other support from African Americans, but not much in return A new SA government must encourage and include us in their development plans."

The "programme of action" developed at the conference goes further It explicitly calls for "a definitive policy statement by the democratic forces in SA that will serve as an invitation for direct involvement by the African-American business community, including such mechanisms as set-aside programmes for African-American business".

In other words, an ANC government will be expected to adopt affirmative action policies not only for its domestic constituency. In procuring goods and services, it will be pressed to grant a specific percentage of contracts to wealthy Americans who like to call themselves members of "the African diaspora".

It might be understandable if the ANC were to decide, of its own volition, to throw a little business in the way of its foreign supporters once it had the opportunity to do so. But the Riverside statement is couched as a bald-faced demand. It is an insult to the millions of South Africans who have suffered and died for the right to govern themselves. It is effrontery on a cosmic scale, yet the ANC raises not one word of protest. One can only wonder what someone like Steve Biko would have thought.

Such behaviour on the part of people like Fauntroy and Robinson renders their motives suspect even when they propound seemingly sensible initiatives.

One such is the creation of a US-government financed enterprise fund for SA, modelled on funds established by Congress for post-communist Poland and Hungary. The concept is straightforward. A private investment company is established, with an independent board of directors drawn from the US and the beneficiary country. Initial finance is provided by the US Treasury.

The Polish fund, launched in May 1990, was capitalised at around $245m, but it is also permitted to raise further finance from private sources. Through individual investments ranging from $3 000 to $15m, it is helping finance about 1 400 small- to medium-sized enterprises, all selected using solid business criteria. It has also capitalised Poland's first private mortgage bank to provide loans to residential developers and mortgages to home buyers.

Legislation that would grant $240m to a similar fund for post-apartheid SA was introduced last April by Congressman Mervyn Dymally, the retiring chairman of the House Africa subcommittee, at Fauntroy's urging It has gone nowhere, prompting Fauntroy and others to cry racism.

This ignores a couple of points First, the Polish and Hungarian funds were established after the countries had governments committed to free-market reform. SA's political and economic future has yet to be determined. Second, supporters of the east European funds were able to make a serious case that the US taxpayers' capital would be soundly managed and efficiently absorbed.

Unfortunately, the advocacy of Fauntroy and his colleagues has not inspired similar confidence To begin with, there is Fauntroy's own rhetoric. Judicious is not a word that springs to mind. He does not talk about dreary things like risk and return on assets, but about getting his hands on "other people's money", or OPM, as he likes to call it.

"Give us the money," he cried at the Riverside conference. "We know what to do with it."

He then explained he would invest in the ANC/Cosatu Media Project's Press trust so that he "can get the ANC the means to communicate with its people before the election" for a constituent assembly In short, he would use the fund for political purposes rather than to stimulate economic growth

Secondly, the proposal is couched in overtly racial terms. membership of the SA fund's board would be restricted to black South Africans and African-Americans. Inclusion of the former is fair enough, so long as it is on a non-partisan basis. Not so giving a monopoly to the latter.

The Polish fund does not limit board membership to Polish-Americans. And even if it did, that would in no way justify the Fauntroy position. The relationship between Polish-Americans and Poland is somewhat more direct than that between African-Americans and SA.

Not, however, in the view of Fauntroy, Robinson, Dymally *et al.* They evidently believe that SA is theirs. Theirs for the taking.

Call to give black US business a special deal

Blom. 17/11/92

WASHINGTON — US anti-apartheid leaders are demanding special treatment for African-American businessmen if and when an ANC government takes power.

The call is part of a "programme of action" adopted by a national conference of pro-ANC campaigners held in New York at the weekend.

The document says that the ANC must be pressed to adopt "set-aside" programmes modelled on US affirmative action policies to reserve government procurement contracts and other business opportunities for black Americans.

The conference also vowed to lobby Congress and the Clinton administration to capitalise a $240m "South African-American Enterprise Fund".

Headed by African-Americans, the fund would invest in black South African business ventures, including the ANC/Cosatu Media Project to acquire newspaper, television and radio outlets for the "democratic forces".

In addition, African-American campaigners and businessmen have obtained ANC president Nelson Mandela's signature to set up a council that will be authorised to veto all new

SIMON BARBER

US investment in SA once the ANC has called for the removal of remaining sanctions.

ANC trade and investment group director Don Mkhwanazi endorsed giving African-Americans special treatment. "Having been at the forefront of the struggle, they must be rewarded. We don't want those who did not support us to benefit."

National Sorghum Breweries executive director Israel Skosana sounded uneasy about the proposed bias towards African-American business. "We need to be creating wealth," he stressed. And while those African-American entrepreneurs who had relevant expertise would be welcomed, "we need to be cautious. Companies that come must be prepared to listen."

Harriet Michel, president of the National Minority Supplier Development Council, a group that helps black business attain procurement contracts, warned that "an African government does not necessarily mean greater opportunity for African Americans".

Why does a profit motive sound so repellent?

BDAY 23/11/92

LOREN BRAITHWAITE and BERTRAM LEE in New York

ONE OF the highlights of this month's highly successful National Conference in Support of the ANC and Other Democratic Forces for a New SA was the widely attended workshop focusing on investment policies and economic development in a future SA.

Representatives from the US state department, large US corporations including Ford, Apple and Honeywell, investment banks and minority businesses, among others, listened as ANC international affairs head Thabo Mbeki, economic planning department head Trevor Manuel and a delegation of white and black SA business leaders discussed topics including investment opportunities, corporate responsibility and developing ties with the African American business community.

It must be indicative of the ANC's success in examining the issues in a sound and prudent manner that Simon Barber could find nothing to attack except the fact that the ANC's "allies" in the US were lining up to do business once an interim government was in place.

In "ANC's American allies queue up to sponge off new SA" (Business Day, November 17), Barber made it seem as though US "parasites" were lining up to sate themselves on the spoils of a democratic SA. In the past, Barber and others at Business Day have opposed economic sanctions. It is difficult to understand why, when international businesses are contemplating re-entering SA, the idea that they might have a profit motive seems so repellent to Barber.

Is he in fact proposing that economic sanctions be continued to keep out profit-seeking foreigners? Or is it only the business initiatives of some Americans in SA that rankles him?

The "effrontery on a cosmic scale" of African American business people to suggest that they too will participate in developing economic ties between the US and a democratic SA seems to shock him. He calls attention to the formation of the South African-American Business Council (SAABC), one of whose purposes is to "foster a closer working relationship in the areas of business and economic development between the dispossessed South Africans and African Americans". Why does Barber seem to see something ominous in close ties developing between black business in SA and the US?

He characterises another purpose of the SAABC — to "assure that appropriate affirmative action guidelines are adhered to and respected" — as a "shakedown licence".

The programme of action developed at the conference does promote the affirmative inclusion of US black businesses and products in our own US government-funded programmes and it does promote certain standards of conduct by US businesses in SA. The conference was held in the US where it is hardly revolutionary to tie public spending to social objectives and to expect that US corporations abroad behave no less responsibly than at home. Indeed, most Americans would find it reprehensible that US corporations would treat foreign citizens less fairly and equitably than they do Americans. Why does Barber think it inappropriate for US citizens and taxpayers to support democratic development in SA?

At the conference, reports were given of the Polish-American Enterprise Fund, a private corporation established at the initiative of President Bush and the US Congress to encourage Polish private sector development. Thus far, the fund has been authorised to receive $245m in capital from the US government and has, since its inception, committed more than $180m to Polish private sector development. A similar fund has been authorised for Hungary.

Barber even detracts from copying this model to create a similar fund for SA stating that, in contrast, the Polish and Hungarian funds were established "after the countries had governments committed to free-market reform". In other words, Barber suggests that the US commit money for private enterprise in SA only under certain economic conditions. This smacks of a call for international intervention in shaping the SA economy.

Yes, as Barber noted, former US congressman Walter Fauntroy, when discussing the SA fund, spoke of the historic use of "other people's money" for development. But why does this translate in Barber's language to unsound management? The Polish and Hungarian funds use "other people's money", as do the World Bank, the IMF and many other institution of which we assume Barber approves.

As the period of sanctions is coming to an end, the central focus of the workshops was to attract new capital, US technology and training to assist in the transition from apartheid to democracy. Barber's article derides this effort which should be applauded by all South Africans. He seems more intent on settling old scores than looking to the future; this is surely not what will attract sorely needed investment and resources to build a new SA.

It seems as though Barber's prescription for a new SA is based on continued white domination; isolation from foreign investment and acceptance of international development assistance only under economic conditions dictated by donor countries. If so, it will be a sorry day when it comes. It is unfortunate that Barber is giving Business Day a bad name.

☐ **The authors were co-ordinators of the conference.**

BOOKS

Time for the ANC to ditch its flaky foreign legion

BIDAM 24/11/92

280

SIMON BARBER in Washington

THIS is not a happy time for the US anti-apartheid movement. The ANC expects to join the NP in a governing junta early next year, at which point it will presumably feel obliged to place a higher premium on the welfare of its own citizens — armed as they will be with the vote — than on the employment of its flaky foreign legion.

In the US, the Democratic Party is no longer in opposition, either. Controlling both Congress and the executive, it can now quite happily tell the idiot left to go and play with its navel somewhere else.

For these reasons, it is unnecessary to take very seriously most of the bloviations of the ANC solidarity groups who gathered at New York's Riverside Church on November 13-15 for what was grandly called the National Conference in Support of the ANC and Other Democratic Forces. This is just as well because to read the convocation's programme of action with a straight face requires the kind of self-control that leads to aneurisms.

The text was prepared, after earnest debate, by types who would make it a crime to laugh at a clown slipping on a banana peel. For their own protection, these people are in desperate need of affirmative action programmes for the irony-deprived.

The world must be a very joyless place for the authors of the programme's opening manifesto, article 27 of which reads: "We will maintain conscious communications with each other." How else have the activists been communicating hitherto?

Not that conscious communication seems to be a particularly efficient method of transferring ideas between the ANC and its American acolytes. At the start of the conference, ANC president Nelson Mandela (who wisely decided not to appear in person) delivered a videotaped command to the faithful: go out and generate material assistance for the post-apartheid reconstruction. Evidently, the drafters of the manifesto were a little hard of hearing. Not one of the 33 "actions to be taken" referred to Mandela's call.

Instead, the manifesto contained a bizarre mix of demands for closer consultation from the ANC, fantastical conspiracy theories and pledges to carry on as if nothing at all had changed on the ground. Here is a sampling of how the solidarity groups propose to disport themselves on the ANC's behalf in the months ahead.

"We will plan to deliver a political funeral for the George Bush administration to symbolise the death of US policy under past US administrations toward southern and South Africa.

"We will educate the US about the roles of the Heritage Foundation and the International Freedom Foundation which are financing and shipping arms to southern Africa, to the SAP and Renamo specifically.

"We will educate the US public about the army base in Botswana.

"We will use walkathons ... to educate the US public on apartheid, violence, and the US government and private sector role in the violence.

"We will organise youth to start walking through our communities on Malcolm X's birthday to dramatise the need to end the violence by and against youth in America as a result of the trade in weapons to destabilise the US anti-apartheid movement.

"We will connect the violence in inner cities, black communities and poor communities in the US with the violence in SA.

"We will hook into PeaceNet (a computer network) to send and get messages/information about South/southern Africa struggle. Access Code: REGL.SAFRICA."

A luta continua — electronically.

Helpful stuff for which worshippers at Regina Mundi in Soweto will surely want to deliver a prayer of thanks on Sunday. However, the ANC is expected to play its part, too. Not only must it communicate consciously, it must "strengthen" its US representative's office, keep its friends briefed about its relationship with "other democratic forces in SA", and "determine which groups it will regularly contact in the US anti-apartheid movement concerning the struggle inside SA and the decisions it makes concerning that struggle".

Also, "we expect to see and be informed on a consistent basis about what the ANC is doing on the question of women". And, perhaps most egregiously, an ANC government will be asked to grant affirmative action contract "set-asides" to African American businesses.

Although the ANC sent about 50 cadres to participate in the writing of this gibberish (at a cost of at least R250 000 in airfares alone), most of the members present did not seem to be treating the exercise as anything more than a chance for yet another transatlantic jol — perhaps one of the last before their movement finally becomes accountable to the masses and turns from being a convenient ideological construct into an expectant (and easily disappointable) electorate.

At least it is to be hoped that this is how the touring side felt. For if they are at one with their American friends, they have endorsed a bid to stifle job-creating US investment long after the ANC's call for an end to sanctions. This was one aspect of the conference's deliberations that was not so funny.

As reported in this space last week, Mandela has already been gulled into signing an agreement that would empower TransAfrica's Randall Robinson, former congressman Walter Fauntroy and their cronies to decide which US companies will be permitted to invest in the new SA. If he means to keep this agreement, the ANC leader has signed away a portion of the SA people's sovereignty before they have it.

Equally disturbing, the Riverside conferees pledged to campaign for an investment code for firms doing business in SA that would be applied and enforced by US pressure groups and, if they are successful, by state and local governments in lieu of existing disinvestment and discriminatory contracting policies. The manifesto states: "We will support the transformation of the sanctions movement into a movement to ... repair damage done by apartheid through a code of conduct."

Recommendations drawn up by a conference working group on legislative lobbying go even further: "We need ... refocused research ... on which corporations are going back into SA and determinations of their vulnerability to boycotts and other economic leverages. This information should be provided to state and local legislators where necessary to induce those corporations to conform to the ANC/Cosatu guiding principles for foreign investors."

It does not matter that the principles are less than stringent. The content is relatively unimportant. What counts is that US corporations already invested or thinking about investing will continue to face harrassment from watchdogs and local legislatures at home — harrassment not faced by their overseas competitors. This might be tolerable for companies that only want to set up distributorships, but not for firms that want to make things and employ serious numbers of people.

Once in power, and unless its leaders are utterly unhinged, the ANC will have to put South Africans and the desperate need for jobs before all else. Loyalty to its solidarity network will then be a luxury it can ill afford. That being the case, why not cut the parasites loose now before, in their desperation to stay employed, they do damage that will not easily be undone?

US business leaders draft investment code

WASHINGTON — An ANC government will attract badly needed foreign investment only if it establishes clear rules and a positive climate to convince investors they can "earn a fair return".

So contends the Executive Leadership Council, a group of senior African-American executives from major US corporations such as Ford, IBM and Xerox, in a draft report on what they consider "workable" guidelines for investment in post-apartheid SA. BIOM 25/11/92

The council's recommendations are being circulated to the ANC and to US corporate boards in what the group's president, Honeywell senior vice-president Mannie Jackson, sees as an opening bid to

(280) SIMON BARBER

negotiate an investment code that will make SA an "attractive" destination for US multinationals.

The study — prepared by Jackson and Lawrence Johnson, dean of Howard University's business school — urges renewed focus on the "bottom line" effect of codes being proposed by the ANC and Cosatu.

"Here's our offering of what, from our vantage point, seems to be workable," Jackson said, describing an eight-point plan put forward in the report.

The points include a heavy emphasis on an early childhood development programme to be funded by corporations; close co-operation with the Black Management Forum to develop an inventory of black managers; support for higher education; and empowerment initiatives to encourage black businesses, equity ownership and board membership.

The report's basic assumption is that foreign investors will have four minimum requirements: the ability to do business in a safe and positive environment; rules that allow them to earn a fair return on their investment; a climate and rules that will remain stable over a long period; and government participation in the development of educational and other policies that mesh with the economic goals of the country.

☐ To Page 2

Investment

BIOM 25/11/92

The council warns that the requirements of the existing Sullivan code have already proved a disincentive for some businesses.

Expenses for training, education and community action programmes mandated by the code have affected "the bottom line resulting in lowered profits" — causing some either to increase consumer prices or pull out of the programme.

(280)

☐ From Page 1

Cosatu's present proposals "may prove even more expensive" because of their increased training and adult education requirements.

The ANC's policy guidelines "also have some basic programmes that will affect a firm's bottom line".

● Comment: Page 10

Disinvestment "is being reversed"

B/Day 25/11/92

SIMON BARBER

WASHINGTON — The number of non-US companies with direct investment or employees in SA has increased markedly over the past year, while US firms continue to be held back by ANC-backed local sanctions and SA's uncertain prospects.

However, US firms are expanding their non-equity ties through licensing and distribution agreements.

A new directory by Washington's Investor Responsibility Research Centre says that 508 non-US concerns now have a direct stake in SA, up from 454 a year ago. Of these 153 are British and 142 German.

The figure for US firms remains static at 111, up from 106 last March, but still far short of the 267 present in May 1986. But the number with non-equity ties has increased by 23 to 256 over the past nine months. There are 303 non-US concerns with such links, up 132 from a year ago.

The problems US companies face in entering the SA market are illustrated by the experience of Apple Computer. Apple manager Jackie Robinson recently pleaded for the ANC to stop sending "mixed signals" on US investment. Apple was anxious to re-establish a sales and service network, but was being blocked by state and local boycott laws. "Our competitors continue to gain market share. Let us get on with the business of doing business."

Trade mission to US on the cards next year

SHARON WOOD

THE American Chamber of Commerce yesterday announced it was organising SA's first trade mission to the US since the lifting of the Comprehensive Anti-Apartheid Act, in March next year.

Executive director Michelle Cohen said companies interested in joining the month-long mission would have to be registered exporters with the sole rights to distribute products in the US, or otherwise would have to own the products. She stressed the organisation was interested only in companies capable of exporting products.

"South Africans have a name, internationally, of being fly-by-nights and offering products they are unable to produce," she said. Delegates on the trade mission must have the capability of fulfilling export orders.

Cohen said although the US was experiencing a recession, and trade and local sanctions were in place, the chamber had identified growth areas, cities and states which did not have stringent local sanctions and had businesses keen to trade with SA.

SA represented a new market and this had generated substantial interest. The trade mission would reintroduce the diversification of SA manufactured products to the US and give local businessmen an insight into US business practices.

US franchises head for SA

SIMON BARBER

WASHINGTON — A group of American franchise companies is heading to SA next month aiming to attract black entrepreneurs.

Firms looking to sell licenses include Kwik-Copy, Speedee Oil Change, Everything Yogurt and Mailboxes Etc.

Washington-based International Franchise Association and the Black Integrated Commercial Support Network are sponsoring a conference at the Carlton Hotel on December 8 to introduce US franchisers to potential black business owners.

The network is a year-old project of the US Agency for International Development, run from Johannesburg, whose function it is to identify and help develop promising black businesses.

The project was providing a "pool of potential master licence holders", said the association's president Bill Cherkasky, who called franchising "one of America's most desirable exports".

Well-known US franchises currently operating in SA include Kentucky Fried Chicken and Pizza Hut. Although it sold its SA subsidiary to local investors in 1987, KFC Corp, a unit of Pepsico, retains licence agreements with 180 SA restaurants.

THEO RAWANA reports that conference organiser Olivia van Melle Kamp said speakers would include Cherkasky, Washington law firm Brownstein, Zeidman and Lore partner Philip Zeidman; local law firm Webber Wentzel partner Lawrence Reyburn; Nedenterprise CEO Neville Edwards and Deloitte & Touche associate director Allan Gitsham.

US franchise operations had been particularly successful, generating 36% of all retail sales, against SA's 6%, Reyburn said.

He said US franchisers and the SA Franchise Association would like to see black business entering the franchise arena.

"The time is ripe for black participation. Finance which has been difficult to obtain is now more freely available." Nedenterprise, one of the co-sponsors, has arranged access to finance for black entrepreneurs.

... as a few foreigners return

FEDERAL sanctions have gone, but state and city sanctions have put the brakes on United States reinvestment in South Africa. Figures released by the Investor Responsibility Research Centre show five US firms have established offices in this country since March last year. By comparison, the number of non-US firms with direct investment or employees has soared to 508, fifty-four more than a year ago. The level of the financial rand, however, shows those firms have not yet brought in sums big enough to counter the outflow of money.

Wmail 27/11 - 3/12/92.

New rules for offshore funding

S|Times(B455) 29/11/92.

FINANCE Minister Derek Keys has moved to plug the disinvestment of funds by South African firms.

By CHERILYN IRETON

His new ground rules for offshore investment could jeopardise several planned multi-million rand acquisitions which are still in the pipeline unless the buyers can settle the deals by loans raised abroad.

Keys says firms will be encouraged to borrow offshore and the repayments of these loans will have to be met by income generated by the new investment

Only companies which can prove that their offshore acquisitions are of immediate short-term benefit to SA will receive approval to take funds out of the country

Deals whose benefits will only flow through in the longer-term will be stalled.

Companies that have already received approval for offshore investments have been asked to make use of foreign funding to pay for their acquisitions.

In an apparent reference to Royal's planned £360-million purchase of Del Monte, Keys says the repayments of the foreign funding will be staggered over a period of time.

Future requests for foreign investments will be handled with the utmost care and circumspection, he warns.

A rash of offshore acquisitions have been announced over the past few months

They include Royal's bid to purchase Del Monte, First National Bank's purchase of London bank Ansbacher for $60-million, Rand Merchant Bank's R17-million purchase of Australian Gilt Holdings and Standard Bank's acquisition of the African operations of ANZ Grindlays for R165,7-million

Earlier this week, Sentrachem jumped on the bandwagon by announcing that it is looking to buy Kerry Packer's Australian petrochemical company Chemplex.

Sentrachem gave no hint of the purchase price being asked for Chemplex, but CE John Job indicated that less than half the purchase price would be settled in finrands The rest would be financed by loans.

This sparked further uncertain in the financial rand market a prompted Keys to investigate t foreign investments.

Earlier, brokers warned that t instability in the financial rand ma ket was driving away potential vestors.

Depsite the effective 40% discou which the finrand offered investo they were unwilling to commit the selves to volatile markets.

As a result of the disenchantme and the huge speculative activity the markets, the financial ra slumped to a low of R5,09 this wee from R3,90 at the begining of Augu and R5,12 in early October, wh news of the Del Monte deal broke

Efficient end to sanctions?

From SIMON BARBER (280) CT 2/12/92

WASHINGTON. — A group of black state officials is discussing a model law to ensure that all state sanctions against South Africa are lifted as soon as an interim government is in place.

At its annual meeting in New Orleans this week, the National Black Caucus of State Legislators is to consider urging the 26 states that currently have boycott laws to adopt a uniform "sunset clause".

According to the plan's author, Tennessee state representative Mr Alvin King, the hope is to prevent sanctions lingering on the statute books as they did in the case of Namibia after its independence.

Mr King said his proposal was based on the phased sanctions-lifting timetable laid out by ANC leader Mr Nelson Mandela.

Under the model law, state sanctions would end automatically once an interim government took power.

South African ambassador Mr Harry Schwarz, who is to debate with ANC representative Mr Lindiwe Mabuza at the meeting today, welcomed the initiative but said there was "some dispute as to what an interim government means".

The ambassador's own view was that the ANC and its US supporters would probably want to delay termination until a constituent assembly had been elected.

'Sunset law' may lift last US sanctions

SIMON BARBER

WASHINGTON — A group of black officials is discussing a model law to ensure that all state sanctions against SA are lifted as soon as an interim government is in place.

At its annual meeting in New Orleans this week, the National Black Caucus of State Legislators is to consider urging the 26 states that currently boycott SA to adopt a uniform "sunset clause". BIDAY 2/12/92

According to the plan's author, Tennessee state representative Alvin King, the hope is to prevent sanctions lingering on the statute books as they did in the case of Namibia after its independence. (280)

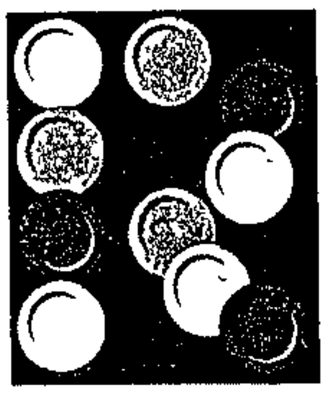
Under the model law, state sanctions would end automatically once an interim government took power.

SA ambassador Harry Schwarz, who is to debate with ANC representative Lindiwe Mabuza at the meeting today, welcomed the initiative but said there was "some dispute as to what an interim government means".

FINRAND INVESTMENT FM 4/12/92

Back to the Rubicon

Companies pursuing worthwhile opportunities abroad should not be blocked



Whatever else an observer might be tempted to conclude, SA is clearly not a country in which international businessmen are keen to invest. The trouble is that, as a philosophy, this appears to have gained at least as much credibility among SA businessmen as it has among sceptical foreigners.

Many SA companies are willingly applying huge sums in the pursuit of acquiring overseas assets, often at inflated prices (because of the effect of the financial rand) in order to diversify out of the country. They have been able to take advantage of this route, with Reserve Bank approval, for some years now; in recent months, however, the practice has gathered pace. The boxed list on the next page is by no means exhaustive but it adds up to the export, through the financial rand (FR), of about R6,5bn over the last two years — a substantial sum in anyone's language.

One result is that the unfortunate FR, the currency through which all this activity occurs, has had to absorb unprecedented strain. It does so by reflecting anticipated demand through huge variations in its discount to the commercial rand. And this volatility has attracted widespread and vocal condemnation by foreign investors in the JSE.

Now, Minister of Finance Derek Keys has decided to restrict the use of the FR by local institutions seeking to invest abroad. Only some of the moneys needed for purchase can be exported through the FR. The balance, perhaps the larger portion, must be secured by raising overseas loans. What's more, Keys says SA companies must satisfy his ministry that the intended investment would produce an "immediate benefit" for the country.

Predictably, Reserve Bank Governor Chris Stals was reported as welcoming the new measures and he told *Business Day* that quite a few companies with applications in the queue would have them turned down.

So, we are back to more controls and more limitations. Keys's actions — rather surprising, given his unimpeachable record as an accomplished businessman — merely add yet more bureaucracy to an already unwieldy system. But more important, they make SA business even more uncompetitive in a tough and hostile world.

Almost all the deals which have excited so much unfavourable overseas comment have taken place through the FR which has moved from a discount of about 10% to the commercial rand in November last year to 40% currently. And yet the exodus continued. Some appear to think the queue at the Bank of anxious businessmen waving details of their deals has spilled over to the pavement

And, unfortunately, disinvestment by foreign companies has continued. After a lull for most of 1991, while the implications of President F W de Klerk's reform initiatives were absorbed, several large companies decided to remove themselves from the country. The UK's Blue Circle sold its remaining 42% in Blue Circle SA to Murray & Roberts for about US$150m; Pilkington sold its 48% stake in Glass SA to PGSI for about $200m;



Keys

Reckitt & Colman sold its food interests for $40m; B Elliott sold its controlling stake in Gold Fields Industrial which it had held for 25 years; and Nueva Holdings AG also took the opportunity to depart

So we have experienced a double dose of departing money: by SA companies anxious to acquire offshore assets and by international companies shaking the dust of SA from their feet.

This is not to say that no-one wants to invest in the country. The London School of Economics Centre for the Study of the SA Economy (*Quarterly report* November 1992) estimates that about $1,5bn has been invested in SA since 1989. 20 projects, out of a total of 51 identified by the LSE, accounted for inward investment of about $700m Most of the projects were small, many of them below $15m, but some represented significant new investments. For example: BMW's decision to invest R100m in a new local content programme; Johnson Matthey's to build a R35m plant to produce catalytic converters for export; and Hoechst's decision to embark on a R100m expansion programme.

Nevertheless, since the reform process began there have been some large investments overseas by SA companies Those that stand out notably are in the paper sector, where Sappi and Mondi together contrived to invest about R2,2bn, and in food where the Royal deal to take control of Del Monte Foods International (see *Fox*) is expected to be concluded this week at a price, probably, of around R2,1bn.

The sum of disinvestment from SA by overseas companies, coupled with the investments made internationally by SA companies, outweighs the impact of new investment in this country over the last three years — probably by a factor of more than two to one. The direct impact of disinvestment by overseas companies and by SA companies abroad is, of course, alleviated by the FR mechanism: observers have only to look casually at the performance of the FR to see the strain it has taken, certainly in the last year.

SWIMMING IN THE FINRAND POOL

The financial rand (FR) is essentially a "bookkeeping" mechanism designed to prevent the withdrawal of monetary assets from SA. It is the name given to rand assets owned by nonresidents.

There is a liquid "pool" of FRs held in and out of SA by brokers and bankers who trade in FRs as a commodity and who provide a market for investors wanting to acquire FRs. Dealers affect the size of the pool by arbitrage between the JSE and the London and New York stock exchanges.

For each overseas investor who wants to invest in SA, there has to be one willing to disinvest. For this reason, the value of the FR as measured against foreign currencies is an indicator of investor sentiment about SA.

If foreign holders of FRs want to convert these into, say, dollars, they must buy SA securities which they then sell on overseas markets. If such a transaction occurs in sufficient volume, the effect is that the share price falls in comparison with that ruling on the local stock exchange; it also has the effect of bringing down the value of the FR.

It follows, therefore, that the price of the FR is determined by the supply of and demand for FRs in the pool and by the differences in prices of shares on the JSE compared with overseas exchanges.

The FR has always been regarded as the barometer of foreign investor sentiment. Now, however, it could more accurately be regarded as a test for local disinvestment sentiment.

SANCTIONS — 1993

SA must get its act together if it hopes to lure investors

BIDAM 12/1/93

SIMON BARBER in Washington

AMBASSADOR Harry Schwarz has reached the conclusion — some would say belatedly — that the removal of state and local sanctions on firms that do business with SA is beyond his powers of persuasion, is not terribly important in the overall scheme of things and, in any event, will be achieved only when the ANC gives the word.

This will undoubtedly save his embassy a lot of time and money in the months ahead, and will free Schwarz to devote more of his energy to selling his country as an attractive destination for US investment when the ANC's Nelson Mandela and his colleagues finally give the green light.

At that point, the issue may have to be readdressed with some vigour to ensure the US sanctions lobby obeys the ANC's command. There can be little doubt that there will be prevarication, since the boycotts are their sponsors' bread and butter. When the ANC does speak, its words will almost certainly be subject to Talmudic interpretation in an effort to find a meaning that will keep the industry alive. As became clear at a meeting of concerned state legislators in New Orleans last month, the sanctioneers are already resisting efforts to co-ordinate sanctions repeal when the time comes.

In the interim, the main target for Schwarz and his staff has to be the US investment community, and in reaching it they are going to need a lot of help from home. The ambassador himself is particularly anxious that the negotiating parties recognise this and that, in addition to reaching agreement on constitutional matters, they should swiftly bind themselves to a set of credible economic and fiscal policies.

US companies and multilateral agencies like the World Bank and IMF take it as given that transition is at hand. The question they are asking Schwarz is: to what? Will there be stability, will the new government be fiscally responsible, what will the tax system and labour relations look like, will policies be sustained? Amid mounting pressures on US firms to invest at home, and heightened international competition for investment, SA cannot afford to put off coming up with the right answers.

As luck would have it, the World Bank's International Finance Corporation (IFC) has just published Trends in Private Investment in Developing Countries 1993, an annual study of 47 economies which lays out in brief and easily digestible terms what attracts investment and what does not. SA is covered for the first time and its trend lines show it could use the advice.

In the countries surveyed, private investment levels from both foreign and domestic sources rose steadily after 1985 to an average of about 17% of GDP at the end of 1991. For SA, the figure was 12,5%, while the total investment rate — private plus public — fell from 25% to 18%. The latter figure was on a par with the average performance in the rest of the continent. The difference is that the trend in SA is down, while it is staying even or rising elsewhere.

Nor is Africa exactly desirable company. Its private investment ratios are the lowest of any region, and nowhere receives less foreign direct investment. Such investment flows to the entire continent were less than $1bn in 1991, even as flows worldwide were jumping to a record high of more than $7bn, reflecting the growing globalisation of production. Of that, the five largest recipients — Mexico, China, Malaysia, Brazil and Thailand — pulled in 55%.

Some of what the IFC lists as determining private investment levels is obvious. The most important reason for investing is growth of demand. There is an also an unsurprising correlation between investment and capacity utilisation. But equally important is the degree to which credit is "crowded out" by public sector financing requirements. Of 14 countries where private investment has been rising, and whose economies were "adjusting" with the help of the World Bank, most achieved improved fiscal balances.

Inflation and volatile exchange rates hurt, because they entail unpredictability and the danger the currency devaluations will raise the cost of imported capital goods and inputs. Interest rates also matter, but often counter-intuitively. Rising rates may encourage private investment "because average borrowing costs decline as official and informal ('curb') rates are unified".

Sound macroeconomic policies are essential. Of the 16 countries with the largest increases in private investment in the latter half of the '80s, 12 posted increases in savings during the preceding five years. The converse was also true. Eleven of the 16 worst performers in private investment terms had been net dissavers over the same period.

Foreign investors, in addition, tend to look for a buoyant local business climate and "attach great importance to the levels of foreign investment already in place". Interestingly, relative costs of production are becoming less of a factor for outsiders than is commonly supposed. Instead, companies are increasingly attracted by the availability of education and high skills.

The institutional environment is also critical. "Inadequate administration of justice, deficient property rights, frequent political interference in private business, corruption and excessive red tape are among the most serious obstacles to private investment". Even one such obstacle may be a decisive deterrent, and the IFC urges that governments take a "holistic" approach in establishing an attractive environment.

Investors look for what the IFC calls "policy anchors" which provide reassurance that governments will not abruptly change course. First, an open, export-orientated economy, for which there is a strong constituency to stand in the way of policy reversal. Second, a convertible currency, which investors may shift in and out of easily and thus punish governments for ill-advised actions. Third, a large-scale privatisation programme. And fourth, membership of a regional trading group which acts as a brake on government urges to reverse liberalisation.

Finally, the IFC suggests that caution be exercised by those wishing to emulate the Asian Tigers. Yes, "active government intervention undoubtedly played a major role" in achieving the extremely high private investment levels of those economies. However, for most other developing nations, a like degree of intervention is not sustainable. Their public administrations cannot boast the requisite degree of "competence and integrity". Subsidies and incentives on the scale provided in South Korea and Taiwan during their launch phase will almost certainly be "diverted from their orginal purpose" elsewhere.

In our opinion," the report concludes, "firms are most likely to invest where governments are moving away from pervasive intervention and instead are focusing on the macroeconomic setting — particularly on sound public finances and realistic exchange rates — and where they are making progress in creating the institutional bases for prosperity: law and order, a well-functioning judicial system and laws which are enforced across the board, basic health and education and an efficient transport infrastructure."

That, at any rate, is how countries such as Thailand, Malaysia, Indonesia, Chile and Mexico have made themselves attractive to investors. Others are following in quick order. Will SA get to the party too late?

Swiss urged to cancel sale of trainer aircraft to SA

STAR 15/11/93

BERN — The Swiss authorities are examining a complaint by the United Nations committee on sanctions against South Africa over the proposed sale of 60 Pilatus trainer planes to the South African Air Force, a Foreign Ministry spokesman said in Bern yesterday.

The committee has written urging the Swiss authorities to cancel the sale worth $140 million (about R420 million), saying it believes the sale transgresses the embargo on arms to Pretoria.

Under Swiss legislation, the PC-7 type aircraft are for training purposes only and are not considered war material.

The Swiss government will discuss the issue shortly.

Previous Swiss sales of the Pilatus plane, notably to Middle East countries, have aroused controversy since they are easily fitted with military accessories like rockets.

The South African Government has declined to comment on press reports regarding the sale. — Sapa-AFP.

Crisis prompts sanctions rethink

By Hugh Roberton
Star Bureau

WASHINGTON — Because of South Africa's massive unemployment, ANC president Nelson Mandela is considering a call for all remaining sanctions to be lifted as soon as a date for non-racial elections has been set and a multiparty committee established to monitor them, according to The Washington Post.

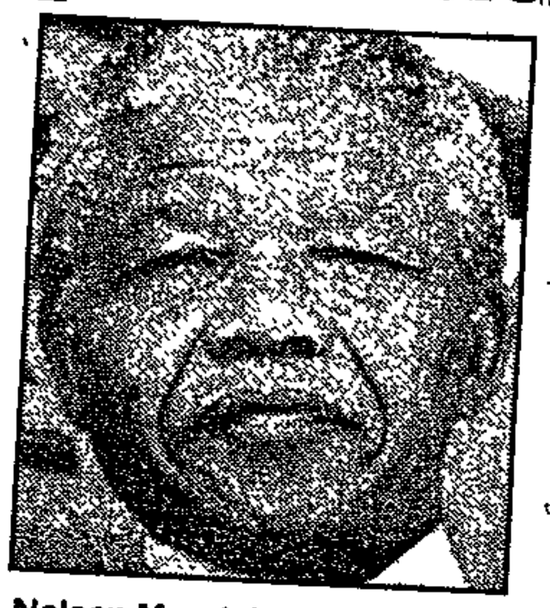
In an interview with the newspaper's South African correspondent Paul Taylor, Mandela is quoted as saying he and other political leaders had been "sobered up" by the derailment of negotiations in recent months.

The interview includes a prediction by Mandela that non-racial elections will be held some time this year.

Taylor noted that official ANC policy on sanctions was to retain them until an elected democratic interim government was in place. But he reported that Mandela had said that once a date for a non-racial election had been set, and once multiparty authorities had been established to ensure the fairness of such an election, he would consider asking the ANC to call for an end to sanctions.

Taylor said both those steps were expected to occur within a few months.

Mandela told the newspaper he did not expect to serve in the interim government created by such elections, but would seek the country's highest elective office after a new constitution had been drawn up.



Nelson Mandela . . . concern about high unemployment.

Referring to the resumption of negotiations between the Government and the ANC, Mandela said: "All of us made mistakes in the past. But I think there is a realisation that the international community, the business community, academics and church groups are getting fed up with politicians.

"We can't afford to call each other names, point fingers, say that I am virtuous and so-and-so is wrong. Nobody is prepared to put up with that today."

The interview quotes Mandela as saying the condition of the economy had injected a sense of urgency to the political process.

"One cannot overemphasise the importance of a very quick solution so that we can have investments from the international community," he told the newspaper.

Mandela said he envisaged a series of bilateral discussions between the ANC, the Government and other political groups over the next several months, coinciding with a resumption of the multiparty negotiating forum that was suspended six months ago when the ANC withdrew from Codesa.

Commenting on an outburst from his estranged wife, Winnie, at last week's funeral of civil rights activist Helen Joseph, at which Mrs Mandela denounced negotiations as a pact between "the elite of the oppressed and the oppressor", Mandela said: "Where in the world do you not have extremists? The important thing is to keep your head cool and to be sure your organisation is disciplined."

He was quoted as saying that although he had been frustrated by the slow pace of change, a beneficial side effect may have been the lowering of inflated expectations.

"One of these things that worried me when I was in jail was the tendency to make one a demigod, a messiah. I am very happy to be seen now as an ordinary human being."

Call to wait for St Lucia dunes study

South Africans should await the outcome of an environmental impact assessment (EIA) on mining northern Natal's unique St Lucia dunes before judging the situation, mining company Richards Bay Minerals (RBM) said yesterday.

The company was reacting to the Campaign for St Lucia's (CSL) relaunch of its anti-mining lobby last week.

RBM, whose majority shareholder is the Canadian-based mining giant Rio Tinto Zinc, said it was dismayed by CSL's view that mining could radically affect delicate ecosystems, destroy pristine dune forests, flood wetlands and cause erosion.

According to the company's statement, the campaign's views were propaganda, and RBM referred to "the most extensive and comprehensive EIA ever undertaken".

A review panel would test public opinion at public meetings and add their comments to the report before submitting it to the Cabinet, the mining company said.

The EIA findings are due for release on March 18. — Sapa.

● RBM mum on finances — Page 9

Argus 15/11/93.

Stop press

THE ANC yesterday called on international suppliers not to conclude a printing press deal with the SADF, warning a future government would not be bound by any such contracts.

It said there was concern over a major propaganda and disinformation campaign being planned in the run-up to elections.

DP hails ANC's move on sanctions

(280)

Political Correspondent

DEMOCRATIC PARTY leader Dr Zach de Beer last night warmly welcomed Mr Nelson Mandela's statement that the ANC was considering calling off all remaining international trade, investment and aid sanctions because of South Africa's unemployment problems.

The ANC leader told the Washington Post newspaper that he and other political leaders had been "sobered up" by the events of the past year and by the state of the SA economy which had injected a sense of urgency into the political process.

Key agent

In the interview, Mr Mandela indicated he would urge the ANC national executive to call for the remaining sactions to be lifted once a date for interim government elections had been set and a multiparty transitional authority established.

A key sobering agent, Mr Mandela said, was the economy. "One cannot over-emphasise the importance of a very quick solution so that we can have investments from the international community," he said

In his reaction, Dr De Beer said the DP had never supported sanctions, adding: "We are all the more glad that this difference between us and the ANC looks likely to be removed."

He also welcomed the ANC president's commitment to an early political settlement.

Sanctions to go soon

(280)

ST Times 17/1/93

By CHARLENE SMITH

TRADE, financial and investment sanctions could be lifted within a few months, ANC president Nelson Mandela told the Washington Post this week. ST Times 17/1/93.

Spurred on by the country's economic crisis and the difficulties of rebuilding the nation, the ANC proposes bringing forward its timetable for the lifting of these crucial second stage sanctions, which could provide a major impetus for the economy.

Mr Mandela said that once a date for elections had been set and a multi-party administration set in place to guarantee elections, he would ask the ANC to give the green light for the lifting of these sanctions.

The ANC previously said the second stage of the lifting of sanctions should be implemented only once an interim government was in place. But now it believes the SA economy cannot wait that long for remedial measures.

It has already said that nationalisation is no longer an issue and the ANC is working on other ways of improving investor confidence.

ANC Economics department official Tito Mboweni told the Sunday Times that once stage two sanctions were lifted the ANC would also embark on an intensive campaign to ensure nations, in particular US cities and states, would remove anti-sanctions laws and by-laws.

The ANC wants to avoid the situation Namibia remains in where many US cities and states have not yet removed anti-sanctions legislation against the now-independent country.

One of the key tasks of this week's meeting between government and the ANC will be to set the date for one person, one vote elections and the groundwork for multi-party Transitional Executive Councils, which will help administer the country before elections and an interim government.

Nigeria ready to lift sanctions

(280)

Star 19/11/93.

Nigeria could lift economic sanctions against South Africa within the next four months, opening sub-Saharan Africa's second-biggest economy to traders from the southern tip of the continent.

So says an international trade adviser from the European-based Trade Access firm, which is holding a South African trade exhibition in Nigeria in June this year.

Sources

The trade adviser said yesterday that sources in Nigeria had been assured that sanctions would be lifted before the trade fair which is to be held in Lagos, the commercial capital.

"We can't hold the trade fair in Nigeria unless the government ends sanctions against South Africa .. and we're pretty sure that the fair is going ahead," he said.

Nigeria represents an exciting opportunity for South African exporters because its oil-fired economy is heavily dependent on imports of consumer goods.

In addition, he said African countries, including Nigeria, wanted to trade with "their African brothers (South Africa)" as "they feel they've been fleeced by Europe and America".

"The general view, whether it's right or wrong, is that South Africa will be the economic saviour of Africa."

He said Nigeria's estimated 113 million people demanded a wide range of goods, from automobile parts to electrical appliances to soap and toothpaste and cosmetics.

Nigeria's merchandise imports increased by 40 percent from the early 1980s to more than $5,7 billion US dollars at the beginning of this decade.

The country is also a member of the Economic Community of West African States, effectively opening a market of over 200 million people to South African exporters.

Privatisation

Nigeria's gross domestic product (GDP), although slowing somewhat, grew by more than four percent in 1991.

Its Structural Adjustment Programme, initiated in 1986 at the behest of the International Monetary Fund (IMF), includes trade liberalisation, financial deregulation and privatisation.

The problem of securing payment for goods was not a hindrance for South African exporters as letters of credit could be confirmed by European banks which have been facilitating British trade in Nigeria, he said.

Nigeria is already Britain's second-largest trading partner on the continent after South Africa.

The adviser said it was therefore imperative for exporters to capitalise on the African interest being directed at South Africa.

South Africa's advantage over Europe in trading with Africa was its close access to these markets and the consequent competitivity in freight costs, he said. — Sapa.

ANC chief worried about jobs

Mandela's offer on sanctions

280 STAR 20/1/93.

By Michael Sparks and Hugh Roberton

The ANC would be prepared to call for the lifting of sanctions if business strove to increase employment and agreement were reached on holding nonracial elections by the end of the year, ANC president Nelson Mandela said in Washington yesterday.

Organised business reacted cautiously to Mandela's statement. Spokesmen said even if sanctions were lifted immediately, unemployment levels were unlikely to change dramatically.

Mandela told a Washington press conference: "If I could get an assurance from business that they would be able to make a contribution to cutting unemployment and would put a freeze on retrenchments, and if we had a date fixed for an interim government and elections, then I have said I would be prepared to go to my organisation and urge that we call for a complete lifting of remaining sanctions."

Mandela, who is in Washington for Bill Clinton's inauguration today, said he was deeply concerned about high levels of unemployment and the state of the economy, and that to delay its recovery would make it difficult for a democratic government to change.

He added: "Once sanctions are lifted, there would be no reason why the World Bank and the IMF (International Monetary Fund) should not get involved in helping us build up the economy. We are already in contact with the World Bank on ways in which it could help the country."

● **Interim govt key to World Bank loan - Page 18**

Business leaders said last night they were also concerned about unemployment, but creating jobs was not a simple matter, although lifting sanctions would contribute to greater investment.

Johannesburg Chamber of Commerce chief executive Marius de Jager said business did not create jobs for the sake of creating jobs, but risked money and capital in an attempt to make a profit.

"Business cannot create jobs because Mandela says he will lift sanctions."

But, De Jager said: "The lifting of sanctions would contribute to creating the kind of stable and predictable society that business needs in order to operate."

SA Chamber of Business director-general Raymond Parsons said while business shared Mandela's concern about unemployment, the possibilities of job creation lay in better economic prospects beyond sanctions.

Parsons said: "What matters now to investor confidence and economic growth is South Africa's ability to reduce violence and show internal political progress and stability.

"Employment levels will rise again if we can boost business confidence by getting the politics and the economics right, in which sanctions play a minimal role."

At the press conference Mandela said he was being pressured into giving advance assurance that Inkatha Freedom Party leader Chief Mangosuthu Buthelezi would be given a high position in a future government of national unity.

He said the ANC was not prepared to give such an assurance, although it would strive to include all major parties in the government if it won the first free elections.

Black
dent-e
his w
augur
ton W
last n

Cli
hor

Business cautious over Mandela sanctions call

280 ARGT 20/1/93

The Argus Correspondent

JOHANNESBURG. — The African National Congress will be prepared to call for the lifting of sanctions if business strives to increase employment and agreement is reached on holding non-racial elections by the end of the year, ANC president Mr Nelson Mandela has announced in Washington.

Organised business in South Africa has reacted cautiously to his statement.

Spokesmen said that even if sanctions were lifted immediately, unemployment levels were unlikely to change dramatically.

Mr Mandela told a Press conference in Washington: "If I could get an assurance from business that they would be able to make a contribution to cutting unemployment and would put a freeze on retrenchments, and if we had a date fixed for an interim government and elections, then I have said I would be prepared to go to my organisation and urge that we call for a complete lifting of remaining sanctions."

Mr Mandela, who is in the United States for Mr Bill Clinton's inauguration as president today, said he was deeply concerned about unemployment and the state of the economy and that to delay its recovery would make it difficult for a democratic government to change.

He added: "Once sanctions are lifted, there would be no reason why the World Bank and the IMF (International Monetary Fund) should not get involved in helping us build up the economy. We are already in contact with the World Bank on ways in which they could help the country."

Business leaders agreed last night that they were concerned about unemployment levels, but said creating jobs was not a simple matter, though the lifting of sanctions would contribute to greater investment.

Johannesburg Chamber of Commerce chief executive Dr Marius de Jager said that business did not create jobs for the sake of creating jobs, but risked money in an attempt to make a profit.

De Jager said: "Business cannot create jobs because Mandela says he will lift sanctions."

The decision to retrench was never made easily.

South African Chamber of Business director-general Mr Raymond Parsons said that while business shared Mr Mandela's concern about unemployment, the possibilities of job creation lay in better economic prospects beyond sanctions.

"What matters now to investor confidence and economic growth is South Africa's ability to reduce violence and show internal political progress and stability."

ANC chief worried about jobs

Mandela's offer on sanctions

STAR 20/1/93.

By Michael Sparks and Hugh Roberton

The ANC would be prepared to call for the lifting of sanctions if business strove to increase employment and agreement were reached on holding nonracial elections by the end of the year, ANC president Nelson Mandela said in Washington yesterday.

Organised business reacted cautiously to Mandela's statement. Spokesmen said even if sanctions were lifted immediately, unemployment levels were unlikely to change dramatically.

Mandela told a Washington press conference: "If I could get an assurance from business that they would be able to make a contribution to cutting unemployment and would put a freeze on retrenchments, and if we had a date fixed for an interim government and elections, then I have said I would be prepared to go to my organisation and urge that we call for a complete lifting of remaining sanctions."

Mandela, who is in Washington for Bill Clinton's inauguration today, said he was deeply concerned about high levels of unemployment and the state of the economy, and that to delay its recovery would make it difficult for a democratic government to change.

He added: "Once sanctions are lifted, there would be no reason why the World Bank and the IMF (International Monetary Fund) should not get involved in helping us build up the economy. We are already in contact with the World Bank on ways in which it could help the country."

● **Interim govt key to World Bank loan - Page 18**

Business leaders said last night they were also concerned about unemployment, but creating jobs was not a simple matter, although lifting sanctions would contribute to greater investment.

Johannesburg Chamber of Commerce chief executive Marius de Jager said business did not create jobs for the sake of creating jobs, but risked money and capital in an attempt to make a profit.

"Business cannot create jobs because Mandela says he will lift sanctions."

But, De Jager said: "The lifting of sanctions would contribute to creating the kind of stable and predictable society that business needs in order to operate."

SA Chamber of Business director-general Raymond Parsons said while business shared Mandela's concern about unemployment, the possibilities of job creation lay in better economic prospects beyond sanctions.

Parsons said: "What matters now to investor confidence and economic growth is South Africa's ability to reduce violence and show internal political progress and stability.

"Employment levels will rise again if we can boost business confidence by getting the politics and the economics right, in which sanctions play a minimal role."

At the press conference Mandela said he was being pressured into giving advance assurance that Inkatha Freedom Party leader Chief Mangosuthu Buthelezi would be given a high position in a future government of national unity.

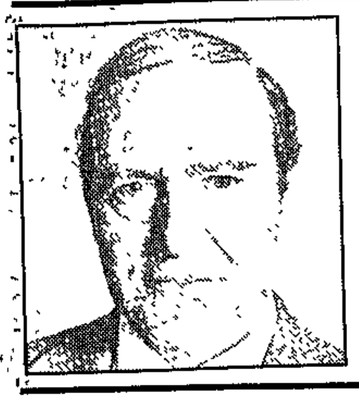
He said the ANC was not prepared to give such an assurance, although it would strive to include all major parties in the government if it won the first free elections.

Black
dent-
his w
augu
ton
last n

Cli
hor

Let the trading dance begin, but not in haste

STAR 21/1/93.



As South Africa emerges from political isolation it must decide on which route to take in a search for new economic partners. MICHAEL CHESTER reports on a new study commissioned by the SA Chamber of Business.

WHEN the sanctions blockade began to crumble it was widely expected that the release of South Africa from political isolation would automatically mark the launch of a massive common market spreading from the Cape right up to the equator and beyond.

Visionaries saw the almost instant creation of a new trade bloc, embracing all the nations of the sub-continent, to join forces and tackle the economic problems of Southern Africa

Utopia may be more elusive than first imagined, however

All of a sudden, South Africa is being advised to be cautious before it rushes out and signs economic pacts with as many neighbours as possible

The need for caution has been heavily underlined in a special study commissioned by the SA Chamber of Business and compiled by the influential Africa Institute based in Pretoria.

It had been assumed that South Africa would immediately seek membership of one of two existing trade clubs — the Southern Africa Development Community (SADC) or the even larger Preferential Trade Area for Southern and Eastern Africa (PTA).

In fact, both of them have made overtures to SA now that apartheid has been removed as a barrier and the democratic reform process is under way.

But the Africa Institute urges caution about leaping in to join either of them, particularly while they continue to fail to reach agreement on a merger into a far more logical single unit without all the overlapping that exists at the moment.

The researchers have no problem with the concept of the ultimate aim of a pact to create what they term a Southern African Community of States. They recommend that South Africa goes as far as commitment to such a target as a longer-term goal.

What concerns them is the timetable and the precise route to be decided — and in particular the firmness of the foundations of such an edifice.

The study suggests that at the outset South Africa lays down assurances that it wants prosperity and stability in the region and seeks cooperation with neighbours that will be mutually beneficial — without any domination by South Africa, which is a natural source of suspicion and resentment among neighbours

Indeed, it proposes the creation of a special forum — modelled on the Organisation for Economic Cooperation and Development run by the global industrial giants — "where issues of regional interaction can be thrashed out"

That brings the researchers to a reminder about the subtle but significant differences in the definition of what everybody means by "cooperation" and by "integration" — terms that can often be used indiscriminately

The Africa Institute sees "cooperation" as agreement between neighbours over such matters as transport, power, water and health services — leaving each participant state to make its own decisions on national affairs.

On the other hand, "integration" runs much deeper along the stepping stones from free-trade areas and the removal of any trade barriers to the final status of full economic union with a universal stance on monetary, fiscal, welfare and trade policies

And that is where a word of warning comes "In practice," says the study, "economic integration poses formidable political and economic problems.

"Africa in particular, where integration has been assiduously propagated by the UN Economic Commission for Africa (ECA) since the early 1960s, is a veritable graveyard of schemes that have failed or never got off the ground.

"The typical clustering or polarisation of investments and economic activities, generally around the regional growth poles, largely at the expense of the less advanced areas and centres, invariably leads to dissent.

"In Southern Africa, where the South African economy towers over the other countries, the portents for economic integration are not favourable.

"While sound in principle, therefore, the striving for closer integration in Southern Africa must proceed with caution and sensitivity. The unpleasantness that preceded the disintegration of the East African Community and the many disputes within SADCC and PTA illustrate the tensions apt to result when barriers to trade and labour movements between countries are dismantled.

"A gradual step-by-step approach is essential — an approach based on everyday economic and political realities . rather than a blind chase after lofty ideals or vistas of sumptuous summit meetings."

What, then, is South Africa advised to do?

First, says the Africa Institute, South Africa should concentrate on writing out a list of "natural partners"

That, by coincidence rather than design, would mean all the members of SADC with the possible exception of Tanzania — Angola, Botswana, Lesotho, Malawi, Mozambique, Namibia, Swaziland, Zambia and Zimbabwe — with the addition of Madagascar, Mauritius and maybe the Seychelles.

But early moves towards actual hard-and-fast economic integration should be cautious about stretching too far. The researchers believe the objective should be to develop the initial nucleus of regional integration between members of the Southern Africa Customs Unions — South Africa, Botswana, Lesotho, Swaziland and Namibia.

That, they say, would clear the decks for an exercise to conclude bilateral trade agreements with more neighbours in the region, with a systematic enlargement of the area covered and the range of goods traded.

Practical cooperation should start on matters that caused no impairment of national sovereignty, such as measures to facilitate the movement of people, goods and funds between countries — and strengthen existing links in transport, telecommunications, power, water, tourism, research and other public services.

South Africa should also activate contacts with both the SADC and the PTA — "but insist on the rationalisation of their relations with one another as a precondition ..."

Here the caution is repeated. "Proceed step-by-step and pragmatically, bearing in mind that all participating countries must perceive tangible benefits."

Most important, before South Africa pledged all its eggs in the Africa basket alone, it should negotiate a cooperation agreement with the European Community — by far its biggest trading partner and where more permanent close economic links were vital.

Sacob has assigned a special sub-committee of experts to examine the report from all angles before it announces its own stance on how South Africa should mould its future international trade policies.

The conundrum has been complicated by statistics. Tables compiled by the Safto Foundation show that the members of the European Community accounted for no fewer than six out of the Top 10 of South Africa's main trade partners, the latest count taken in 1991.

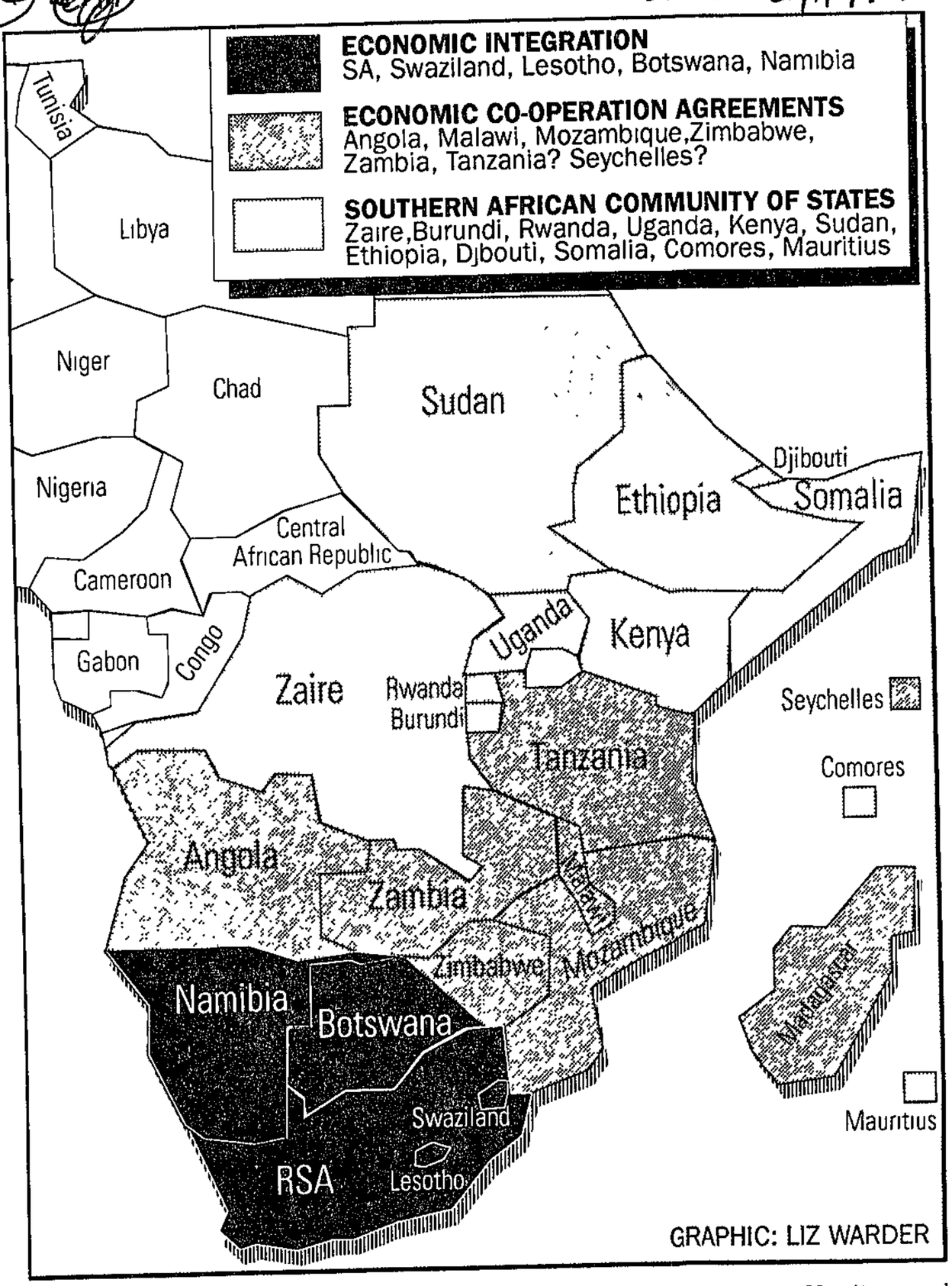
Another pause is caused by a pie-chart printed in the 1991/92 annual report from Safto. It puts the share of total SA export trade that goes into the rest of Africa as little higher than 9 percent. The slice shipped off to Europe was well above 34 percent.

"Judgment about the importance to South Africa of its relations with neighbours in the rest of Africa must go deeper than cold statistics," argues Ron Haywood at Sacob.

"There are many more facilities to be considered — at least the perception of South Africa as an economic force in its own rather than as a problem zone."

"We now need to chart an entirely new course.

"The bottom line is that members of any regional trade grouping must feel confident about the fair distribution of mutual benefits without dictatorial rule by a dominant partner." □



UNIVERSITY OF CAPE TOWN

PURCHASING DEPARTMENT
UNIVERSTIY PRIVATE BAG
7700 RONDEBOSCH
TELEPHONE (021) 47-1451
TELEX 22208 SA

Order No 195518

Department ACCOUNTING

Requisition No.

Date 18/8/88

Please supply [illegible] accordance with
which is hereby [illegible] and conditions of purchase as stated on the reverse hereof and as set out hereunder
IMPORTANT. [illegible] addressed to the Accountant, University of Cape Town, University Private Bag.
Rondebosch 7700

Item No	Quan[illegible]	Description	Price
1	1	nting Theory &	R78.95
	bn[illegible]		
2	1	E[illegible] ic analysis of	R42.90
		profitability	
		APPR[illegible]	
3	1	MEIGS,WB 'ng	R139.95
		APPRO LIST 2[illegible]	

Delivery to be effected to.-

MRS J HOLLAND

DEPT OF ACCOUNTING

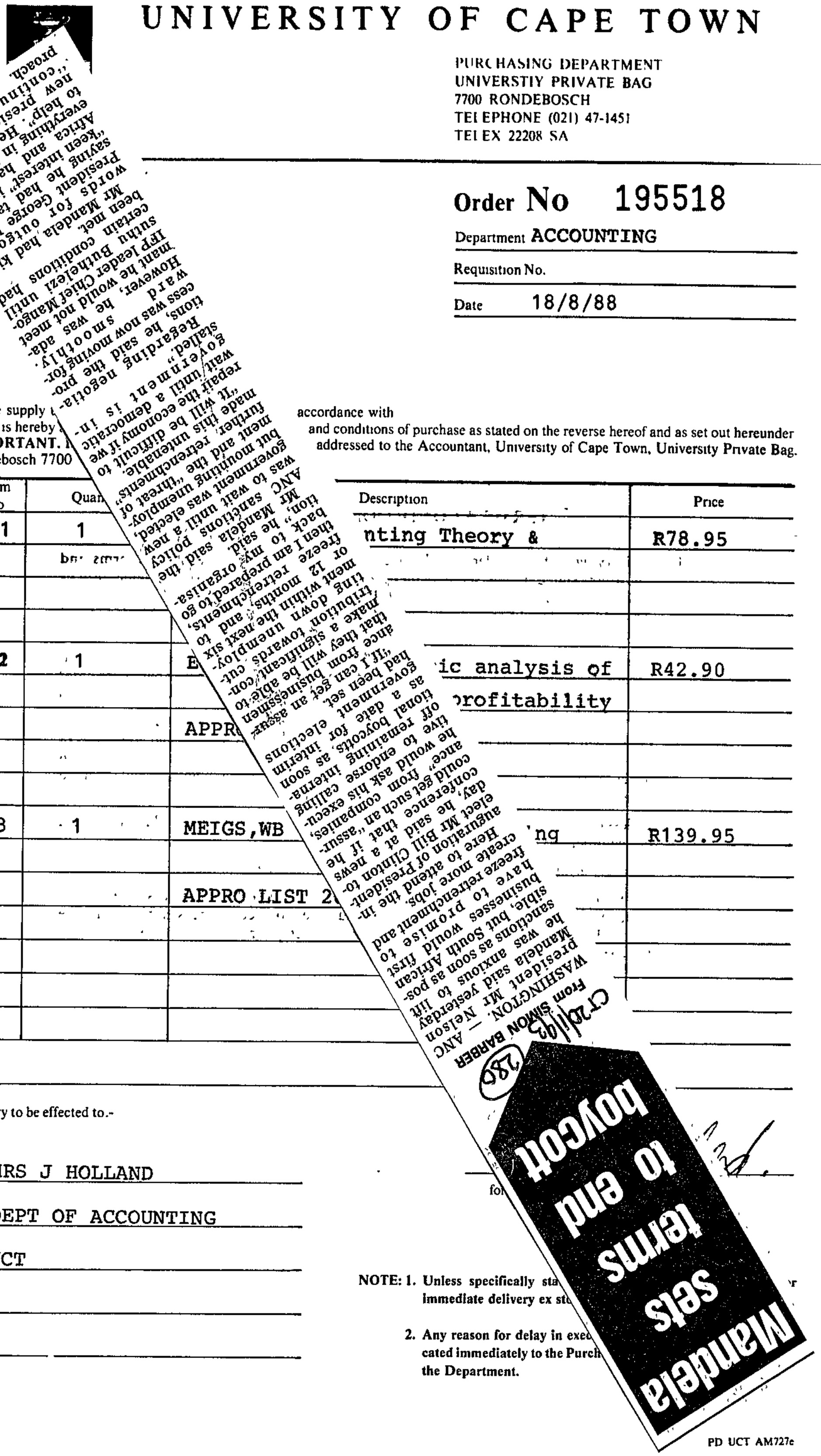
UCT

for

NOTE: 1. Unless specifically sta[illegible] immediate delivery ex st[illegible]

2. Any reason for delay in exec[illegible] cated immediately to the Purch[illegible] the Department.

PD UCT AM727e



...defence sites in northern Iraq yesterd... ...war sh... Boutros Boutros-...

Mandela in sanctions offer

WASHINGTON — ANC President Nelson Mandela said yesterday he was anxious to lift sanctions as soon as possible, but South African business would first have to promise to freeze retrenchments and hire more workers.

If he could get such an assurance from companies, he told a news conference here, he would ask his executive to endorse calling off remaining international boycotts as soon as a date for interim government elections had been set.

He added that "once sanctions are lifted there is no reason why the World Bank and and IMF should not get involved".

The current ANC sanctions policy was to wait until a new government had been elected, but mounting unemployment and the "threat of further retrenchments" made this untenable, Mandela said.

"It will be difficult to repair the economy if we wait until a democratic government is installed."

On the eve of President-elect Bill Clinton's inauguration, which he has been invited to attend by the Congressional Black Caucus, the ANC president had kind words for outgoing President George Bush.

SIMON BARBER

Bush had taken a "keen interest" in SA and had "done everything in his power to help", he said. He hoped the new president would continue this approach.

Deputy international affairs director Aziz Pahad could not confirm that Mandela would see Clinton or his Secretary of State-designate Warren Christopher during his five-day stay, but sounded optimistic that meetings would be arranged.

In the meantime, Pahad said, Mandela was seeing US business leaders to encourage them to take a serious look at SA investment opportunities.

Mandela himself stressed the ANC's need for "resources" to help it mount an effective election campaign against the highly "organised and experienced" NP.

On the status of negotiations, the ANC leader said the process was now moving forward smoothly.

Lawyer quits as witness is arrested

AN ATTORNEY representing the family of an ANC member shot dead by police in 1991 withdrew from the inquest yesterday after a heated exchange with the magistrate and prosecutor.

Richard Spoor, representing the family of Vuyani Mabaxa, resigned after magistrate CG de Lange ordered the arrest of a witness for perjury.

The trial started late when the magistrate refused to allow policemen to testify first. When proceedings resumed, Spoor complained that certain witnesses had been asked to remain outside the court, while police witnesses were allowed to remain inside and listen to evidence.

LLOYD COUTTS

De Lange expressed irritation at the "pettiness going on here".

Roos told witness James Gwebu that his testimony contradicted a sworn statement made a year after the shooting.

De Lange accused Gwebu of lying, and warned him about committing perjury. Spoor said he was dumbstruck by the prosecutor's allegation.

The magistrate ordered the arrest of Gwebu for perjury.

Spoor withdrew from the inquest and De Lange postponed it to March 15.

Mabaxa, 22, an ANC Youth League publicity official and Nehawu unionist was shot dead in Diepkloof. Police claimed he was shot after firing at police.

Gwebu said in his evidence he had heard a gunshot on the morning of Mabaxa's death and had seen three policemen chasing him.

A white policeman drove up to Mabaxa in a minibus and fired at him, said Gwebu. He fell to the ground. Roos pointed out to Gwebu that his statement had said Mabaxa had been shot by a black policeman on foot.

Fraud ☐ From Page 1

...ighty Sandton, ... Sandton, Verwoerdburg ...

NEWS Grandmother shot dead while watering garden ● US gets new president

Inquest reopened

THE inquest into the 1985 murders of Eastern Cape political activists Mr Matthew Goniwe, Mr Fort Calata, Mr Sparrow Mkonto and Mr Sicelo Mhlauli is to be reopened in the Port Elizabeth Supreme Court on March 1.

The four were murdered near Bluewater outside Port Elizabeth while driving to a political meeting.

news in brief

New black taxi group

FORMER senior executive members of the South African Black Taxi Association are among the directors of a new taxi group, Taximax, in Pretoria.

Taximax spokesman Mr Shadrack Mthethwa said the new organisation was in no way a rival to Sabta. Its main objective was to assist all legal taxi owners in the Pretoria area, irrespective of their affiliation, and it had Sabta's blessing.

Former Sabta executives who are Taximax directors are Mr James Chapman and Mr Enos Makena, who have both resigned.

'Maintain sanctions'

LIFTING remaining sanctions against South Africa would be contrary to United Nations and Organisation of African Unity resolutions, and the legitimate demands of the majority of South Africans, the Pan Africanist Congress said yesterday.

The PAC was reacting to ANC leader Mr Nelson Mandela's suggestion that the ANC might support the lifting of sanctions if the SA business community boosted job creation

PAC secretary for foreign affairs Mr Gora Ebrahim said the UN had called for sanctions against the "apartheid regime until that system is ended. *Sapa.*

Hail Bill, the new chief

WASHINGTON - Bill Clinton took charge as the 42nd president of the United States under sunny blue skies yesterday and proclaimed that "a new season of American renewal has begun."

The 46-year-old Democrat from the small southern state of Arkansas, derided by rivals as "Slick Willie" not long ago but now their commander-in-chief, took his oath of office as William Jefferson Clinton at 7pm South African time in an open-air ceremony on the steps of the Capitol Hill.

Departing Republican George Bush looked on somberly.

Hillary Clinton, in a classic royal blue coat and matching wide-brimmed hat, embraced her husband, who wore a dark blue suit and no outer coat in the crisp winter air.

■ New US president to use force when necessary:

Bush, elected in 1988 and crushed last year in his bid for re-election, stepped forth to shake hands and exchange smiles with the man who made him a one-term president.

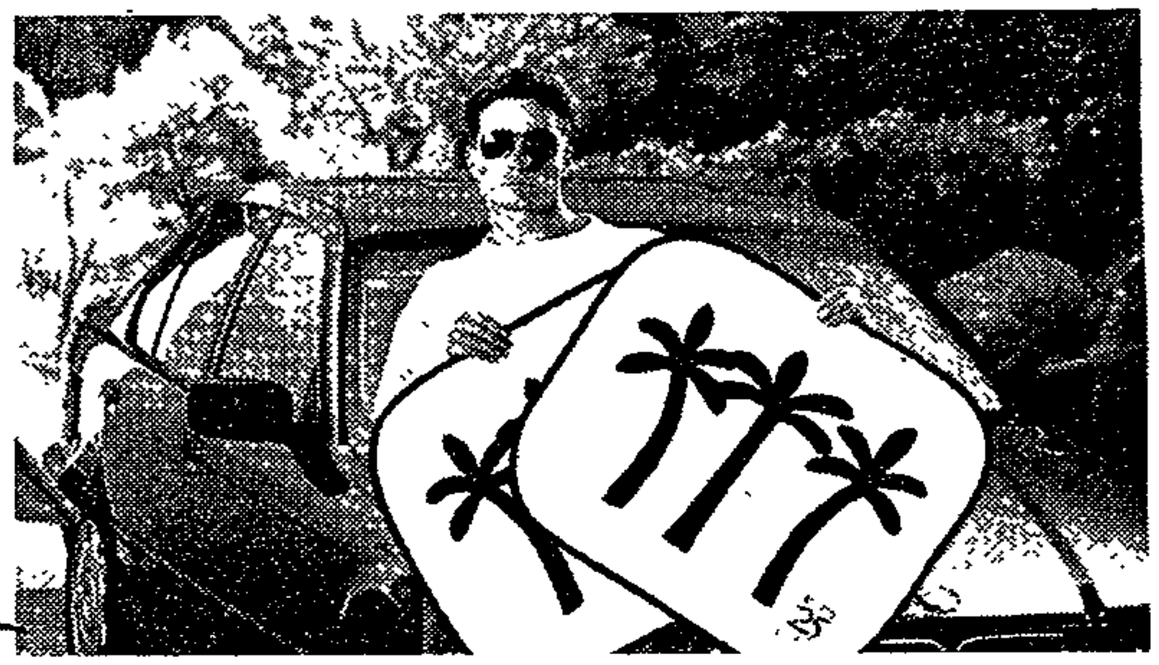
In an inaugural address laced with inspirational lines recalling former US presidents as diverse as John Kennedy and Ronald Reagan, Clinton said a new generation of post-Cold War leadership had taken command - ready to lead America and to meet the challenges of a still dangerous world, with diplomacy when possible, but with force when necessary.

"Today a generation raised in the shadows of the Cold War assumes new responsibilities in a world warmed by the sunshine of freedom but threatened still by ancient hatreds and new plagues," Clinton said.

He said America had entered a period of drift that "has eroded our resources, fractured our economy and shaken our confidence."

Then, in a line that the conservative champion Reagan could have uttered with no trouble at all, Clinton said: "There is nothing wrong with America that cannot be cured by what is right with America.

"So today we pledge an end to an era of deadlock and drift - and a new season of American renewal has begun," he said. - *Sapa-Reuter.*

YOU PAY LESS AT
CLICKS
Your Health, Home & Beauty Store


NEWS Grandmother shot dead while watering garden ● US gets new president

Inquest reopened

THE inquest into the 1985 murders of Eastern Cape political activists Mr Matthew Goniwe, Mr Fort Calata, Mr Sparrow Mkonto and Mr Sicelo Mhlauli is to be reopened in the Port Elizabeth Supreme Court on March 1.

The four were murdered near Bluewater outside Port Elizabeth while driving to a political meeting.

news in brief

New black taxi group

FORMER senior executive members of the South African Black Taxi Association are among the directors of a new taxi group, Taximax, in Pretoria.

Taximax spokesman Mr Shadrack Mthethwa said the new organisation was in no way a rival to Sabta. Its main objective was to assist all legal taxi owners in the Pretoria area, irrespective of their affiliation, and it had Sabta's blessing.

Former Sabta executives who are Taximax directors are Mr James Chapman and Mr Enos Makena, who have both resigned.

'Maintain sanctions'

LIFTING remaining sanctions against South Africa would be contrary to United Nations and Organisation of African Unity resolutions, and the legitimate demands of the majority of South Africans, the Pan Africanist Congress said yesterday.

The PAC was reacting to ANC leader Mr Nelson Mandela's suggestion that the ANC might support the lifting of sanctions if the SA business community boosted job creation.

PAC secretary for foreign affairs Mr Gora Ebrahim said the UN had called for sanctions against the "apartheid regime until that system is ended. *Sapa.*

Hail Bill, the new chief

WASHINGTON - Bill Clinton took charge as the 42nd president of the United States under sunny blue skies yesterday and proclaimed that "a new season of American renewal has begun."

The 46-year-old Democrat from the small southern state of Arkansas, derided by rivals as "Slick Willie" not long ago but now their commander-in-chief, took his oath of office as William Jefferson Clinton at 7pm South African time in an open-air ceremony on the steps of the Capitol Hill.

Departing Republican George Bush looked on somberly.

Hillary Clinton, in a classic royal blue coat and matching wide-brimmed hat, embraced her husband, who wore a dark blue suit and no outer coat in the crisp winter air.

■ New US president to use force when necessary:

Bush, elected in 1988 and crushed last year in his bid for re-election, stepped forth to shake hands and exchange smiles with the man who made him a one-term president.

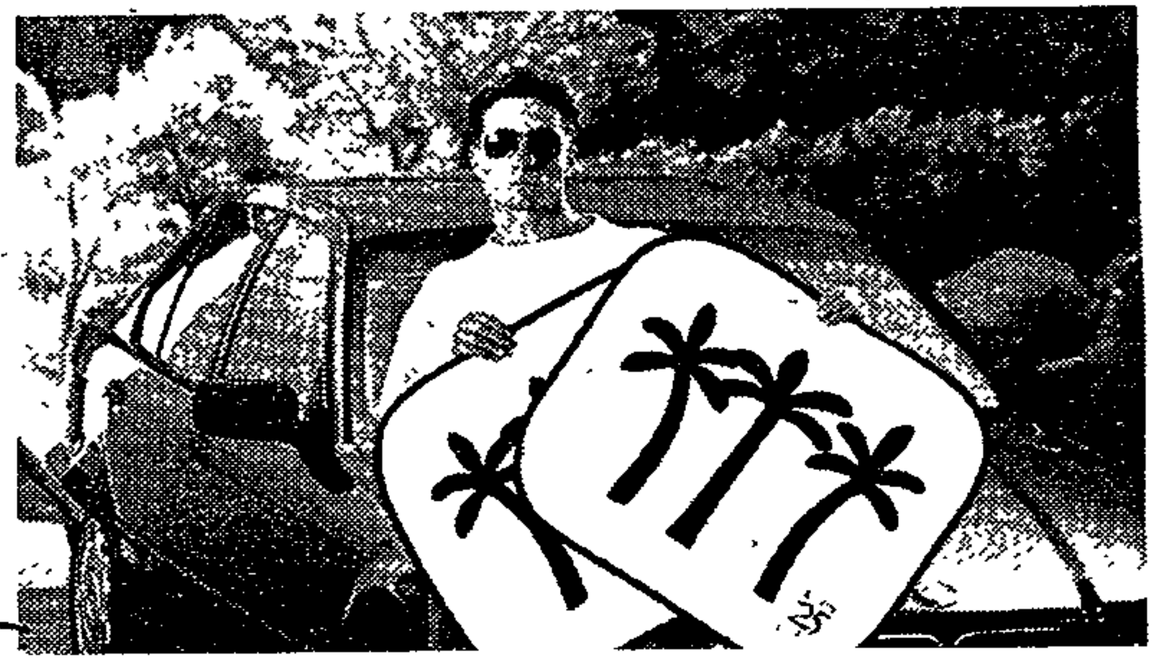
In an inaugural address laced with inspirational lines recalling former US presidents as diverse as John Kennedy and Ronald Reagan, Clinton said a new generation of post-Cold War leadership had taken command - ready to lead America and to meet the challenges of a still dangerous world, with diplomacy when possible, but with force when necessary.

"Today a generation raised in the shadows of the Cold War assumes new responsibilities in a world warmed by the sunshine of freedom but threatened still by ancient hatreds and new plagues," Clinton said.

He said America had entered a period of drift that "has eroded our resources, fractured our economy and shaken our confidence."

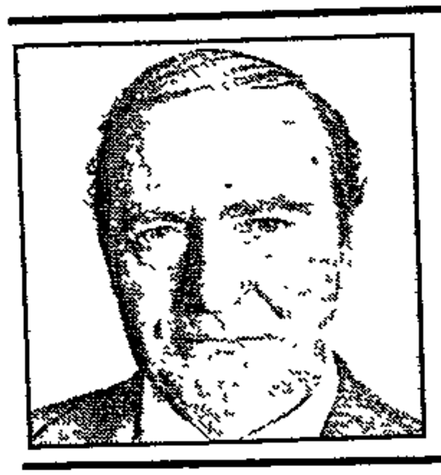
Then, in a line that the conservative champion Reagan could have uttered with no trouble at all, Clinton said: "There is nothing wrong with America that cannot be cured by what is right with America.

"So today we pledge an end to an era of deadlock and drift - and a new season of American renewal has begun," he said. - *Sapa-Reuter.*

YOU PAY LESS AT
CLICKS
Your Health, Home & Beauty Store


Let the trading dance begin, but not in haste

(280) STAR 21/1/93.



As South Africa emerges from political isolation it must decide on which route to take in a search for new economic partners. MICHAEL CHESTER reports on a new study commissioned by the SA Chamber of Business.

WHEN the sanctions blockade began to crumble it was widely expected that the release of South Africa from political isolation would automatically mark the launch of a massive common market spreading from the Cape right up to the equator and beyond.

Visionaries saw the almost instant creation of a new trade bloc, embracing all the nations of the sub-continent, to join forces and tackle the economic problems of Southern Africa.

Utopia may be more elusive than first imagined, however.

All of a sudden, South Africa is being advised to be cautious before it rushes out and signs economic pacts with as many neighbours as possible.

The need for caution has been heavily underlined in a special study commissioned by the SA Chamber of Business and compiled by the influential Africa Institute based in Pretoria.

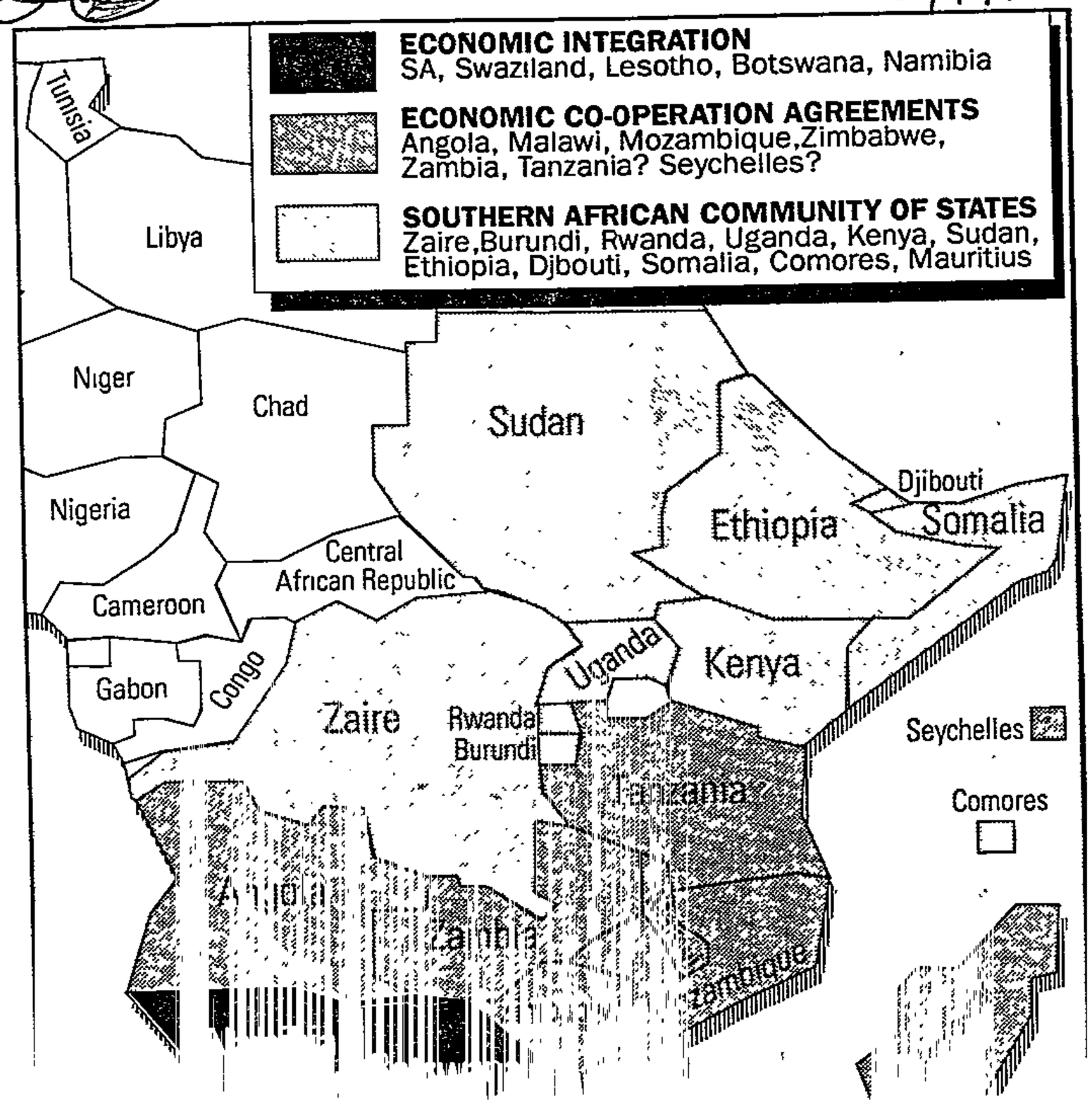
It had been assumed that [illegible] neighbours over such [illegible] lar the firmness of the foundations of such an edifice.

The study suggests that at the outset South Africa lays down assurances that it wants prosperity and stability in the region and seeks cooperation with neighbours that will be mutually beneficial — without any domination by South Africa, which is a natural source of suspicion and resentment among neighbours.

Indeed, it proposes the creation of a special forum — modelled on the Organisation for Economic Cooperation and Development run by the global industrial giants — "where issues of regional interaction can be thrashed out".

That brings the researchers to a reminder about the subtle but significant differences in the definition of what everybody means by "cooperation" and by "integration" — terms that can often be used indiscriminately.

The Africa Institute sees "cooperation" as agreement be-



traded.

Practical cooperation should start on matters that caused no impairment of national sovereignty, such as measures to facilitate the movement of people, goods and funds between countries — and strengthen existing links in transport, telecommunications, power, water, tourism, research and other public services.

South Africa should also cultivate contacts with both the SADC and the PTA — "but insist on the rationalisation of their relations with one another as a precondition .."

Here the caution is repeated: "Proceed step-by-step and pragmatically, bearing in mind that all participating countries must perceive tangible benefits."

Most important, before South Africa pledged all its eggs to the Africa basket alone, SA should negotiate a cooperation agreement with the European Community — by far its biggest trading partner and where more permanent close economic links were vital.

Sacob has assigned a special sub-committee of experts to examine the report from all angles before it announces its own stance on how South Africa should mould its future international trade policies.

The conundrum has been complicated by statistics. Tables compiled by the SA Foundation show that the members of the European Community accounted for no fewer than six out of the Top 10 of South Africa's main trade partners, at



commissioned by the SA Chamber of Business.

WHEN the sanctions blockade began to crumble it was widely expected that the release of South Africa from political isolation would automatically mark the launch of a massive common market spreading from the Cape right up to the equator and beyond.

Visionaries saw the almost instant creation of a new trade bloc, embracing all the nations of the sub-continent, to join forces and tackle the economic problems of Southern Africa

Utopia may be more elusive than first imagined, however.

All of a sudden, South Africa is being advised to be cautious before it rushes out and signs economic pacts with as many neighbours as possible

The need for caution has been heavily underlined in a special study commissioned by the SA Chamber of Business and compiled by the influential Africa Institute based in Pretoria.

It had been assumed that South Africa would immediately seek membership of one of two existing trade clubs — the Southern Africa Development Community (SADC) or the even larger Preferential Trade Area for Southern and Eastern Africa (PTA).

In fact, both of them have made overtures to SA now that apartheid has been removed as a barrier and the democratic reform process is under way.

But the Africa Institute urges caution about leaping in to join either of them, particularly while they continue to fail to reach agreement on a merger into a far more logical single unit without all the overlapping that exists at the moment.

The researchers have no problem with the concept of the ultimate aim of a pact to create what they term a Southern African Community of States. They recommend that South Africa goes as far as commitment to such a target as a longer-term goal.

What concerns them is the timetable and the precise route to be decided — and in particular the firmness of the foundations of such an edifice.

The study suggests that at the outset South Africa lays down assurances that it wants prosperity and stability in the region and seeks cooperation with neighbours that will be mutually beneficial — without any domination by South Africa, which is a natural source of suspicion and resentment among neighbours.

Indeed, it proposes the creation of a special forum — modelled on the Organisation for Economic Cooperation and Development run by the global industrial giants — "where issues of regional interaction can be thrashed out".

That brings the researchers to a reminder about the subtle but significant differences in the definition of what everybody means by "cooperation" and by "integration" — terms that can often be used indiscriminately.

The Africa Institute sees "cooperation" as agreement between neighbours over such matters as transport, power, water and health services — leaving each participant state to make its own decisions on national affairs.

On the other hand, "integration" runs much deeper along the stepping stones from free-trade areas and the removal of any trade barriers to the final status of full economic union with a universal stance on monetary, fiscal, welfare and trade policies.

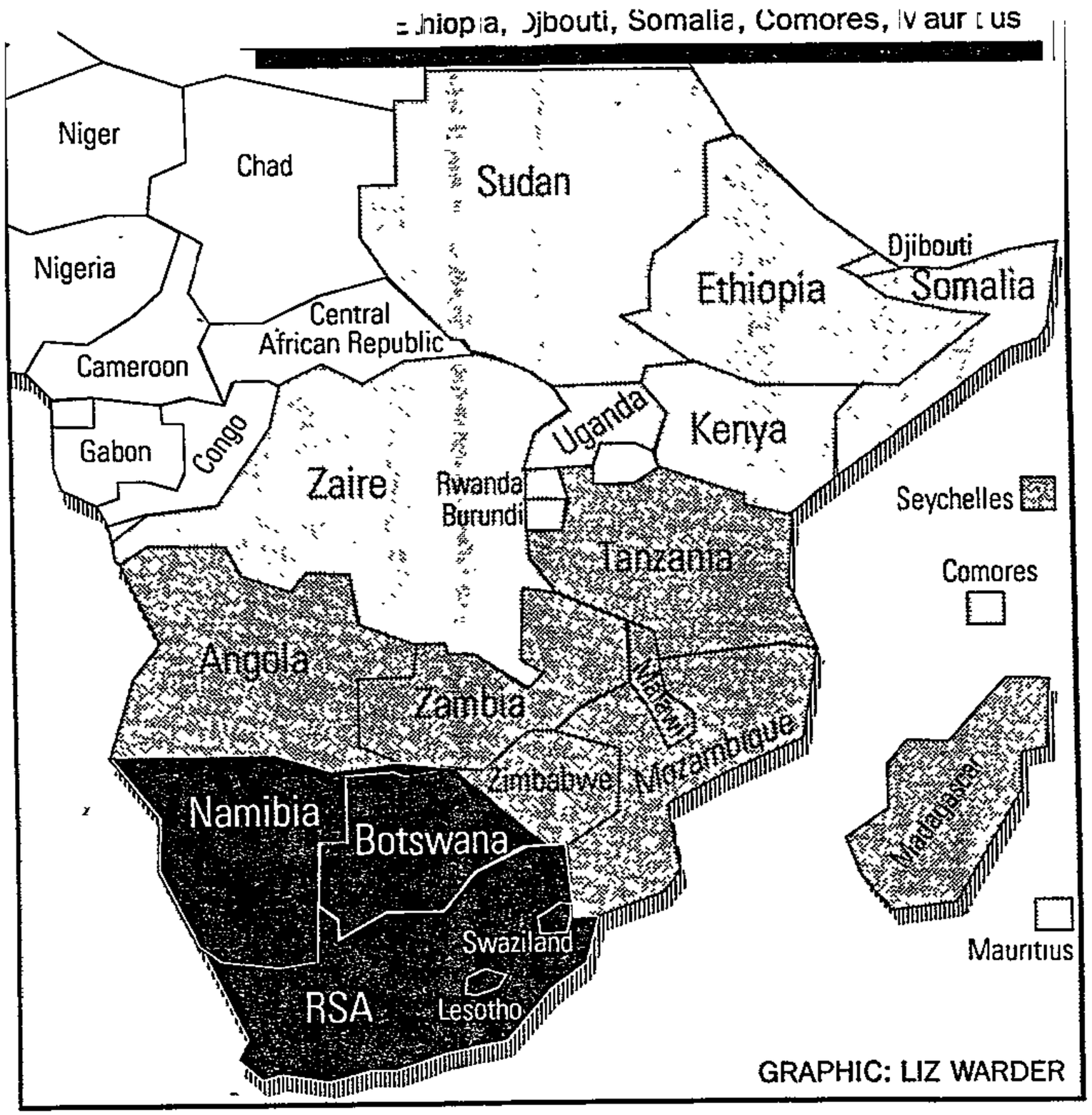
And that is where a word of warning comes. "In practice," says the study, "economic integration poses formidable political and economic problems.

"Africa in particular, where integration has been assiduously propagated by the UN Economic Commission for Africa (ECA) since the early 1960s, is a veritable graveyard of schemes that have failed or never got off the ground

"The typical clustering or polarisation of investments and economic activities, generally around the regional growth poles, largely at the expense of the less advanced areas and centres, invariably leads to dissent.

"In Southern Africa, where the South African economy towers over the other countries, the portents for economic integration are not favourable.

"While sound in principle, therefore, the striving for closer integration in Southern Africa must proceed with caution and sensitivity The unpleasantness that preceded the disintegration of the East African Community and the many disputes within SADCC and PTA illustrate the tensions apt to result when barriers to trade and labour movements between countries are dismantled.



GRAPHIC: LIZ WARDER

"A gradual step-by-step approach is essential — an approach based on everyday economic and political realities . rather than a blind chase after lofty ideals or vistas of sumptuous summit meetings."

What, then, is South Africa advised to do?

First, says the Africa Institute, South Africa should concentrate on writing out a list of "natural partners"

That, by coincidence rather than design, would mean all the members of SADC with the possible exception of Tanzania — Angola, Botswana, Lesotho, Malawi, Mozambique, Namibia, Swaziland, Zambia and Zimbabwe — with the addition of Madagascar, Mauritius and maybe the Seychelles.

But early moves towards actual hard-and-fast economic integration should be cautious about stretching too far. The researchers believe the objective should be to develop the initial nucleus of regional integration between members of the Southern Africa Customs Unions — South Africa, Botswana, Lesotho, Swaziland and Namibia.

That, they say, would clear the decks for an exercise to conclude bilateral trade agreements with more neighbours in the region, with a systematic enlargement of the area covered and the range of goods public services.

South Africa should also cultivate contacts with both the SADC and the PTA — "but insist on the rationalisation of their relations with one another as a precondition . . ."

Here the caution is repeated: "Proceed step-by-step and pragmatically, bearing in mind that all participating countries must perceive tangible benefits."

Most important, before South Africa pledged all its eggs to the Africa basket alone, SA should negotiate a cooperation agreement with the European Community — by far its biggest trading partner and where more permanent close economic links were vital.

Sacob has assigned a special sub-committee of experts to examine the report from all angles before it announces its own stance on how South Africa should mould its future international trade policies.

The conundrum has been complicated by statistics. Tables compiled by the SA Foundation show that the members of the European Community accounted for no fewer than six out of the Top 10 of South Africa's main trade partners, at the latest count taken in 1991.

Another pause is caused by a pie-chart printed in the 1991/92 annual report from Safto. It puts the share of total SA export trade that goes into the rest of Africa as little higher than 9 percent. The share shipped off to Europe was well above 34 percent.

"Judgment about the importance to South Africa of trade relations with neighbours in the rest of Africa must go deeper than cold statistics," argues Ron Haywood at Sacob

"There are many more realities to be considered — not least the perception of Southern Africa as an economic force on its own rather than as a problem zone"

"We now need to chart an entirely new course.

"The bottom line is that all members of any regional trade grouping must feel confident about the fair distribution of mutual benefits without any dictatorial rule by a dominant partner" □

Lifting of sanctions 'premature'

STAR 21/1/93

By Kaizer Nyatsumba
Political Reporter 280

While business has cautiously welcomed ANC president Nelson Mandela's statement on sanctions in Washington this week, the Azanian People's Organisation and the Pan Africanist Congress yesterday said lifting the remaining sanctions against South Africa would be premature.

Commenting on Mandela's statement that he would be prepared to call for the lifting of sanctions if both the Government and the business community met certain conditions, Azapo and the PAC said apartheid still reigned supreme in the country and power was firmly in white hands.

Azapo publicity secretary Dr Gomolemo Mokae and PAC foreign affairs secretary Gora Ebrahim said sanctions had to be maintained until SA had been transformed into a democratic country.

Ebrahim said although the PAC — like Mandela — was concerned about the country's "sad state of the economy", it nevertheless believed the economy was collapsing not because of sanctions, but rather "because of mismanagement and inefficiency, corruption and violence".

Sanctions should be maintained until "significant steps" to a nonracial democracy had been achieved, SA Council of Churches general-secretary the Rev Frank Chikane said. In a congratulatory letter to US President Bill Clinton last night, Chikane asked him to seriously consider issuing an executive order instructing all US banks not to handle monetary transactions from SA.

Mandela's offer fails to inspire excitement

BUSINESS analysts have raised doubts about Nelson Mandela's proposal to endorse an end to sanctions in return for early elections and job security.

They said business and all but extreme groups would welcome progress towards a nonracial democracy.

But business, trapped in the country's worst recession since 1908, could find it difficult to make an acceptable deal on jobs. "Decisions on those are taken in the light of economic circumstances," said Barlow Rand spokesman Ken Ironside.

Mandela said in Washington high unemployment, a stagnant economy, endemic violence and the threat of further layoffs meant the ANC should reconsider the sanctions issue.

He said if he could get assurances from businesses on job creation and security he would urge the dropping of sanctions.

Sacob president Spencer Sterling welcomed the offer, but cast doubts on a trade-off between job creation and sanctions.

Sterling said his organisation shared Mandela's concern about unemployment, but believed the possibilities of job creation lay in better overall economic prospects beyond sanctions.

"Although sanctions originally had a negative impact on SA's poor growth performance, sanctions are today a far less important element in the economic scenario."

A reduction in violence and a show of political progress and stability were important to bolster confidence and growth.

The PAC opposed the lifting of sanctions, saying the move would be contrary to UN and OAU resolutions. Azapo said lifting sanctions before the end of minority rule would be premature.

SA Council of Churches general secretary Frank Chikane also opposed Mandela's call, urging US President Bill Clinton to order US banks to stop handling monetary transactions from SA.

"We believe that this is a vital step that will help to ensure necessary purpose of action from major role players in the current negotiations. South Africa needs a speedy and smooth transition," Chikane said in a letter congratulating Clinton on his inauguration. — Sapa-Reuter.

● Comment: Page 6

ANC may call off sanctions

Soweton 21/1/93.

280

WASHINGTON - ANC president Nelson Mandela would call for the lifting of sanctions if business strived to increase employment and agreement was reached on holding nonracial elections by the year end.

Organised business reacted cautiously to Mandela's statement and spokesmen said even

■ Mandela offer on sanctions in exchange for job creation:

if sanctions were lifted immediately, unemployment levels were unlikely to change dramatically.

Mandela said on Tuesday: "If I could get an assurance from business that they would be able to make a contribution to cutting unemployment and freezing retrenchments, and if we had a date fixed for an interim government and elections, then I have said I would be prepared to go to my organisation and urge that we call for a complete lifting of remaining sanctions."

Mandela, who is here for Bill Clinton's inauguration as US president, said he was deeply concerned about high levels of unemployment and the state of the economy.

Sanctions lobby split on when to end curbs

(280) TIM COHEN

Bloomy 22/1/93

CAPE TOWN — The pro-sanctions lobby has split over how long the measures should be retained, with Archbishop Desmond Tutu saying they should remain until violence is dealt with effectively and an interim government is in place.

Just days ago ANC president Nelson Mandela said he was anxious to lift sanctions but business should first promise to freeze retrenchments and create more jobs.

After a meeting yesterday with President F W de Klerk and Archbishop of Canterbury George Carey, Tutu said the Anglican Church wanted to be among the first to call for the lifting of sanctions. But it could do so only on condition that violence was effectively dealt with and an interim government was established.

Tutu agreed with De Klerk and Carey that it was crucial that the economy "took off", but did not explain what role removing sanctions might play in this process.

Mandela's new conditions also differed with those stated recently by SA Council of Churches (SACC) general secretary the Rev Frank Chikane, but yesterday Chikane "clarified" his statement.

He said he too would like to be the first to call for the removal of sanctions, but admitted that he had urged US President Bill Clinton to maintain his position that sanctions remain until nonracial, democratic elections were held.

The elections to which he was referring were to set up "transitional structures and the establishment of a democratically elected sovereign (interim/transitional)" government.

☐ To Page 2

Sanctions

Bloomy 22/1/93 (280)

☐ From Page 1

Chikane's letter to Clinton was simply to restate the SACC's policy position, not to respond to Mandela's statement, the SACC said.

Chikane had also urged Clinton to tighten up controls on banks not to give loans to "apartheid SA", effectively increasing sanctions.

Cosatu general secretary Jay Naidoo urged business not to reject Mandela's plea to halt retrenchments out of hand yesterday. Naidoo said business should instead propose contructive ways of coping with SA's economic crisis while preserving jobs.

LLOYD COUTTS reports that CP leader Andries Treurnicht, responding to Mandela's "offer to dictate" whether sanctions should be lifted, said the coming to power of an ANC government was not a foregone conclusion. (Bloomy)

"Not only the CP but other important groups refuse to be subjected to an ANC regime. It would appear that this fact is being ignored by foreign governments who have funded the ANC to help put the organisation into power in SA. It should also be remembered that most of SA's strategic minerals are mined in areas controlled by peoples who are against an ANC government," he said.

By giving credibility to what the ANC said, and by acting on its demands, foreign governments were antagonising the very people who could keep SA running as a viable and prosperous entity.

MANDELA AND SANCTIONS

ANC sets tone for relations with business

WHILE some find the call to freeze retrenchments naive, others feel it signals a more pragmatic approach towards dealing with business, writes DUNCAN INNES.

STAR 23/1/93

NELSON Mandela's statement this week that he was willing to ask the ANC's national executive to call off sanctions if business froze retrenchments and made a "significant contribution" towards reducing unemployment has caused ripples within the business community.

Many see this statement as yet another example of the ANC's misunderstanding of the way business functions. They argue that sanctions have largely been revoked, so even if the ANC drops its call for sanctions, it would make little difference to business.

Calling for a freeze on retrenchments before an economic upswing is in place puts the cart before the horse: first there should be stable conditions for economic growth so that investments can occur. These, in turn, will reduce unemployment.

Some see in Mandela's statement signs of a greater awareness of the economic crisis in South Africa and a more pragmatic approach towards dealing with business. They argue that business should respond accordingly, taking Mandela's proposal seriously However, it is very unlikely that Mandela's proposal will win wide support within the business community.

Business is not a single homogeneous entity. It is a multitude of different enterprises, some aligned in federations which are either industry-based (the Chamber of Mines, Seifsa, Bifsa) or culturally based (the Afrikaanse Handelsinstituut, Nafcoc)

These federations are autonomous. Within their ranks, wide differences of opinion exist, especially on controversial issues such as Mandela's proposal. How, then, will the ANC respond if some businesses freeze retrenchments and others do not?

The second problem is that many businesses, which held back on retrenchments last year in the hope that the economy might turn, have now been forced to retrench or face collapse. Their difficulty is that they might simply not be able to afford to freeze retrenchments for a further period.

Related to this is the argument that the only way to ensure that business stops retrenching and reduces unemployment in the longer term is to provide a stable sociopolitical and economic environment within which business can operate — something South Africa does not have at present.

However, on the more positive side, it is possible to detect in Mandela's proposal signs of a change of heart within the ANC which might contribute, albeit in a small way, to a more stable environment for business What is clear from the proposal is that the ANC wishes to return the economy to a growth footing and that it is willing to jettison ideological and political obstacles used to restrict economic growth.

Some sections of the business community will no doubt welcome this more pragmatic and realistic approach from the ANC They will draw strength from the fact that Finance Minister Derek Keys's message on the economic crisis South Africa faces has been heard at the highest level within the ANC; this might begin to improve business confidence.

But regardless of how business responds to the proposal, there is a very important message in what Mandela said which all sections of the business community would be foolish to ignore. And that is that while the ANC is becoming more aware of business's needs, it will not respond to these without asking for something in return.

What Mandela is in effect saying is that if business wants the ANC's support in getting sanctions lifted and in gaining access to the IMF and World Bank, then the ANC expects business to work broadly within the framework of ANC policy on unemployment.

This approach will characterise the ANC's attitude towards business during the next few years.

If business wants ANC support in promoting exports, the ANC will first want to know what business is doing to promote black advancement. If business wants access to cheaper credit, the ANC will want to know what business is doing to develop black housing and township facilities. If business wants access to wider markets, the ANC will want business to put a stop to monopolistic tendencies and collusion within its ranks.

During the next few years business will have to adjust to the fact that the ANC is going to try to assert its influence over the white-dominated business power structure. The extent of that influence and the way in which business responds will be the subject of intense debate.

● *The author is manager of The Innes Labour Brief and is co-author of* Power and Profit: Politics, Labour and Business in SA *(Oxford University Press, 1992)*

Tutu links sanctions to violence

(280) CT 22/11/93

Staff Reporter

ARCHBISHOP Desmond Tutu said yesterday that Anglicans would support the lifting of sanctions only if the country's violence was dealt with effectively and an interim government was established.

He was speaking at a brief press conference after an hour-long meeting at Tuynhuys between President F W de Klerk and an Anglican delegation led by the Archbishop of Canterbury, the Most Reverend Dr George Carey.

Archbishop Tutu said: "We would want to be among the first to call for the lifting of sanctions. We set two conditions: Dealing effectively with the violence, especially in the black community, and the establishment of an interim government.

"We are deeply concerned at the inter-relatedness of things, especially because it is crucial that the economy takes off."

Mr De Klerk said the talks had covered the peace process, the economy and the plight of South Africans as a result of economic problems.

Both Mr De klerk and Dr Carey stressed that the meeting had taken place in a "warm, friendly, constructive spirit".

Dr Carey said: "We have had a wonderful morning discussing with the president. We want to put on record our appreciation for his own personal achievement in bringing about the remarkable changes in South Africa.

"As church leaders we want to encourage this direction and we wish him well in his onerous responsibilities."

Also in the delegation were the Most Reverend Edmond Browning of the Episcopal Church of the United States; the Right Reverend Sir Paul Reeves, Anglican observer at the UN, Canon Roger Symon, chaplain to the Archbishop of Canterbury, and the British ambassador, Sir Anthony Reeve.

Mr De Klerk said yesterday's meeting had also focused on the need for reconciliation between the leadership of organisations whose supporters "are killing each other".

"The government is doing whatever possible to fight violence wherever it occurs," he said.

The church had made a tremendous contribution to the peace process and played a constructive role in bringing Christians together and leaders together.

The church had a great influence over the hearts and minds of people and should help to take the focus off violence and bring the body of moderate South Africans together.

Mandela raises $300 000 during US trip

B/DAY 22/11/93

SIMON BARBER

WASHINGTON — ANC President Nelson Mandela heads back to SA today having raised at least $300 000 for the movement during his four-day visit to attend US President Bill Clinton's inauguration.

Apple Computer chairman John Sculley, who met Mandela on Wednesday to discuss his firm's return to SA after a six-year absence, contributed $10 000.

ANC international department deputy director Aziz Pahad said "actual cheques" had been donated, rather than breakable pledges.

Much of the money was contributed at a welcoming lunch for Mandela at Washington's Metropolitan Baptist Church on Tuesday after the Rev Jesse Jackson announced he was soliciting donations for the ANC.

Mandela, who kept a low profile during his stay, met Clinton briefly at an inaugural ball on Wednesday night. He was scheduled to see newly confirmed Secretary of State Warren Christopher yesterday.

Sculley, who has played a key role in rallying Republican-leaning corporate chiefs around Clinton, appeared anxious to see Mandela.

Apple has been seeking the ANC's blessing to return to SA without breaking US state and local sanctions. It is anxious to salvage market share from manufacturers of IBM-compatible equipment and software.

Pahad said Mandela was meeting a number of US corporate representatives and was using his stay in the US less to conduct official business than to drum up future investment in SA and material support for the ANC's election drive.

Businessmen puzzled by Mandela's offer

CP News 24/11/93

■ MONEY TALK 280

WHILE businessmen express delight that ANC president Nelson Mandela seems to have softened his stance on sanctions, they are somewhat puzzled by the "deal" he wishes to enter into with them.

According to news reports from Washington, where Mandela attended the inauguration of president Bill Clinton, he indicated that he was keen to have sanctions lifted provided SA businessmen freeze any further retrenchments. Mandela said he was greatly concerned about the massive and growing levels of unemployment in SA.

From the cautious reaction by business so far two points have crystalised:

■ The lifting of sanctions will no doubt help business sentiment as it will open the door to help from international organisations such as the World Bank and the International Monetary Fund.

■ To link sanctions to a freeze on retrenchments is, however, regarded as impractical as thousands of businesses are actually going bankrupt because of the severe recession.

Of course many thousands of jobs can be saved by firms which are currently reducing their size. Yet here a similar problem arises. Who must pay the salaries and wages in companies that have run into losses?

To many firms simple survival has become the name of the game. For instance, in the metal engineering industries thousands of jobs are being lost as a result of companies being rationalised to reduce losses. Company spokesmen claim that this process was hastened by last year's massive strike.

Businesses operating on the borderline were pushed over the precipice. Yet the workers had a good case. Wages have been static and the cost of living is increasing all the time.

Somehow communication in SA between workers, businessmen and the politicians is simply bad.

Mandela's deal may, therefore, seem fair and in the interests of our country. Yet thousands of businessmen and other employers who are struggling to keep head above water are totally mystified.

Nobody is telling them where the money must come from to pay wages and salaries to workers for whom there are no jobs due to a declining economy.

Surely this late in the day we should all get together and work out a realistic strategy to turn around our economy so that new jobs are created because of a higher demand for goods and services.

Mandela backs stand on curbs

Cpress 24/1/93

280

ANC president Nelson Mandela said yesterday he was aware of opposition to his suggested conditional lifting of sanctions.

A tired-looking Mandela returned to SA yesterday after a six-day visit to the US where he attended the inauguration of President Bill Clinton.

"My views on the sanctions issue are well known, and if organisations such as the PAC, Azapo and others are opposed to my views, in a democratic society they are free to state their point."

Mandela said it was clear that the ANC was recognised in the US as the "key to the establishment of a democracy in SA".

"The support the peace process in SA enjoys in the US is very encouraging," he said.

Besides shaking hands and appearing at a photo session with Clinton, Mandela met new Secretary of State Warren Christopher.

He also met Republican and Democratic Party officials.

The ANC leader was invited to attend Clinton's inauguration by the Black Congressional Caucus of the US.

On his way back, Mandela made a brief stopover in the Bahamas where he met that country's leader. – Sapa

Criticism on sanctions 'ok'

JOHANNESBURG. — ANC president Mr Nelson Mandela says he is aware of the opposition voiced by rival organisations against his suggested conditional lifting of sanctions.

A tired-looking ANC leader returned to South Africa at the weekend after a six-day visit to the United States.

"My views on the sanctions issue are well known, and if organisations such as the PAC are opposed to my views, in a democratic society they are free to state their point." — Sapa

The job creation conundrum

FM 5/2/93

The deal offered by ANC president Nelson Mandela on sanctions raises a crucial question. Can business deliver? In Washington last month, Mandela said he would ask the ANC executive to endorse a call for an end to sanctions. But in return he wanted business to make a significant contribution towards cutting down unemployment and to pledge itself to a freeze on retrenchment.

Clearly an end to sanctions will help the economy. But no-one can estimate how long it will take to work through to new jobs. It's sometimes forgotten that business is just as keen as the ANC to see new jobs created. Rising levels of employment are often synonymous with rising prosperity for business

Mandela, of course, was probably directing his remarks at his supporters rather than business By establishing a connection between an end to sanctions and employment growth, he was justifying a move seen by many in his camp as premature.

But, having pointed out that job creation — and its flipside, retrenchment — is a function of the market and is not subject to the arbitrary manipulations of the business sector, business will no doubt consider what contribution it can make.

Frankel, Pollak, Vinderine economist Mike Brown believes future investment should be directed into labour intensive activities. Small- and medium-sized businesses usually generate more jobs, so he suggests injecting capital through special development funds, independent of government, into infrastructure and into developing the informal, small and medium-sized business sector. Funding could come from foreign aid, contractual savings and capital market borrowings.

What part can big business play in this process?

The Small Business Development Corp's assistant GM, Dawie Crous, says companies could subcontract to small- and medium-sized businesses. In Japan, where 98% of all businesses are considered small- or medium-sized, this is enforced through legislation. But similar legislation could be disastrous in SA. If subcontracting is not cost effective, compulsion will erode productivity levels even further.

Cosatu's Neil Coleman suggests business should spend more on developing employee skills through education and training which, in turn, will increase competitiveness and generate sustainable employment. Few would argue with that.

There are thus limits to what business itself can contribute. Government can perhaps do more, but how successful its job creation projects are is a moot point.



Clothing industry . . . *remove restraints and create jobs*

Brown estimates that R10bn spent on a work creation programme would create around 460 000 new jobs (roughly R21 740/new job) within 12-18 months. But Syfret's economist Elmien de Kock believes Brown's estimate is high.

Brown stands by his figures which, he says, were collected from reliable sources. Statistics from a study undertaken by Development Bank of SA economist Carel Meintjies suggest Brown's figures are not seriously out. In 1990, capital of R28 000 created one new job in labour intensive industries, while R239 000 was required to generate one job in capital intensive industries.

But economics consultant Azar Jammine, of Econometrix, argues that massive spending on job creation attacks the symptom rather than the cause of the problem. He contends the structure of the economy needs to be changed to make it more friendly to small businesses. This includes removing protective barriers and foreign exchange controls, educating the workforce and providing small businesses with tax incentives.

A problem UCT's Brian Kantor has with a single R10bn cash injection in job creation — apart from it being too large for practical purposes — is who would be responsible for directing it into labour intensive investment? He recommends "letting investment find the best return on its own merits."

Negative real interest rates for much of the Eighties cheapened the cost of capital relative to labour, says Fergusson Brothers economist Tim Hacker. Monetary policy since 1989 has been directed at reversing this.

Kantor identifies another important influence in the shift from labour to capital over the past 10 years. "The formal sector has been cutting back on labour creation following an increase in labour costs through wage push pressure."

Brian Allen, of labour consultants Andrew Levy & Associates, concurs, adding that SA has one of the lowest productivity levels — in terms of unit labour costs which, he believes, is the only true measure of productivity — among the industrialised and semi-industrialised nations. "Until we get this right, high technology production process will be more attractive to employers," he contends.

Nedcor Bank's chief economist, Edward Osborn, is scornful of policies directed at expanding labour intensive industries. He maintains that, in countries like SA, where much of the population is highly unproductive and ill-educated, it makes little sense to lower the capital to labour ratio — rather it should be increased. "Unless this country chooses to stop the world and get off, the competitive process will dictate that it continue as best it can with the modern stream of technological developments"

The unemployment problem is daunting. Under current capital.labour ratios, some 200 000 new job opportunities in the formal sector would be created should the economy grow at 5% to 6% in real terms — an almost impossible goal in the current circumstances. The annual number of entrants to the labour market is estimated at 400 000. Admittedly, though, additional jobs would be created in the informal sector in a growing economy.

It thus seems that, other than providing training and funding educational projects, there is little that business can do to resolve SA's unemployment problem. The best course lies in removing restraints on the economy and allowing people to direct their energies where they see the most opportunities.

Call to scrap sanctions secrecy

LAWS drafted to protect SA companies during the sanctions era need to be re-examined to prevent another Micor saga.

A secrecy blanket, allowed under Section 15A of the Companies Act, prejudiced Micor's minority shareholders by hiding the details of their company's offshore interests and preventing their valuations.

Although the minorities secured a higher offer for their shares this week, the whole incident may put pressure on government to review Section 15A.

"The provision is no longer appropriate," says Wits Business School consultant John Ford. "We are moving out of the sanctions era so surely we should be introducing the machinations to drop non-disclosure provisions."

Section 15A allows companies to seek exemption from disclosing information normally available to shareholders. It was used to protect companies skirting sanctions.

JSE president Roy Andersen says there should at least be a tightening of exemptions granted under Section 15A.

"Section 15A was never meant to be used against shareholders," says Martin & Co analyst Richard Stuart. "But in the case of Micor I believe it was used incorrectly".

However, SA Institute of Chartered Accountants legal and ethical director Len Norval says it may be too soon to do away with Section 15A. "I believe the provision should be retained in the meantime because there are still sanctions in place. But the section could be deleted as soon as sanctions are lifted."

"The figures of the offshore interests still have to be reflected in the financial statements although specific details such as the names of companies and countries may be withheld," says Mr Norval.

By CHERILYN IRETON

Disarm sanctions weapon now

STAR 26/1/93.

280

FOR some months there have been indications of a feeling in a powerful section of the African National Congress that South Africa's economy will continue to go to the dogs unless a political settlement, leading to stability, is reached quickly.

It is this realisation, which both big business and the Government worked hard to promote, that is largely responsible for the new resolve in the ANC to get multiparty negotiations resumed and to speed up the transition to democracy.

ANC president Nelson Mandela, more than any of his colleagues in the leadership, has in recent months shown an appreciation of the country's parlous economic state and has repeatedly urged that a political settlement will have to be reached expeditiously so that the economy can start to grow.

In Washington last week, he also said he would be willing to call for the lifting of the remaining sanctions if business strove to increase employment and if agreement was reached on the need for elections for a constituent assembly to be held before the end of this year.

While one can understand the ANC's wish to use sanctions as a bargaining chip to keep Pretoria moving towards an interim government and elections, South Africans can, in fact, no longer afford the luxury of arguing about whether or not sanctions should go. Millions of our fellow citizens, mostly blacks, are unemployed and do not know from where their next meal will come.

Sanctions, once a powerful weapon used effectively to bring Pretoria face to face with the consequences of the lunacy of apartheid, are as anachronistic today as are the Azanian People's Liberation Army's attacks on whites.

Sanctions must go now — and reasons for this are legion.

South Africa is experiencing one of the worst economic meltdowns in its history.

More people are being retrenched by the day. With no hope of getting jobs, some returning exiles — that is, those who were brave enough to come back — turn to crime for survival.

The crime rate has soared to the extent that felony is now almost a national pastime — and more criminals are spewed *out* of jails which, we are told, are bursting at the seams. The police, discredited and overworked, no longer have any motivation for making arrests, because they know the people they apprehend today are likely to be out on the streets tomorrow, plying their trades again.

As more and more people retire to bed on empty stomachs and feel they have no stake in the much-vaunted "new South Africa", they become susceptible to accepting cash — anything from R200 to R1 000 appears to be the going rate — in exchange for committing murder. The violence spirals.

The rand, once stronger than the US dollar, continues to shrink, white collar crime proliferates and corruption in the public sector becomes the order of the day.

Financial sanctions must go, and go now, before South Africa becomes "a typical African country" and slides at supersonic speed towards mob rule — thus becoming ripe for *coups d'etat* African-style. What the country needs desperately is immediate access to the World Bank and the International Monetary Fund, and massive investment to create jobs.

The lifting of sanctions alone, of course, will not be a panacea. The initial benefit of such a move will be more psychological than material, both in South Africa and abroad.

More important than the lifting of sanctions will be the reaching of a political settlement and the creation of stability in the country to engender investor confidence — but the end of sanctions is an important step on this path.

All political players need to realise that the political and the economic situations are inextricably linked.

The sooner a political settlement is reached and stability attained, the sooner the economy will begin to turn around as investment starts to pour in.

That, however, does not mean that preparations for that economic turnaround should not be made now, with the lifting of remaining sanctions being the first move.

The problem with some people in the ANC leadership is that, unlike their followers on the ground, they live in luxury in formerly white suburbs and are assured of ANC cheques at the end of the month from foreign governments favourably disposed to the organisation.

The South African Council of Churches, the Pan Africanist Congress and the Azanian People's Organisation argue that the lifting of sanctions now would be premature, with Azapo and the PAC saying it is widespread corruption and mismanagement — not sanctions — which have so ruined our economy.

A white minority government, they say, is still comfortably in power and apartheid remains intact. Until these two are gone, they contend, sanctions remain a necessity.

But it is now increasingly probable that elections for a constituent assembly will be held within the next 18 months, and that some form of new government will be in office before the end of 1994. To say preparations for economic growth should begin when that happens seems shortsighted to this writer.

But then Azapo and the PAC have been opposed to just about anything else that has happened so far — the relaxation of the cultural boycott and the subsequent visits to South Africa by foreign musicians, suspension of the armed struggle by the ANC and Codesa-style negotiations, etc.

The lifting of remaining sanctions will have to take place despite their vociferous objections. □

Sanctions to stay a while

SOUTH Africa should expect a longish, messy, period in which sanctions would only gradually disappear, Minister of Finance Mr Derek Keys said yesterday.

Addressing a media briefing in Cape Town, Keys said sanctions had a certain inertia of their own. The motivation to lift them was not driven by the same urgency that had set them there in the first place.

Sanctions that were still in place did not have a serious effect on the country's trade, Keys said.

Computer sales move signals end of sanctions

BIDAY

280

IAN HOBBS

LONDON — SA business is to get a US computer system so powerful and advanced that its sale in potentially hostile or politically sensitive countries is banned.

The marketing in SA of the EMC group's revolutionary Summetrix 5500 data storage system signals the end of sanctions on American high technology. 8/2/93

The wardrobe-sized system, which is intended to challenge IBM's domination of the data systems market, will be exhibited at roadshows in Pretoria on February 24, Johannesburg on February 25 and Cape Town on February 26.

EMC CE Michael Ruettgers said opening SA to previously banned leading-edge technology would be a positive contribution to democratic progress.

ANC president Nelson Mandela's statement on sanctions at US President Bill Clinton's inauguration cleared the way for the EMC system, capable of up to 5 000 funtions a second and which had slashed the price of data storage and movement.

Ruettger said: "SA businesses and institutions handling large volumes of data desperately need affordable new technology. Our systems will bring them bang up to date. They will bring obvious benefits to SA and neighbouring countries.

"We are assured that there will be no political problems."

The Summetrix 5500 system, a fifth of the size of its IBM rival and said to be many times faster, has made EMC one of the fastest-growing corporations in the US.

British computer expert Michael Hardwidge said: "It is no bigger than a wardrobe at 1,61m³ but it handles 240 gigabytes of information at incredible speed. It is relatively simple to maintain and its great strength is that it has a double fail-safe system."

He said the secret of the system's success was that data was stored in duplicate in dozens of notepad-sized RAID (redundant display of inexpensive disc) discs. If one broke down, it could be replaced while the system continued to function.

"One of the most expensive problems with data systems is down time. All other systems have to be shut down when there is a disc fault. This one just roars on — and you don't need expensive geniuses to maintain it," said Hardwidge.

Units cost from $825 000 to $2,8m. They would be available on lease in SA.

EMC got into gear in 1990, with revenues of just R5m from its first RAID system. Revenue last year was $140m. Ruettgers said orders for the new system guaranteed more than $200m and 4% of the global market this year.

International Data Corporation senior consultant Robert Callery said EMC's new system had taken data storage to new frontiers. He expected it to eat rapidly into IBM's 80% of the world market.

Star 9/2/93

Call for sanctions to stay

Zimbabwean President Robert Mugabe, whose government is desperate to reach a new trade pact with South Africa, called on the international community yesterday to maintain its economic sanctions against Pretoria. In a joint statement with Iranian President Akbar Hashemi Rafsanjani at the end of a two-day visit to Tehran, Mugabe said sanctions must stay until the establishment of a multiracial democracy.

Omani buyers to visit SA

Business Day Reporter

THE Sultanate of Oman, the first country to have lifted all trade restrictions with SA, was sending its first purchasing mission to the country this month, Safto said yesterday.

Twelve buyers from major business houses would be seeking direct purchases and joint ventures with SA companies and industries.

The mission follows the SA exhibition in Dubai, United Arab Emirates, in October where export orders of $250m were generated.

"Despite the fact that the Arab Council has not yet lifted trade sanctions, the Omani government has confirmed that SA export documents will be accepted and letters of credit will be opened," Safto senior manager Gyff Fitchat said yesterday.

The Omani businessmen are travelling under the auspices of the Oman International Bank.

Robert Mugabe in the dock

ZIMBABWEAN president Robert Mugabe's call for continued sanctions against South Africa is out of touch with reality, the SA Foreign Trade Organisation said yesterday.

"Zimbabwe is South Africa's biggest trading partner in Africa," it said.

Business sources put the value of South Africa's trade exports to Zimbabwe at more than R1 billion last year, nearly a quarter of South Africa's exports to the rest of Africa.

Sowetan 10/2/93

FM 12/2/93 (280)

FOREIGN INVESTMENT

First at the Finnish line

In what is believed to be the first major Nordic investment in SA since sanctions were imposed nearly 10 years ago, Sunds Defribrator, a Finland-based engineering company, has bought control of ND Engineering, one of SA's largest privately owned engineering firms.

Sunds, which has US$500m in annual turnover, specialises in timber-based fibre manufacturing technology. It is a wholly owned subsidiary of the Rauma group, which has a turnover of $2bn a year. Rauma is a division of Repola, the largest company quoted on the Helsinki Stock Exchange.

The investment represents Sunds' first toe in African water, though it has investments in 25 companies on four other continents. For Durban-based ND Engineering the deal should mean a welcome capital injection along with direct access to technology previously available only on a licensed basis. It will, according to ND Engineering joint MD Allan Lofstrand, also open up several export opportunities.

ND specialises in fabricating stainless steel vessels and systems mainly for the pulp and paper industry, though it also manufactures process equipment for the sugar and petrochemical industries. The company co-ordinated, designed, laid (in eight days) and commissioned the 3,5 km stainless steel effluent pipeline from Sappi's Saiccor plant at the mouth of the Umkomaas River on the Natal South Coast several years ago.

Sunds group chairman and deputy president Kenneth Eriksson will not divulge financial details. He says the deal's structuring in terms of financial and commercial rands is still being finalised with the SA Reserve Bank.

FM 12/2/93 (280)

He says the decision to invest was made because of the growth opportunities presented by a well-established pulp and paper industry. The downturn in SA and the world pulp and paper markets, along with a favourable exchange rate, probably meant ND's price was reasonably attractive to a capital-flush organisation willing to gamble on SA's future political and economic stability.

"Of course, we have to exploit world markets to the greatest potential in order to carry our development costs," Eriksson adds. "On that basis, we could not ignore SA. This is particularly so because the SA pulp and paper industry is a privatised market. ND will provide the gateway to this market." ■

Weekend Argus, Fe

Sanctions: ANC expected to shift policy

IMPORTANT changes in the sanctions stance of the African National Congress seem certain following Archbishop Desmond Tutu's shift on the issue.

Archbishop Tutu, who has opposed the lifting of sanctions until now, said yesterday he was ready to call for the lifting of sanctions once the security forces were under the control of a multiracial administration.

Archbishop Tutu called his shift a "refinement" that he expected would win broad support.

At a news conference later, ANC secretary-general Cyril Ramaphosa said the group expected to make a decision on sanctions within days.

"It is a matter that we can no longer avoid," Mr Ramaphosa said. "It has been raised on a number of occasions and it is fairly urgent that our organisation should address this."

South Africa desperately needs loans from the World Bank and the International Monetary Fund (IMF) to revive an economy in deep recession and Archbishop Tutu said he would write to US President Bill Clinton and ask him to give South Africa access to the World Bank and the IMF if his call for a multiracial body overseeing security forces was met.

His proposal for a multiparty body to have control over the security forces is in line with ANC demands. The ANC says controlling the police and army would be among the jobs of the body, which would perform administrative duties but not have the power of a separate, interim government. Mr Ramaphosa said the ANC envisaged it being in place by June.

The government also proposes a multiparty administrative council but has not said whether it would control the security forces. — Sapa-AP

ANC to rethink sanctions

SA access to IMF, World Bank to be debated at vital meeting

DENNIS CRUYWAGEN and MICHAEL MORRIS

Star 18/2/93

CAPE TOWN — The African National Congress's national executive committee is to discuss the crucial issue of South Africa's access to International Monetary Fund and World Bank funds next week and is ready to review its stance on sanctions.

This was said at a briefing yesterday by ANC negotiator Mohammed Valli Moosa. He was responding to a statement by Archbishop Desmond Tutu, who said he was prepared to write to United States President Bill Clinton asking him to give South Africa access to the World Bank and International Monetary Fund.

But Archbishop Tutu said he would write to the White House only when a "broadly acceptable transitional authority which would ensure multiparty control of the security forces" had been established.

Moosa said the question of sanctions could no longer be avoided. "Even our president, Nelson Mandela, talked about it on a recent visit to the US. The ANC national executive committee will discuss this matter at our forthcoming meeting."

Moosa said it was urgent that the organisation address the question of financial sanctions while South Africa was in a transitional process.

Archbishop Tutu's views would be taken into account at the NEC meeting, he said.

Disciplinary measures

ANC secretary-general Cyril Ramaphosa said yesterday, after three days of talks with the Government, that ANC cadres found responsible for infiltrating arms in breach of instructions from the leadership — and agreements with the Government — could face disciplinary measures.

He said that if ANC members were responsible for the infiltration of weapons, they were acting contrary to policy and in breach of clear instructions from the leadership.

He said the ANC's investigations into the allegations were continuing and that the movement had "offered to co-operate fully with the proposed investigation by the Goldstone Commission.

"The outcome of these investigations will determine our course of action in keeping with the ANC policy and disciplinary procedures."

In the only critical feature of the statement, he added: "We have taken note that the Minister of Law and Order, Mr Hernus Kriel, issued a statement trying to justify the Government's blatant partiality in concentrating on the Swaziland border incident (involving the ANC) while they have tried to avoid publicity around the involvement of Inkatha Freedom Party members in arms smuggling. We believe that this is hypocrisy of the worst kind."

If the Government responded positively to ANC proposals on the control of arms and armed formations such as the SADF, MK, the KwaZulu police, Apla and others, a peaceful and democratic order was within reach, he said.

Sweden poised to lift trade bars

CT 15/2/93 280

STOCKHOLM — Sweden is one step away from dropping its sanctions against South Africa, an adviser to Prime Minister Mr Carl Bildt said yesterday.

Senior foreign ministry official Mr Lars-Ake Nilsson would travel to South Africa soon, he added.

"In accordance with the latest political developments in South Africa, I think Sweden is on the verge of removing sanctions," Mr Bildt's press spokesman Mr Lars Christiansson said.

On Saturday, Mr Bildt made a statement welcoming the preliminary agreement on a government of national unity reached between the ANC and the South African government on Friday.

March visit

Mr Bildt said the way was clear for a rapid and complete withdrawal of Swedish financial and trade sanctions. These have been in place since 1979 and 1987 respectively.

A ministry spokesman said that Mr Nilsson and a colleague would be in Cape Town and Johannesburg between March 5 and March 9, and that their visit would include talks with both the government and the ANC.

Sweden, like neighbouring Norway, is one of a handful of countries still imposing formal sanctions.

Although virtually all parliamentary parties agree the embargoes should go, government sources say Stockholm is waiting for a clear signal that democratic mechanisms are in force. — Sapa-Reuter

Sweden on verge of lifting sanctions

(280) IFRG 15/2/93

STOCKHOLM. — Sweden is a step away from dropping sanctions against South Africa, according to an adviser to Prime Minister Mr Carl Bildt.

"In accordance with the latest political developments in South Africa, I think Sweden is on the verge of removing sanctions," Mr Bildt's Press spokesman Lars Christiansson said yesterday.

Mr Bildt earlier welcomed the preliminary agreement on a government of national unity reached between the African National Congress (ANC) and the South African government.

Mr Bildt said the way was clear for a rapid and complete withdrawal of Swedish financial and trade sanctions — in place since 1979 and 1987 respectively.

Senior foreign ministry official Lars-Ake Nilsson would visit South Africa soon, he said.

A ministry spokesman said yesterday Mr Nilsson and a colleague would be in Cape Town and Johannesburg between March 5 and 9, and their visit would include talks with the government and the ANC.

Sweden and neighbouring Norway are among few countries still imposing formal sanctions.

Although virtually all parliamentary parties agreed that embargoes should go, government sources said Stockholm was waiting for a clear signal that democratic mechanisms were in force in South Africa.

Mandela to say sanctions must remain

ANC leader will review stance after voting date has been set

WASHINGTON. — African National Congress president Mr Nelson Mandela is considering calling for all remaining international trade, investment and aid sanctions to be lifted within months because of South Africa's unemployment problems.

He told the Washington Post that he and other polical leaders had been "sobered" by the derailment of negotiations in recent months.

The newspaper's South African correspondent, Paul Taylor, quoted Mr Mandela as predicting non-racial elections this year.

Mr Mandela said he did not expect to serve in an interim government but would seek the country's highest office after a new constitution had been drawn up.

The ANC leader said the state of the economy had injected a sense of urgency into the political process.

"We can't afford to call each other names, point fingers, say that I am virtuous and so-and-so is not. Nobody is prepared to put up with that today."

He said he envisaged a series of talks between the ANC, the government and other political groups, coinciding with a resumption of the multi-party negotiating forum that was suspended six months ago when the ANC withdrew from Codesa.

Commmenting on an outburst by his estranged wife, Winnie, at last week's funeral of civil rights activist Helen Joseph, in which she denounced negotiations as a pact between "the elite of the oppressed and the oppressor", Mr Mandela said: "Where in the world do you not have extremists?

"The important thing is to keep your head cool and to be sure your organisation is disciplined."

He said that although he had been frustrated by the slow pace of change, a beneficial side-effect might have been the lowering of inflated expectations.

"One of these things that worried me when I was in jail was the tendency to make one a demigod, a messiah. I am very happy to be seen now as an ordinary human being."

In his report of the interview, Taylor noted that ANC policy on sanctions was to retain them until a democratic interim government was in place.

But he reported Mr Mandela as saying that once a date for a non-racial election had been set, and once multi-party authorities had been established to ensure the fairness of such an election, he would consider asking the ANC to call for an end to sanctions.

Taylor said both those steps were expected within a few months.

Newlands club manager Mr J Keeling assured spectators that beverages would not "run out".

ANC, IFP: Equity can lift TV ban

CT 17/2/93

LONDON. — ANC leader Nelson Mandela and Chief Mangosuthu Buthelezi told a leading British television distributor and producer last week they would be happy for Equity, the actors' union, to lift its long-standing ban on the sale of British television programmes to South Africa.

Mr Richard Price, chairman of Primetime PLC, who met the two leaders in South Africa last week while working with interviewer Sir David Frost, said: "Mr Mandela and Chief Buthelezi both told me that they saw no reason why the ban should not be lifted. All the other sporting and cultural bans have gone."

But an Equity spokesman said: "We wouldn't consider such a major policy change on the basis of third hand information." — Telegraph

● Dubai lifts trade ban — Page 5

Sowetan 17/2/93

Emirate lifts trade ban

DUBAI — The emirate of Dubai has notified banks they may do business with South Africa, lifting a formal ban imposed on the country in protest against its apartheid policies.

The Dubai branch of the Israel boycott office, which also handled South African sanctions, told banks last week of the decision, an official at the boycott office said yesterday. - *Sowetan Correspondents and Sapa*



☐ RELAXED ANC president Nelson Mandela, who was treated for flu-like symptoms in the Park Lane Clinic in Johannesburg this week, was a surprise visitor to the ANC's international solidarity conference at Nasrec yesterday.
☐ The ANC said that Mr Mandela had been given a clean bill of health after tests, but had been told to take two weeks of complete rest to recover from exhaustion

ANC plumps for end of sanctions — in weeks

By CHARLENE SMITH

FACED with a collapsing economy, the ANC yesterday proposed a deal that could mean the end of international trade and financial sanctions against South Africa within weeks.

It asked the international anti-apartheid community at a conference in Johannesburg to lift sanctions once a date had been set for non-racial elections and agreement reached with the government on certain measures leading to joint rule.

All this could be achieved within weeks. Reconvened multi-party talks early next month will most likely dispose of the remaining hurdles — setting up a transitional joint executive, the creation of independent electoral and media commission, removal strategy coupled with pro-investment moves was not followed.

The ANC is keen that World Bank aid should come into the country as soon as possible. A conference in early May could contribute toward this.

The World Bank will participate in a conference in Johannesburg sponsored by the SA Foreign Trade Organisation and the SA Institute of Civil Engineers to advise contractors on how to compete for World Bank projects on this continent.

Africa is a major recipient of the R50-billion awarded by the World Bank each year for development.

Opportunity

International Monetary

sanctions — in weeks

By CHARLENE SMITH

FACED with a collapsing economy, the ANC yesterday proposed a deal that could mean the end of international trade and financial sanctions against South Africa within weeks.

It asked the international anti-apartheid community at a conference in Johannesburg to lift sanctions once a date had been set for non-racial elections and agreement reached with the government on certain measures leading to joint rule.

All this could be achieved within weeks. Reconvened multi-party talks early next month will most likely dispose of the remaining hurdles — setting up a transitional joint executive, the creation of independent electoral and media commissions, and the introduction of a Transition To Democracy Act.

The ANC put the proposal before about 500 guests from five continents, many of them key anti-apartheid activists, attending the International Solidarity Conference near Johannesburg.

The oil and arms embargo will remain in place until a democratic government has been elected.

Resolved

The ANC said that, once the preconditions had been met, sanctions affecting diplomatic relations, gold coins, trade and trade credits, new investment, loans and other financial links should be immediately lifted.

It also recommended that no representative of the present government be granted accreditation by any international organisation. "This can be resolved once an interim government of national unity is established."

The ANC is concerned that foreign supporters should ensure that, once sanctions go, there is a concerted campaign to lift sanctions at city, state and national level in their respective countries.

It does not want SA to be in the position of Namibia which, nearly three years after independence, still has sanctions operating against it in many cities and states, particularly in the US, because an removal strategy coupled with pro-investment moves was not followed.

The ANC is keen that World Bank aid should come into the country as soon as possible. A conference in early May could contribute toward this.

The World Bank will participate in a conference in Johannesburg sponsored by the SA Foreign Trade Organisation and the SA Institute of Civil Engineers to advise contractors on how to compete for World Bank projects on this continent.

Africa is a major recipient of the R50-billion awarded by the World Bank each year for development.

Opportunity

International Monetary Fund assistance will not be forthcoming until a democratic government is in place after multi-party elections.

However, the ANC believes that the removal of sanctions soon will give businessmen and the IMF the opportunity to begin studying options for the rapid implementation of development projects to contribute toward ending violence by providing work and opportunity.

These steps come after weeks of the ANC studying the impact of continued sanctions on the economy, coupled with its concern about a national unemployment figure of 48 percent and as high as 80 percent in some townships.

PICK 6

GOSFORTH PARK
2 lucky punters received R528 837,70 each. Numbers: 7; 1, 4; 5, 10; 15, 9; 12.

GREYVILLE
Only 3 punters netted a dividend of R104 595,60 each. Selections: 11; 2, 7; 7; 8, 7; 2.

MILNERTON
There were no winning tickets. Dividend carried over. Combinations: 6; 6; 6; 2; 3; 8.

Paper t

SOON-to-be-released private p pers and tapes show that *Roo* Alex Haley's monumental Pulitz Prize-winning bestseller traci his family's origins to West Afric was an elaborate hoax.

So reports the Village Voice,

ANC seeks 'earliest' poll

CT 24/2/93

280

Link to lifting of sanctions

Political Staff

JOHANNESBURG. — The ANC, in co-operation with the international anti-apartheid movements, is to launch a concerted campaign world-wide to put pressure on all parties in South Africa to remove obstacles speedily for the earliest possible election date.

The lifting of sanctions has been linked to outstanding issues still to be resolved in negotiations.

Yesterday's 500-strong international audience at the ANC's solidarity conference at Nasrec, Johannesburg, accepted the declaration to launch the campaign.

The campaign is aimed at three major areas: Speeding up the transition phase; assisting in getting all parties to work more actively to resolve the violence, and starting the process of reconstruction as soon as possible.

Senior ANC representatives at the conference said the lifting of sanctions, apart from those involving oil and arms, would take months rather than weeks because this hinged on a multi-party deal being struck on the transition period.

A multi-party planning conference has been scheduled for March 5 where the parties will attempt to finalise the agenda and set the ground rules for the new multi-party negotiating forum.

By March 5, the ANC and Inkatha executives are also scheduled to finalise a date for a summit meeting between them to find ways of reducing politically violent conflict between their supporters and establishing free political activity in areas under their control.

The international campaign will also specifically target homelands, specially those that have overseas offices — Bophuthatswana, Ciskei and KwaZulu.

It was pointed out that before sanctions could be lifted, there would have to be an interim constitution, a transitional executive, independent electoral and media commissions and a date for the first non-racial elections.

However, before elections could take place, violence levels had to be reduced.

Dr Allan Boesak, ANC Western Cape chairman, said agreement on the date for an election rather than the election itself could trigger lifting financial sanctions.

"On the announcement of an agreed date for elections and on the establishment of the transitional executive council ... the sanctions affecting the following should be lifted: Diplomatic relations, gold coins, trade and trade credits, new invesment, loans and other financial links."

The arms and oil embargoes should remain in place until a democratic government had been installed.

The campaign will target parties breaching the national peace accord.

It will target reconstruction, specially in Natal.

focus on sanctions

Soweten 22/2/93

The ANC proposes — once an election date is set — to lobby for the removal of sanctions. And this snag will be resolved this year, according to the ANC's Thabo Mbeki. Political Reporter **Themba Molefe reports:** (280)



SANCTIONS may be a thing of the past once a date for elections is agreed upon and duly legislated, says the African National Congress

This is one of several far-reaching resolutions the ANC's national executive committee made public at the organisation's three-day international solidarity conference which ended on a high note in Johannesburg yesterday

The conference, a culmination of a flurry of high profile decision-taking by the ANC over the past week, saw the organisation entrench itself as perhaps the leading contender for political power — a government in waiting, so to speak

The conference was the first of its kind in the country, a diplomatic coup for the ANC because it brought under one roof its political and financial backers from across the globe — and right under the nose of the Government

The ANC is indeed in a different mode to garner local and international support and promote itself as the country's first nonracial elections become a reality.

For instance, the ANC's decision on sanctions is significant if seen against the background of its series of bilateral talks with the Government

Usher in the transition

This suggests that the present parliamentary session could culminate in a series of laws to usher in the transition, since the ANC's resolution says its condition for calling off sanctions is based on reaching agreement on elections, a transitional executive council, an independent electoral commission, an independent media commission and the introduction of a Transition to Democracy Act

In fact, the international community was afforded an insight into the ANC's political, economic and social strategy

Thabo Mbeki, the ANC's secretary for international affairs, drew applause from South African big business on Friday night when he said the problem of [illegible] is would be resolved this year.

The ANC is more conciliatory and less confrontational, Mbeki's speech suggested

National unity

He said the National Party had to be included in a government of national unity once a final constitution was agreed on.

It was likely that structures needed to implement a transition to democracy could be in place by April this year, said Mbeki, hinting that multiparty negotiations had to be inclusive to be seen to work.

However, the international conference got down to serious business, with different proposals — on education, human rights health, investments, land, media, women and children — being adopted.

● In its revised draft Bill of Rights the ANC proposed a tribunal to administer the restoration of land to people dispossessed by forced removals.

"Legislation shall provide for the establishment of a tribunal for land claims which shall have the power to adjudicate upon land claims made on legal or equitable grounds," the draft Bill says



Former Zambian president Dr Kenneth Kaunda with chairman of the African National Congress Mr Oliver Tambo at the organisation's conference at the weekend.

"Structures needed to implement a transition to democracy could be in place by April this year"

Scandinavian sanctions to go

(280)

By BARRY STREEK
Political Staff

NORWAY and Sweden, the first Western countries to impose sanctions on South Africa, announced yesterday they were lifting trade sanctions.

Their move follows an ANC statement that sanctions could be selectively lifted once the transitional process was in place.

The Norwegian government said in Oslo the bans against trade, services and investments would be suspended from March 15.

However, the statement, which was released in South Africa yesterday by Norway's ambassador, Mr Jens Otterbech, stressed that the prohibition on the sale of Norwegian petroleum would not be lifted immediately, and the arms embargo would also be retained, in terms of a United Nations Security Council resolution.

The time had come to introduce "new instruments in efforts to promote a democratic South Africa" and to this end the Norwegian government had formulated a five-point programme, including assistance towards holding free and fair elections and the mapping and monitoring of violence with a view to reducing it.

'A question of time'

Norway would also work for a considerably increased UN presence during the transition.

Sweden's Prime Minister, Mr Carl Bildt, said his country would lift sanctions within weeks.

"It is only a question of time. It is a matter of weeks, but just how many is at present hard to say," he said after a meeting of the country's foreign policy council.

Norway to drop sanctions

Political Staff

CAPE TOWN — Norway is to start a phased lifting of sanctions on SA from March 15.

A statement issued by the Norwegian government, after the ANC had been informed of the decision, said the ban on trade, services and investment would be lifted.

The announcment follows an ANC decision last week to modify its sanctions stance and is significant in that Norway was the first Western nation to impose punitive economic sanctions on SA.

The statement released by Norwegian ambassador Jens Otterbech stressed that the prohibition on the sale of Norwegian petroleum would not be lifted and the arms embargo would also be retained, in terms of a UNSecurity Council resolution.

The Norwegian government said developments in SA were moving in a "positive direction".

It said that the time had therefore come to introduce "new instruments in efforts to promote a democratic SA", and to this end it had formulated a five-point programme:

☐ Assistance towards holding free and fair elections, through training, assisting the election process and the sending of observers;

☐ The mapping and monitoring of violence with a view to reducing it and thereby "creating the right conditions for normal political activity" — Norway would assist the Goldstone commission in establishing an institute for this;

☐ Norway would work for a considerably increased UN presence during the transition, and was willing to make personnel available;

☐ Norway would offer training to assist the transition process; and

☐ Norwegian assistance to alleviate the economic and social conditions of the victims of apartheid would be continued.

Sapa-Reuter reports Sweden is also to lift economic sanctions within weeks.

"It is only a question of time," Prime Minister Carl Bildt said after a foreign policy council meeting yesterday.

Bildt's comments came after the council said there were positive moves towards democracy in SA.

UK to open regional aid office in Pretoria

By Kaizer Nyatsumba
Political Reporter

The British government will set up a regional aid office in Pretoria before June to help shape and run Britain's bilateral aid programme in South Africa and other countries in the region, British Deputy Foreign Minister Lynda Chalker said yesterday.

Addressing a lunch hosted by the South African Institute of International Affairs in Johannesburg, Chalker said her government had decided to establish a regional aid office, to be called the British Development Division in Southern Africa.

Chalker said her government had committed more than R300 million by itself and through the European Community to help drought-affected areas in southern Africa.

Britain, she said, would assist South Africa's integration into the international community, including early restoration of the country's access to the International Monetary Fund and the World Bank.



Lynda Chalker . . . peaceful transition important to Britain.

The United Kingdom wanted a successful transition to a stable, democratic and prosperous South Africa. She therefore welcomed the ANC's decision last week to recommend the lifting of economic, trade and financial sanctions on this country as soon as the transition to democracy was in full swing.

She said peaceful transition in South Africa was important for all in the region and not just South Africans.

PROVINCE	(A)	(B)
Cape Province	Kempdorp) Kwanonguaba (Mossel Bay) Gompo Town (East London) E'Thembeni (Prieska) Motswedimosa (Ritchie) Ikhutseng (Warrenton) Sweletemba (Worcester) Mbekweni (Paarl) KatiKati (Cathcart) Luxolweni (Hofmeyr) Kuyasa (Colesberg)	
Transvaal	Alexandra, Diepmeadow, Bekkersdal, Khutsong, Evaton, Dobsonville, Sebokeng, Soweto, Daveyton, Duduza, Katlehong, KwaThema, Ratanda, Tembisa, Tokoza, Tsakane, Vosloorus, Wattville, Tswlelang, Kgakala, Reagile, Ipelegeng, Lebaleng, Tigane, Ikageng, Khuma, Borolelo, Utlwanang, Bethal, KwaDela, Lebohang, Wesselton	Alexandra, Diepmeadow, Bekkersdal, Khutsong, Evaton, Dobsonville, Mohlakeng, Soweto, Daveyton, Duduza, Katlehong, KwaThema, Ratanda, Tembisa, Tsakane, Vosloorus, Wattville, Ikageng, Kanana.
TOTAL	57 Black Local Authorities	19 Black Local Authorities

(3) No

Business interrupted in accordance with Rule 180C (3) of the Standing Rules of Parliament

Medihelp: benefits of breadwinners

*10. Mr A S BEYERS asked the Minister of National Education †

(1) Whether he has received any representations from the organized education profession on the medical benefits of breadwinners who retired on accelerated pension after their posts in education had been abolished; if so, what (a) was the nature of these representations and (b) was the effect of such accelerated retirement on their membership of and contributions to Medihelp;

(2) whether the persons who so retired had been informed of the implications their retirement would have regarding their membership of Medihelp; if not, why not; if so, what are the relevant details;

(3) whether he intends taking steps to place these persons' membership of Medihelp on an equal footing with that of persons retiring at the usual age; if not, why not; if so, what steps,

(4) whether he will make a statement on the matter? B163E

The MINISTER OF NATIONAL EDUCATION:

(1) (a) No representations relating specifically to the medical benefits of breadwinners have been received from the organised education profession However, during a meeting with part of the organised teaching profession, discussion took place concerning general lack of clarity about the medical benefits of teachers who have retired early.

(b) Early retirement has the effect that Medihelp reconsiders the continued membership of each individual member involved. If continued membership is allowed, the member is responsible for the payment of the full subscription levied by Medihelp on private members until the member has reached the age of 60 after which he will receive the same benefits as a person who has retired on the usual grounds of age.

(2) The Office of the Commission for Administration have indicated that they informed all departments in writing concerning the changes in the management and benefits in regard to Medihelp Medihelp itself has indicated that the alterations to the rules were provided to all members The details of the changes to the rules are

(i) Medihelp was deregulated on 1 July 1992, but this deregulation in itself had no impact on the continued membership of members, and

(ii) the subscriptions payable by members leaving service on reaching their retirement age were altered Previously, these people contributed nil Rand, while from 1 October 1992 this was altered to 50% of the usual tariff paid by serving members i.e. one sixth of the full tariff The State continues to pay the other five sixths.

(3) No Deregulation resulted in Medihelp determining its own rules and the State cannot prescribe to Medihelp in this regard

(4) No

Ambassador: donation to USA organization

*11. Adv T LANGLEY asked the Minister of Foreign Affairs.† 280

(1) Whether, with reference to certain details that have been furnished to the Minister's Department for the purpose of his reply, a certain South African ambassador made a financial donation to an American organization; if so, (a) what ambassador and organization were involved, (b) what was the amount of the donation and (c) (i) when and (ii) for what purpose was the donation made;

(2) whether he will make a statement on this specific case in particular and on the question of donations by ambassadors to foreign organizations in general?

B166E

The MINISTER OF FOREIGN AFFAIRS.

(1) (a) Yes. Dr P G J Koornhof, who was during this period the South African Ambassador in Washington, made a contribution to the Safari Club International of the United States of America;

(b) $100,000 (approximately R250,000);

(c) (i) 31st March 1989;

(ii) The contribution was made to enable the Safari Club International to promote tourism from the United States of America to South Africa and to counter trade sanctions

(2) The contribution occurred during a period when American sanctions at Federal, State and Local level were most severe. The Safari Club International is one of the most important and influential big-game hunters' associations in the United States of America with an af-

cont →

filiated membership of approximately one million During the sanctions debate of 1986 the organisation was largely responsible for ensuring that a ban on the importation of hunting trophies from South Africa to the United States of America was not included in the United States of America's federal sanctions legislation against South Africa A substantial number of members of the Safari Club International have over recent years spent millions of rands in South Africa on hunting safaris The Safari Club International has also built a museum in Tucson, Arizona, housing a South African exhibition which displays South Africa's wildlife, thereby promoting tourism to South Africa

At the time when the contribution was made, it was the task of all South African missions abroad to counter trade sanctions The contribution that was made by the then South African Ambassador in Washington, Dr P G J Koornhof, to the Safari Club International, occurred in this context

Government Service Pension Fund: investments

*12. Mr R M BURROWS asked the Minister of Finance:

(1) Whether there has been any change in the policy regarding the investment of accumulated funds of the Government Service Pension Fund; if so, (a) what change and (b) what effect has the change had in financial terms in regard to increased interest and/or dividends;

(2) whether it is the intention to extend any investment policy to utilize most or all of the accumulated funds of other State pension funds; if not, why not; if so, (a) in what manner and (b) over what period,

(3) whether he will make a statement on the matter? B168E

The MINISTER OF FINANCE:

(1) No;

(2) all the accumulated funds of other State pension funds are managed by the Public Investment Commissioners along similar lines as the funds of the GSPF;

(3) No It should however be pointed out that the Commissioners have recently decided not to renew the management contracts for the six private sector portfolio managers who have been managing R3 billion of GSPF funds The experiment, over the past three years, has proved to be a costly exercise with limited benefits, while the PIC have managed to turn in a better performance than most of the private sector managers

Universities/technikons: subsidies

*13. Mr R M BURROWS asked the Minister of National Education:

(1) Whether any universities or technikons are to receive in respect of 1993 the full amount which they should receive under the formula-funding policy administered by his Department; if not, why not;

(2) whether any of these universities or technikons are to receive less money from the State in real terms in 1993 than they did in 1992 in terms of the amounts determined by his Department; if so, which of these institutions,

(3) whether he will make a statement on the matter? B169E

The MINISTER OF NATIONAL EDUCATION:

(1) Since the Minister of Finance has not submitted the Draft Budget Bill for the 1993-94 financial year to Parliament yet, the details are not available at this stage

(2) Falls away

(3) No.

DET: distance education

*14 Mrs C H CHARLEWOOD asked the Minister of Education and Training:

(1) Whether, with reference to his reply to Question No 7 on 4 February 1992, the interdepartmental committee appointed to investigate aspects of distance education has brought up a report; if not, why not; if so,

(2) whether he will make the report public; if not, why not; if so, when;

(3) whether he will make a statement on the effectiveness of the various television programmes aimed at assisting Black pupils broadcast in 1992? B170E

The MINISTER OF EDUCATION AND TRAINING:

(1) Yes.

(2) No. An initial version of the report was recently submitted to the Committee of Heads of Education Departments. The Committee, of which the Director-general of National Education is the chairman, is considering the report, as well as the question concerning the publication thereof.

(3) The project is at present being evaluated by an independent consultant. A final report in this respect is expected by March 1993, after which it will be decided whether a statement will be made.

Smoking: legislation

*15. Mrs C H CHARLEWOOD asked the Minister of National Health:

(1) Whether she intends introducing legislation in respect of smoking during the current session of Parliament; if not, why not; if so, (a) when and (b) what will be the nature of this legislation;

(2) whether she will make a statement on the matter? B171E

The MINISTER OF NATIONAL HEALTH:

(1) Yes,

(a) it has been put on the legislative agenda for the current session of Parliament and will be tabled as soon as possible and

(b) the Bill envisages the control of the use, sale and advertising of tobacco products

It also empowers the Minister by regulation to—

— regulate the health warning and particulars regarding the hazardous constituents of a tobacco product which must appear on the packet and an advertisement thereof; and

— prescribe the claims which may not be made in the said advertisement

Provision is also made for a prohibition on the sale of tobacco products to persons who are under the age of 16 years;

(2) no.

Aids: orphans of victims

*16. Mr M J ELLIS asked the Minister of National Health:

Whether any provision is being made for assistance to orphans of Aids victims in (a) urban, (b) rural and (c) peri-urban areas; if not, why not; if so, what is the nature of this assistance? B172E

The MINISTER OF NATIONAL HEALTH:

(a) Yes,

(b) yes and

(c) yes, Children who are orphaned as a result of the HIV/AIDS phenomenon are handled the same as any other orphans within the existing welfare structure If necessary the children are legally placed in substitute care

Rights of Child: UN/RSA

*17. Mr L FUCHS asked the Minister of Foreign Affairs:

(1) Whether, with reference to his reply to Question No 19 on 19 February 1992, the South African Government will now consider becoming a signatory to the United Nations Convention on the Rights of the Child; if not, why not;

(2) whether he will make a statement on the matter? B173E

The MINISTER OF FOREIGN AFFAIRS:

(1) South Africa signed the UN Convention on the Rights of the Child of 1989 in New York on 29 January 1993

(2) The Minister of Justice, Mr H J Coetsee, MP, issued a press statement on 29 January 1993 and the media reported on the matter.

Continued.

BUSINESS

What sanctions' end means

W/Mail 26/2-4/3/93

The sanctions era is coming to an end. But this means little without renewed access to emergency financial aid from the IMF.
REG RUMNEY *reports*

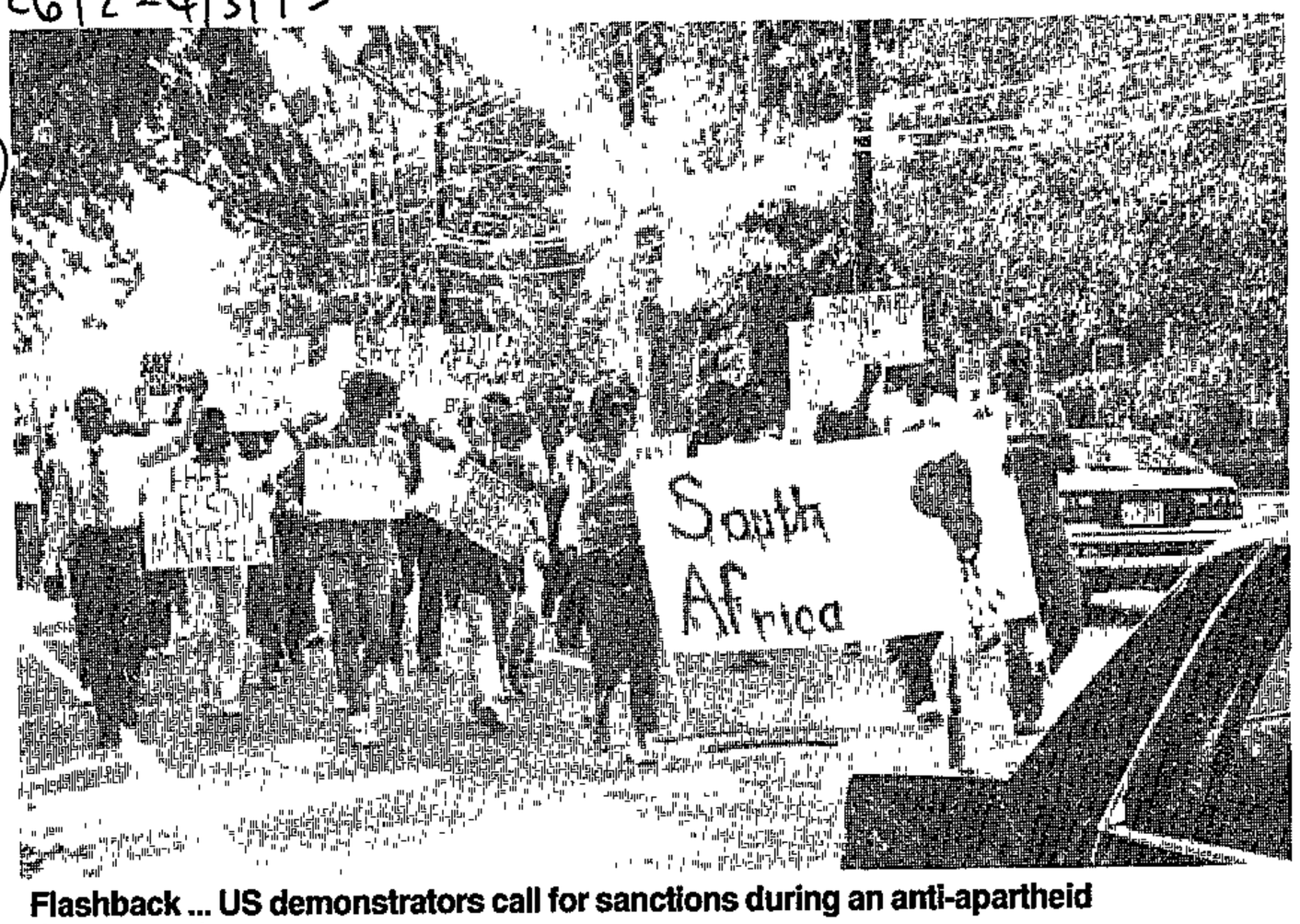
TRADE sanctions are definitely on the wane, but their going will mean little to the battered South African economy. Norway this week indicated it would gradually ease sanctions. And Sweden said it would lift sanctions within weeks.

Also, the National Executive Committee of the African National Congress this week recommended that sanctions on diplomatic relations, gold coins, trade and trade credits, new investment, loans and other financial links be lifted when an agreed date for elections was announced.

The ANC's latest statement on sanctions has at least cleared up confusion in the minds of investors.

Meg Vorhees, of the Investor Responsibility Research Centre in Washington, comments that most state and local authorities do not have sunset clauses in their laws prohibiting firms doing business with South Africa. Hence the legislative authorities at state and local level would have to take active steps to get these sanctions repealed.

Vorhees doubts it will take as long to have state and city sanctions lifted from South Africa as it did with Namibia.



Flashback ... US demonstrators call for sanctions during an anti-apartheid demonstration

However, she notes that US anti-apartheid groups have called on state and local government to replace sanctions with laws that force companies to comply with requirements of the ANC spelled out at a anti-apartheid conference in New York in November last year, as a first step in the acceptance of a formal code of conduct for US companies in South Africa. Those requirements were, for instance, that returning companies adopt affirmative action policies and aid black economic empowerment.

The ANC's statement did not specifically mention the "financial sanctions" represented by lack of access to International Monetary Fund (IMF) loans.

Econometrix chief economist Azar Jammine remarks that the remaining trade sanctions make little difference to South Africa.

Ironically, because of recession financial sanctions have not over the past three years had much effect either. But Jammine says the ANC must make a positive call for access to IMF loans.

Because of continued recession exports have exceeded imports and South Africa has been able to run a trade surplus and maintain strong gold and foreign exchange reserves. Drought last year and a weak gold price have hit the trade surplus, however.

The need to repay debt under the standstill arrangement is eating into our gold and foreign exchange reserves. If we were unable to repay loans this could cause a run on the currency with attendant inflationary pressures, says Jammine.

Foreign commercial banks will not lend South Africa money, insists Jammine, whatever calls the ANC might make. This is because financial sanctions were only partly politically motivated, while commercial risk considerations also played their part. Hence access to IMF loans may be essential in future if there is a balance of payments (BoP) crisis.

That would especially be brought on by a surge in imports in the event of an upswing. Jammine does not expect much of boom this year, though the economy may move into an upswing in 1994/95. Then IMF loans or a strong showing by gold would have to come to the rescue as imports surged, hitting the BoP.

ANC and allies gear up to lift all sanctions

B/Day 3/3/93 280

SIMON WILLSON

NAIROBI — The ANC and sympathetic international pressure groups have prepared co-ordinated plans to lift remaining sanctions on SA once a date for nonracial elections has been announced, ANC economic planning chief Trevor Manuel said yesterday.

Manuel told an investment conference the ANC was confident that the point of irreversibility in SA's transformation to democracy was in sight.

"So confident are we that the prospects for transformation are real that the ANC has already communicated to its vast network of international solidarity organisations that the remaining financial sanctions should be lifted as soon as an election date is announced.

"It is also anticipated that the ANC, supported by the international anti-apartheid movement, will be pro-actively engaged in securing the lifting of these sanctions," Manuel said.

He placed strong emphasis on the tightening of competition policy in SA, saying one of the SA economy's structural deficiencies was "the phenomenal stranglehold" conglomerates had on the economy.

The conglomerates' position excluded the indigenous population from the economic mainstream and created an investment climate that was hostile towards foreign investors, he said. "It is necessary thus to enhance overall economic performance through the introduction of a competition policy that is likely to unbundle the conglomerates."

Black entrepreneurs had been relegated to the fringes of the economy by apartheid, and SA business had to be deracialised if it was to be sustained. "The development of a black managerial class is one of the fundamental elements of an affirmative action programme to be undertaken in the context of justice and the utilisation of human resources on a wider scale than before."

Trends in the world economy made it essential for countries outside the major trading blocs of the advanced industrial economies to forgo greater co-operation. A democratic SA would therefore be compelled to promote economic co-operation in southern Africa. It was likely that a democratic SA would seek membership of the African Development Bank in pursuit of such a pan-African commitment and to forgo greater economic linkages across the continent.

Expectations that SA would become either a regional benefactor or a locomotive of growth for southern Africa were unrealistic, Manuel said. A strategy to address regional imbalances should instead grant other countries greater access to the domestic SA market and thus bring about a more equitable pattern of visible trade.

Regional solutions would also have to be found to problems arising from the historic distortions to transport flows and from labour migration.

13 Swedish firms get trade go-ahead

STOCKHOLM. — Sweden gave 13 more companies permission yesterday to trade with South Africa.

Among them was the machine tool company Sandvik and Saab-Scania, which manufactures buses and trucks.

The government is expected to repeal sanctions against South Africa soon. Meanwhile, it has been granting exemptions to individual companies wishing to compete for South African contracts.

"We are under great pressure from companies," said Ms Caroline Vondracek, first secretary at the ministry of foreign trade. She said some 20 more exemption requests were on file.

Sweden and Norway are among the last Western countries to maintain sanctions against South Africa.

Norway will repeal its sanctions, except on oil and arms, on March 15. — Sapa-AP

Star 5/3/93

Sweden relaxes trade ban

STOCKHOLM — Sweden gave 13 more companies permission yesterday to trade with South Africa.

Among them were the machine tool company Sandvik and Saab-Scania, which manufactures buses and trucks.

The government is expected to repeal sanctions against South Africa soon. Meanwhile, it has been granting exemptions to individual companies wishing to compete for South African contracts.

"We are under great pressure from companies," said Caroline Vondracek, first secretary at the ministry of foreign trade. She said some 20 more exemption requests were on file.

Sweden and neighbouring Norway are among the last Western countries to maintain sanctions against South Africa.

Norway will repeal its sanctions, except on oil and arms, on March 15, following progress toward ending South African apartheid practices. — Sapa-AP.

Fins call to end sanctions

JOHANNESBURG. — The Finnish parliament is to be advised to lift economic sanctions against South Africa, according to the leader of a Finnish Foreign Affairs Committee which visited South Africa this week.

The group met various political representatives to evaluate the peace process and to decide the fate of remaining economic sanctions against the country.

Committee chairman Mr Pertti Paesio, in a statement on Saturday, said he would on his return to Finland ask the Foreign Affairs Committee in parliament to "clear the way" for the lifting of the sanctions.

"This last economic sanction against South Africa can thus be expected to be lifted shortly," he said.

Sanctions, he added, had undoubtedly played a part in the democratisation of South Africa.

"With the main players now engaging themselves in sorting out the remaining obstacles to a new South Africa, the time has come for removing also the remaining economic sanctions against South Africa," he said. — Sapa

(280) CT 8/3/93

Andrew Young visits SA

Former United States ambassador to the United Nations Andrew Young is in South Africa with a delegation of businessmen and politicians to look at investing in South Africa once sanctions are lifted.

Young is scheduled to give the keynote address to a conference on democracy in Cape Town this week.

Young is mayor of Atlanta, Georgia, which will host the 1996 Olympic Games. It is understood that as mayor, Young could bring influence to bear on whether later Games are held in South Africa.

— Staff Reporter.

Star 10/3/93

Invest in SA, urges US envoy Andrew Young

By Jo-Anne Collinge

It would be wiser for multinational corporations to "get back into South Africa when the time is right" than for them to invest in Taiwan, Moscow or other parts of the old Eastern bloc, predicts Andrew Young, former US super-champion of economic sanctions.

Sporting the five-ringed badge of the Atlanta Olympic Committee, of which he is vice-chairman, Young delivered an unscripted and candidly optimistic talk to the Media Forum in Johannesburg yesterday.

"It's sort of unpopular in South Africa right now for white folk to be optimistic," he observed, as he challenged the conventional wisdom that foreign investment was headed almost exclusively to the former Eastern bloc and Asia.

Asserting that southern Africa was an attractive option for capital, he drew on a range of experiences and a fund of anecdotes to argue the point.

Speaking as vice-president of an international engineering group, Young said he had found former communist countries often lacked the institutional capacity to use foreign capital.

In Africa, where his firm had engineering projects from Somalia to Swaziland, business was profitable. There was a shared language and a cultural affinity. Much as the ANC used socialist concepts, its leaders "do have a sense of profit and a sense of business", said Young.

The people in South Africa were here to stay and would surely realise that living together with a chance for peace and prosperity was better than "fussin' and fightin'," he said.

Last time he was in Zimbabwe he visited Ian Smith, Young related. In contrast to other Harare notables, there were no guards at Smith's gate. "The front gate was open ... I walked up the porch — and the front door was wide open!"

Young walked away struck that "this man — responsible for UDI — was living in peace with his doors wide open", on a Zimbabwean government pension, "probably better off than when he ruled the country".

Young hoped the Clinton administration would display a quality long lacking in US national politics — an ability to make foreign policy and economic investment work together. Angola was a critical area where this should be brought to bear, said Young.

He asserted that Clinton should not only recognise the MPLA government, but should give it military and economic assistance.

In the course of preparations or the 1996 Atlanta Olympics, Young said he was repeatedly asked by sponsors when South Africa would be "opening up" for investors.

● **Peter Davies** reports that Young, one of South Africa's most bitter critics during the '70s and '80s, yesterday pledged his support for a South African bid to host the 2004 Olympic Games.

Young also presented an Olympic flag to National Olympic Committee chairman Sam Ramsamy at Olympic House in Johannesburg.

Young said Ramsamy had stood by him in the years when Atlanta was known only as the city that housed the headquarters of Coca-Cola and CNN.

17 MAR 1993

year — that is no more than rate from 43 to 40 percent. tions"

Carling flies back to London

Shock US sanctions drive

Star 19/3/93

By Hugh Roberton
Star Bureau

280

WASHINGTON — Under pressure from the ANC's major supporters in the United States, the New York and Oregon state legislatures are pressing ahead with new sanctions against South Africa.

They involve the enforced sale of stocks, bonds and other assets by all state-controlled institutions — to begin within days.

The measures also state that in the event of sanctions being lifted in the future, certain strict conditions would have to be met before state funds could be invested in companies that do business in South Africa.

These include conditions that apply to no other country, and over which a future South African government would have no control.

Opponents of the measures warn that even if the ANC were soon to call for the lifting of sanctions, as ANC president Nelson Mandela has said might happen, it could be too late to prevent a major disinvestment in companies that do business in South Africa.

They also say the conditions set for future investment are so vague and doctrinaire that many companies would be deterred from getting involved.

It is not clear why the ANC and its supporters should be pressing so hard and so urgently for new sanctions at a time when the organisation's leadership purportedly is reviewing its policy on the matter.

ANC spokesman and national executive committee member Gill Marcus said in Johannesburg today she was not aware of the development.

"We have not received any such report. Upon receiving it we would have to discuss it with them (ANC supporters in the US)."

STAR 10/3/93

Star 10/3/93

267

year — that is no more than rate from 43 to 40 percent. tions"

17 MAR 1993

Carling flies back to London

Star 10/3/93

Shock US sanctions drive

By Hugh Roberton
Star Bureau

280

WASHINGTON — Under pressure from the ANC's major supporters in the United States, the New York and Oregon state legislatures are pressing ahead with new sanctions against South Africa.

They involve the enforced sale of stocks, bonds and other assets by all state-controlled institutions — to begin within days.

The measures also state that in the event of sanctions being lifted in the future, certain strict conditions would have to be met before state funds could be invested in companies that do business in South Africa.

These include conditions that apply to no other country, and over which a future South African government would have no control.

Opponents of the measures warn that even if the ANC were soon to call for the lifting of sanctions, as ANC president Nelson Mandela has said might happen, it could be too late to prevent a major disinvestment in companies that do business in South Africa.

They also say the conditions set for future investment are so vague and doctrinaire that many companies would be deterred from getting involved.

It is not clear why the ANC and its supporters should be pressing so hard and so urgently for new sanctions at a time when the organisation's leadership purportedly is reviewing its policy on the matter.

ANC spokesman and national executive committee member Gill Marcus said in Johannesburg today she was not aware of the development.

"We have not received any such report. Upon receiving it we would have to discuss it with them (ANC supporters in the US)."

STAR 10/3/93

Star 10/3/93

focus on economics

Sowetan 10/3/93.

Having been the pariah of the world for so long it is a strange turnabout that sees US companies — many of whom beat a hasty retreat in the '80s — making an almost indecent dash to take advantage of the turning tide in South Africa. **Sapa-AP** reports:

NEW YORK — Sixteen US companies have opened offices or otherwise established economic links with South Africa in the past two years, reversing the disinvestment trend of the late 1980s, a research firm says.

The Investor Responsibility Research Centre in Washington said last week the new investments were helped by former President Bush's 1991 executive order repealing a ban on new US investment in South Africa.

That ban was included in the Comprehensive Anti-Apartheid Act of 1986.

Three firms invested in 1991, the IRRC said, and the other 13 went into South Africa last year.

The IRRC declined to name all 16, saying it wanted to protect its research. But it did say Visa International, Lotus Development Corp and Cummins Engine Co Inc were on the list.

The news was not welcomed by apartheid opponents in the United States

"It looks like I'll have to deal with this again," said the Rev Leon Sullivan, author of an operating code for companies in South Africa called the Sullivan Principles. The principles called for integration of the South African workplace and fair treatment of workers in the country

None of the 16 new companies are signatories to the Sullivan Principles, the IRRC said.

The African National Congress, through its president Nelson Mandela, has said it welcomes investment in South Africa, but only when a new government is in place.

On February 18, the ANC formally agreed to govern jointly with whites and other parties for up to five years after the end of apartheid The current, white-led Government said black people could join the national government in a largely advisory capacity by June.

Sullivan said: "My position still holds that until there is a non-racial government and blacks have the equal right to vote, the sanctions should remain and the objective must be to eliminate apartheid."

"We must keep the pressure up," he said.

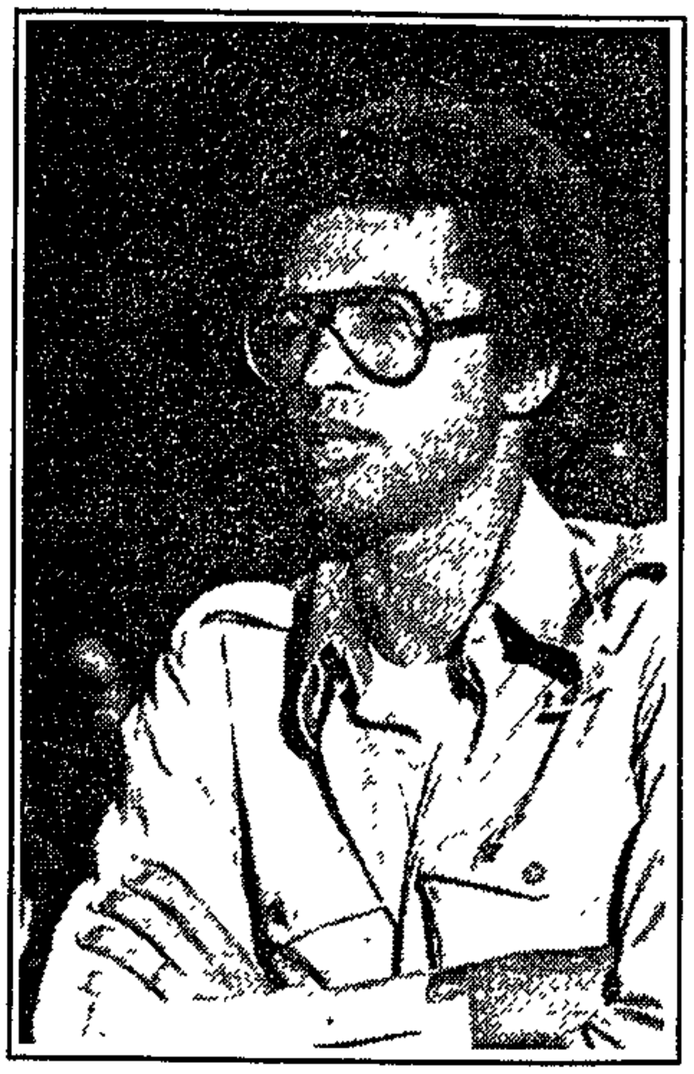
Visa vice—president David Brancoli said that there are six companies with Visa franchises in South Africa. Asked if Visa had any doubts about doing business in South Africa, Brancoli answered: "As long as they (the franchises) observe the operating regulations of the (Visa franchise) programme they are members in good standing."

Richard Eckel, a spokesman for Lotus, said his company went into South Africa in 1991 "in a responsible way" and is a "positive element of change in the country." He said Lotus contributes to community development. "They are happy we are there," Eckel said of the South African people.

An IRRC survey found 119 US companies currently have direct investment or employees in South Africa



Coretta Scott King ... arrested.



Arthur Ashe ... arrested.

The new economic links effectively reverse the disinvestment trend that saw 168 US firms sell or close their South African operations from 1985 to 1990, the IRRC said.

Four of the companies on the IRRC list have re-entered South Africa after disinvesting in the mid-1980s.

Steven Zeller said Cummins had no investments in South Africa but did contract with an independent distributor with whom they have a "longstanding relationship" of more than 10 years. They also have an employee on temporary duty there, who has been in South Africa for a year, Zeller said.

The anti-apartheid law was enacted after a national campaign that included arrests at the South African embassy in Washington organised by Randall Robinson, head of Transafrica, an advocacy group.

Among those arrested were Coretta Scott King, former President Carter's daughter Amy, singers Stevie Wonder and Harry Belafonte, Jesse Jackson and the late tennis star Arthur Ashe

"When the all-clear is given, we would want to see the economy resuscitated. That is not the case quite yet If I had my druthers I would see the corporations wait until we see this change at mid-year," Robinson said. "My bottom line is: Wait until it happens."

Alison Cooper, an IRRC spokesman, said a number of the 16 companies have a small presence in South Africa. "But it does bump them from one category to another, from no employees to one with employees," she said.

Other companies have chosen not to invest directly but have formed licensing and distribution agreements with South African companies. From July 1991 to the present, the IRRC has found that the number of US companies with non-ownership links to South Africa has jumped from 184 to 299. — *Sapa-AP*

New York and Oregon press ahead with measures to punish SA

Push for US sanctions

(280) ARCT 10/3/93

HUGH ROBERTON
The Argus Foreign Service

WASHINGTON. — The New York and Oregon state legislatures are pressing ahead with emergency measures to enforce new sanctions on South Africa.

The moves, coming after pressure from the ANC's major supporters in the United States, will involve the enforced sale of stocks, bonds and other assets by all state-controlled institutions — to begin within a matter of days.

The measures also state that in the event of sanctions being lifted, strict conditions will have to be met before state funds can be invested in companies that do business in South Africa.

The conditions apply to no other country, and over which a future South African government would have no control.

Opponents of the measures warn that even if the ANC were soon to call for the lifting of sanctions, as ANC president Mr Nelson Mandela has said might happen, it could be too late to prevent a major divestment in companies that do business in South Africa.

Conditions set for future investment were so vague and doctrinaire that many companies would be deterred from getting involved.

Why the ANC and its supporters should be pressing so hard and so urgently for new sanctions at a time when the organisation's leadership purportedly is reviewing its policy on the matter is not clear. No explanation has been offered.

Last year Oregon lifted its sanctions after a report by the State Treasurer that sufficient progress towards ending apartheid had been made to justify the change

But a new bill before the legislature effectively renounces the finding of the State Treasurer and stipulates divestment should begin within 30 days of the new measure being enacted.

The bill also specifies that the measure be treated as an "emergency", a procedural device whereby it will become law immediately upon being approved by the legislature.

A similar measure has been placed before the state legislature of New York.

Until now, the only major entity in the state which has imposed sanctions has been the city of New York, which has acted independently.

A New York official said: "I would say we're talking tens of millions, but I don't have an accurate figure yet."



OUCH! Police struggle to get a protester into a van during a demonstration in Belgrade, Yugoslavia, to commemorate the 1991 opposition protest against government-controlled media. Two people died in that demonstration and the opposition Renewal Party has kept alive their memory by holding annual marches.

'Sanctions cut US firms in SA from 360 to 110'

THE number of US companies in SA declined during the sanctions era from 360 with a total investment of $2,7bn to 110 with a total investment of about $1bn, US ambassador Princeton Lyman said yesterday.

He said the lifting of sanctions would not bring a return of the situation in the 1980's as some US companies would prefer opportunities elsewhere and some would be coming here for the first time.

"We are receiving numerous visits from US companies pointing to interests in the following areas;

● Consumer goods to service the emerging and growing black African market including appliances, food products, clothing and franchised operations,

● Sectors that cater to the prospects for growing spending on low-cost housing, health care, schools, electrification and infrastructure,

● Development of mineral, power, transport and other regional projects in southern African."

Lyman warned that American business was concerned over talk of a code of conduct for investors as it could make SA less attractive and competitive.

The US government and business were also concerned about "the highly protected structure of the SA market, laying the potential for some serious trade issues between us."

The US had already re-introduced export-import bank financing and over $100m worth of exports had been financed. A feasibility study at a cost of $1m as a prelude to new private sector investment had also been financed.

Star 11/3/93

Three US states call for sanctions

WASHINGTON — Massachusetts has joined the states of New York and Oregon in proposing sweeping new sanctions on South Africa, and other state and city legislatures are under pressure from the ANC's supporters in the United States to follow suit.

(280)

The Bills now before New York, Oregon and Massachusetts lawmakers call for the new sanctions to come into effect within a matter of days after the legislation has been approved. — Star Bureau.

New sanctions bid against SA

THE National Party noted with shock that New York State and Oregon were pushing ahead with new sanctions against South Africa, Mr Piet Coetzer, head of the NP's information service, said yesterday.

He said the move was the result of pressure from ANC supporters in the US. The NP called on the ANC not to gamble with South Africans' economic future.

"South Africa will hold the ANC responsible for the jobs that are lost as a result of this arrogant attitude." — Sapa

250 CT 11/3/93

Now three US states move on sanctions

280

ARG. 11/3/93

HUGH ROBERTON
The Argus Foreign Service

WASHINGTON. — Massachusetts has joined the states of New York and Oregon in proposing sweeping new sanctions against South Africa, and other state and city legislatures are under pressure from the ANC's supporters in the United States to follow suit.

The proposed sanctions have shocked many Americans, who had assumed recent statements by ANC president Nelson Mandela pointed to the prospect of sanctions at the state and city level being lifted once agreement had been reached on a date for South Africa's first free elections.

Instead the Bills now before New York, Oregon and Massachusetts call for the new sanctions to come into effect within days, and certainly long before most observers believe it would be possible for the multi-party negotiations in South Africa to set a firm date for elections.

In terms of the Bills, all state-controlled bodies in the three states would be required to divest themselves of all holdings in US companies that have investments in South Africa. They also stipulate that in the event of sanctions being lifted, the states should only invest in those US companies in South Africa that adhere to a Cosatu code of conduct.

A US company executive complained there had been no consultation with US businesses and that "we can see a can of worms opening up".

An ANC spokesman in Durban said the move to enforce new sanctions on South Africa was a clear indication of the urgent need to move as fast as possible towards establishing a democracy in the country.

The National Party responded by accusing the ANC of economic sabotage, according to Sapa.

NP information service head Piet Goetser said the ANC would be held responsible for jobs lost because of the new sanctions.

Oregon seeks to adopt new sanctions

B/Day 12/3/93

SIMON BARBER

288

WASHINGTON — Oregon state legislators want to force US companies in SA to abide by the ANC/Cosatu code for foreign investors once the ANC has asked for US state and local sanctions to be lifted.

Having been the first state to repeal its SA boycott last year, it is now considering a Bill under which no state funds could be invested in firms with SA investments.

The restored ban would be lifted "if the state treasurer finds that the ANC has called for the lifting of economic sanctions", but only with respect to companies complying with the ANC/Cosatu code.

The proposal appears to realise the fears of US companies that even after election of a non-racial government in SA, their ability to invest in the country will remain subject to the whims of local bureaucracies and campaigners rather than equally applied regulations adopted by the new government.

The Oregon move is in line with a resolution passed at an ANC support conference in New York last November calling for state and local boycotts to "induce" corporations to conform to the ANC/Cosatu principles.

As codified in the Oregon Bill, the principles require US firms to "actively pursue an affirmative action" plan, including the development of business opportunites for black South Africans.

Firms must "support" workers' rights by collectively bargaining with unions and by guaranteeing that they will not hire non-union labour in the event of strikes.

They may not discriminate on the basis not only of race, gender and creed, but also of "physical disability"; must provide training and adult education for employees; and their investments must be "environmentally sound".

The proposal leaves unclear how compliance with the code would be enforced. However, ANC president Nelson Mandela has signed an agreement with TransAfrica director Randall Robinson giving him authority to vet US investments after sanctions.

The chances of the Oregon Bill being passed, and becoming an important precedent, look good. The state assembly meets only once every two years and wants legislation in place to guide the Oregon Investment Council while it is not in session.

New York city mayor David Dinkins has said he is interested in a similar policy. As soon as the ANC gave the go-ahead for renewed investment, he said last May, he would "establish principles by which business wishing to do business (with the city) should abide as they re-enter the SA economy."

Meanwhile, New York state is considering legislation to require banks to file annual disclosures of their activities in SA.

The ANC said in a statement last night it had made no call for increased sanctions. It reiterated that it would support the lifting of sanctions on the announcement of an agreed date for elections.

Proposed new moves could turn away US investors, reports **Hugh Roberton**

Baffling ANC signals on sanctions

Star 12/3/93

FUTURE American investment in South Africa could be threatened by the spate of proposed new sanctions legislation which has been introduced by ANC supporters in the New York, Oregon and Massachusetts legislatures.

Under the Bills, all state-controlled bodies in the three states would be required to divest themselves of all holdings in US companies that have investments in South Africa. They also stipulate that in the event of sanctions being lifted, the states should only invest in those US companies which adhere to a code of conduct drawn up by Cosatu.

Vigorous opposition to the measures is expected in all three legislatures, effectively pitting some of the ANC's most ardent and influential supporters in the US against corporations, banks and other financial institutions who would be affected.

Businessmen warned that this sort of confrontation would gravely harm South Africa's ability to attract future US investments. "Obviously many companies will have to weigh up whether to face a large scale public disposal of their stock, and all that entails in the present economic climate, or to review their links with South Africa.

"The whole purpose of divestment is to discourage investment in South Africa. That is why the strategy has been so successful in the past, but it seems like madness to us that divestment should be encouraged at this juncture.

"However, we must assume that we misunderstood Mr Mandela, and that he and the ANC leadership support what is going on, since a single word from them could halt this whole crazy idea in its tracks," a bank executive said.

He warned, too, that the new campaign for sanctions and the enactment of the Cosatu code would send a clear signal to US business leaders that the issue of investing in South Africa would remain highly politicised and potentially problematic, even after sanctions are lifted and a new government is in place.

The Cosatu code, while "even rather modest by prevailing employment standards" was so vague and doctrinaire that it opened the way for argument over interpretation and would be seen by many business leaders as a source of future problems.

A company executive complained that there had been no consultation with US businesses and that "we can see a whole can of worms opening up which many people could well do without. If they had come to us and said, look, we want to encourage progressive employment practices, there would have been no problem. I do not know of any US company which would have objected to that.

Progressive employment practices had become a by-word for US multinationals and few failed in this regard, he said.

"But the code is simply a proclamation, made ex cathedra in the classic totalitarian tradition, by an organisation which has no national mandate in South Africa to do so, and now that we see the strategy unfolding of getting it enacted into law in the US, it is worrying us. We see it as a device not to help workers but to open the way for endless agitation and pressure in future from special interest groups in the US." □

ANC urged to halt new US sanctions

■ Is the sanctions monster rising up to strike South Africa once more?

(280) ARG 13/3/93

FRANS ESTERHUYSE, Weekend Argus Political Correspondent

AMID warnings that South Africa's ailing economy cannot take any more sanctions, the ANC has been urged to stop overseas pressure groups seeking new sanctions against this country.

The ANC leadership came under fire from politicians, economists and businessmen for failing to take a clear and firm stand on the sanctions issue.

The new sanctions row erupted this week after reports from Washington that three American states — New York, Oregon and Massachusetts — were proposing sweeping new sanctions. Other state and city legislatures were reported to be under pressure from ANC supporters in the US to follow suit.

The moves, coming after pressure from major ANC supporters in the US, are to involve the enforced sale of stocks, bonds and other assets by all state-controlled institutions — to begin within a matter of days.

Meanwhile confusion has arisen over the motives and strategy of the sanctioneers after a denial by the ANC in Johannesburg that it had called on American states for increased sanctions against South Africa.

The ANC statement said: "This is alleged to be happening in response to a specific call from the ANC. The ANC has made no call for increased sanctions." A Democratic Party finance spokesman, Mr Jasper Walsh, expressed concern about the new development in the US and urged the ANC leadership to do something about it.

"The ANC leadership must firmly deal with this issue and not sit back and allow additional sanctions to be imposed," Mr Walsh told Weekend Argus yesterday.

"They must now use their influence overseas to stop pressure groups attempting to broaden sanctions against this country."

On the prospect of more sanctions, Mr Walsh said: "Whereas we welcomed Mr Nelson Mandela's statement that the ANC would at last support the lifting of sanctions when the date of an election had been announced, we condemn moves afoot in the US to introduce additional wider-ranging sanctions, allegedly at the instigation of ANC members and supporters abroad.

"The ANC must stop being ambivalent on this critical issue as our economic survival depends upon renewed economic growth."

Economist Professor Attie de Vries of Stellenbosch University Business School said South Africa simply could not carry the burden of any more sanctions.

"Our economy is weak. We are in the lowest recession since the first decade of this century. Our unemployment is high. One can continue argument on these lines ...

"But if we were now to be isolated further, it could push our economy over the edge into a free fall. Then it would become all the more difficult to recover over the short or medium term."

Professor De Vries suggested that under current conditions the first aim should be to seek the removal of all sanctions.

The ANC, in Johannesburg, said its national executive committee had recently passed a resolution recommending that on the announcement of an agreed date for elections, and on the establishment of a transitional executive council (TEC) and independent electoral and media commissions, as well as the enactment of a transition to democracy measure, sanctions on certain items should be lifted.

These included sanctions affecting diplomatic relations, gold coins, trade and trade credits, new investment, loans and other financial links.

"The committee took this decision because such developments would indicate a clear commitment to democracy. Lifting sanctions at that point would enable steps to be taken to assist an elected, democratic government to address the ailing South African economy and the hardships endured by the majority of our people," the statement said.

"The resolution of the ANC on sanctions was accompanied by a clear call to the investor community, both domestic and international, to seek active ways of involving those who were marginalised by apartheid in the investment projects they embark upon."

The ANC said the delays in setting up the TEC and the evident inability of the government to put an end to violence had, however, influenced opinion in the international community in the direction of further sanctions.

We saved black jobs - Germans

Sowetan 15/3/93.

By Bob Tilley
Sowetan Foreign Service

MUNICH — German firms which continued to invest in South Africa during the American-led "disinvestment" anti-apartheid campaign had contributed to stability there and had saved black jobs

This is according to the head of the German-South African Chamber of Trade, Mr Klaus Volker Schuurmann.

In an interview in the latest issue of the influential German weekly *Die Zeit*, Schuurmann denied that German trade and industry had taken advantage of the withdrawal of American investment from South Africa.

■ Germans say refusal to disinvest was right:

The *Die Zeit* interview was prompted by the strong German representation at the Johannesburg Industrial Fair — described as the "first official economic presentation by the Federal Republic of Germany" in South Africa.

The *Die Zeit* correspondent suggested the description was "perfidious" because Germany had always been unofficially present in South Africa "We don't always see political conditions as a hindrance or necessarily an indication of direction", replied Schuurmann

ANC should be driving a harder bargain with US

BDAY 16/3/93

SIMON BARBER in Washington

AS PART of its bid to convert the sword of sanctions into the ploughshare of economic assistance, the ANC hopes to sign a co-operation pact with the state of New York, to go into effect as soon as a "new multiracial government" is in place. The organisation may not see US-style federalism as the right model back home, but clearly it is interested in making use of the original.

A draft of the agreement, apparently readied for signature by Governor Mario Cuomo and ANC president Nelson Mandela when the latter was in the US for President Bill Clinton's inauguration, is circulating. With New York state legislators even now trying to pass a Bill to discourage US banks from lending to SA, the sooner the thing is signed the better.

In terms of cold resources, the agreement is likely to be pretty meaningless — the kind of symbolic gesture that local US politicians are prone to when they aspire to strut the international stage. However, its mere existence will perhaps encourage other state and local jurisdictions to stop boycotting American investment in SA when the ANC gives the word.

To say this is not to be rude to the ANC. Its heart is now clearly in the right place. But it must be realistic, or that heart is going to be broken, repeatedly.

New York has what it calls "international partnership programmes" with a number of countries. The agreement would extend such a programme to SA "in areas of economic development, education, small business development, trade and investment, culture, science and technology".

The text offers no guarantees that the state will do anything, only that it "may". Left unclear is whether this means it might, if it felt so inclined, or that it will, if permitted to do so by the new SA government. Perhaps subsequent drafts will adopt a less subjunctive word.

Under the heading of economic development, what New York "may" do is "provide advice" Topics might include "the non-white majority's capability to own and control the means of production", "advancing the economic competitiveness of the new multiracial SA" and "structuring a civil service system". Whether New York has anything worthwhile to say on such issues, especially the last, is open to debate.

More importantly, however, the state undertakes to promote trade with and tourism to SA. If all that means is that it will get out of the way and stimulate others to follow suit, the pact is more than worth the paper on which it will be signed. If the state goes further, and provides tangible benefits like scholarships to its universities and technical schools and internships in its public health department, so much the better.

And maybe the ANC is asking for too little. Much of what New York "may" do seems to imply nothing more than busy work and travel excuses for bureaucrats. What about asking Cuomo to offer local tax incentives for firms that invest in SA? Mandela should use all the moral suasion at his disposal while he still has it to squeeze substantive advantages out of this country Remember, once elections are held and a new government is in place, he will be just another African politician.

The good news is that the ANC is trying to do the right thing. Less cheering are its prospects for getting it done. This is because other state and local authorities, and the campaigners who drive them on the issue of SA, continue to have a strange concept of what helping means. The ANC needs to get on their case.

Oregon ended its SA investment boycott last year while the state assembly was out of session. With legislators back at work, some among them are trying to make trouble. What's a little trouble in an obscure west coast state? A lot if it becomes trend, which it might well become, because, until recently, it was a trend the ANC was itself promoting.

A Bill is before the assembly which would reimpose the boycott until the ANC specifically says otherwise What is dangerous here is not the reimposition — that is just silly — but the accompanying proposal to keep the boycott in force for those companies that do not comply with the ANC/Cosatu guidelines for foreign investors.

This is one of those dangerous ideas that look unexceptionable to the innocent (after all, are not all companies going to have to abide by the guidelines?), but are in fact time bombs if the new SA is serious about attracting investment. For foreign investors, there is a major difference between abiding by a host country's regulations and answering to its authorities, on the one hand, and being hassled by bureaucrats and campaigners back home, on the other.

Let US companies believe that even if an ANC government welcomes them with open arms, their SA operations are going to continue being scrutinised by domestic pests, and they are going to look elsewhere. They are not going to waste time and money filling in reports to satisfy American watchdogs about their SA affirmative action policies when those policies pass muster in SA itself. There are plenty of other opportunities in other countries that do not entail this burden.

The ANC/Cosatu guidelines may well be a decent starting point for legislation or rules that a transitional government might adopt, as long as they are enforced realistically Some of the standards may be a luxury SA cannot currently afford there will be a limit to what investors can justify spending in terms of social work, adult education and on ramps and other facilities to ensure there is no discrimination against the disabled.

But that is something South Africans must work out for themselves. To let others do it for them would not only be impractical, it would be a humiliating concession of sovereignty. So call off Oregon, and find other work for the support groups who were asked to agitate for such initiatives at last November's Riverside Church conference in New York.

By the same token, douse the proposal in the New York state assembly to force banks to disclose their SA activities annually. Even more importantly, start letting the US Congress know that the election of a new government might be the time to drop the federal law requiring US firms in SA to abide by some variant of the Rev Leon Sullivan's employment code. Compliance is expensive and time-consuming, and some argue that it forces a misallocation of resources. Again, SA must set its own rules.

Finally, even with bits of paper like that to be signed with Cuomo, drumming up investment and assistance is going to be hard. When SA has a nonracial government, chances are it will cease to have any special draw on America's attention. Indeed, it may even be that some major US firms that have withstood the boycotts and shareholder activism of the past decade will leave, having stayed put out of sheer stubbornness and a belief that they were helping.

But that is not a reason to keep badgering them. It is one more reason SA will have to find other, more positive ways, to keep itself interesting.

Tourist levies to promote SA

CT 16/3/93 (288)

Staff Reporter

DETAILS of a room levy to be charged each tourist and to be used to market South Africa as a destination, are still being thrashed out, Mr Greg McManus, Satour's Director of Standards, said yesterday

Mr McManus said graded establishments would have to collect a tourism development levy based on a fixed amount per room per night.

"This money will be used to market South Africa as a tourist destination internationally and locally", he said.

Mr McManus said all participants in the scheme would be included in the Satour Accommodation Guide, have access to the Satour development and research database and get special Satour marketing and advertising rates.

He said the new voluntary grading system, aimed at bringing the tourism industry in line with international trends, was to be introduced by the SA Tourism Board.

Implementation of the new three-category grading system would start on April 1, or when the new consolidated Tourism Bill was passed in Parliament.

All tourist accommodation establishments would be classified into three categories: Listed accommodation, graded establishments and classified establishments.

Norway lifts SA sanctions

OSLO, Norway. — Norway lifted its trade sanctions against South Africa yesterday because of progress in efforts to replace apartheid with democracy, the Foreign Ministry said. ST 16/3/93

Foreign Ministry spokesman Mr Ingvard Havnen said trade and investment boycotts were cancelled, although Norway continued to abide by UN embargoes on the sale of petroleum and arms to SA. — Sapa-AP (280)

Policy about-face as govt imposes sanctions

BIDAY 17/3/93

280

IN A policy about-face, government has decided it does support the idea of economic sanctions after all, and has prohibited SA companies from trading with the Federal Republic of Yugoslavia — made up of Serbia and Montenegro.

The ban — in keeping with a UN decision to stop trade because of Serbian aggression in Bosnia-Herzegovina — has been gazetted.

A Foreign Affairs spokesman said the decision was taken in line with an announcement by Foreign Minister Pik Botha last year that SA would adhere to all mandatory UN Security Council regulations, including sanctions.

RAY HARTLEY

The spokesman would not comment on whether SA had changed its long-held view that sanctions were ineffective as they hurt ordinary people and not those in power.

Trade and Industry chief director of foreign trade Bert Pienaar said the move was unlikely to have any effect on SA businesses as his department was not aware of any SA company engaged in trade with Yugoslavia.

He said before the break-up of Yugoslavia, SA companies had exported steel to the country, but this was no longer the case because of the civil war.

"It's like Angola. Nobody's doing trade with Angola, there's too much conflict there," he said, adding: "It would be highly irresponsible for SA not to go along with UN sanctions."

US firm blacklisted for violating social code

BIDAY 17/3/93

280

SIMON BARBER

WASHINGTON — The State Department has publicly blacklisted Schenectady Chemicals Group Inc (SCG) because its SA subsidiary failed to make a "good faith" effort to advance black employees and invest in social programmes outside the workplace.

Another 15 firms have been placed "on probation" for the same reason and told to do better.

In addition to the bad publicity, the blacklisting means SCG, a privately held concern with a controlling interest in Schenectady Chemical SA (Pty) Ltd (SCSA), is being denied official export aid.

A company official said the only person who could comment was "out of town". SCSA is said by the Investor Responsibility Research Centre to have 35 employees.

By law, all US companies that control SA operations with 25 or more employees are required to register with the department annually. Those that do not subscribe to the statement of principles overseen by accounting firm Arthur D Little, are required to prove compliance with a similar code administered by the department's southern African affairs office.

In 1991, the period covered by the department's latest compliance report, released last week, 26 companies opted to be vetted by the US government rather than Arthur D Little, whose requirements are more costly and time consuming.

All 26, whose combined SA workforce was put at 4 888, were judged to have met the department's basic requirements: workplace desegregation, equal employment opportunity and benefits, equal pay for equal work, a minimum wage at least 30% above Unisa's minimum living level for a family of five in urban areas, and union recognition.

SCG and the 15 probationers fell short in setting up programmes to train and promote blacks and in taking steps "to improve the quality of employee's lives outside the work environment with respect to housing, transportation, schooling, recreation and health".

The remaining 10 firms were said to be "making satisfactory progress".

...again in 1993/94.
The investigation continues.

'Fear must be addressed'

LLOYD COUTTS

MORE Afrikaners would find a political home in the ANC if the organisation was given an opportunity to convey its views without distortion, ANC spokesman Carl Niehaus said yesterday.

Addressing a meeting at Rand Afrikaans University (RAU), Niehaus said support from Afrikaners would come if the ANC could address fears about the preservation of the Afrikaans language and culture.

"There is no other political organisation in SA with a longer and stronger history of struggle for a non-racial and democratic country. But even if you are not prepared to vote for us we still have a duty to address your fears so that you do not refuse to participate in the democratic process out of fear," he told students. BIDAY 18/3/93.

A settlement was needed soon on democratic elections. Broederbond control needed to be wrested from the SABC and security forces.

New York state set to push investment in SA

BIDAY 18/3/93

SIMON BARBER

WASHINGTON — New York state is talking to the ANC about ways to stimulate investment in SA once a multiracial government is in place, an aide to Governor Mario Cuomo said.

The final draft of a co-operation agreement to be signed by Cuomo and a new SA government would be ready soon, the executive director of Cuomo's advisory council on black affairs, Charles Moses, said.

"I hope we will take the lead. New York is uniquely equipped to carry out this mission."

Moses had been working on the text with ANC representatives and with the office of New York city mayor David Dinkins.

The agreement would extend New York's International Partnership Programme to SA. Countries currently participating included Poland, Lithuania, Ireland and Japan.

Benefits outlined in a draft now circulating include internships for SA blacks in New York's public health department, scholarships to state universities and technical colleges. The state might also establish a trade mission in SA, and would be on the record favouring investment.

Areas in which assistance would be offered included small business development, trade and investment promotion, education, science, public health, medical care and agriculture.

"When we get this thing signed, you're going to see a lot of exciting things happen," Moses said.

He said he had begun discussing the idea with Cuomo in 1991 as an alternative to sanctions legislation which the state assembly had refused to enact.

Moses said the date of signature, January 18 1993, had nothing to do with ANC President Nelson Mandela's presence in the US for President Bill Clinton's inauguration.

He said it would be up to Mandela and the ANC to decide whether it could be signed by the transitional executive expected to take power this year, or to wait for an interim government.

UN backs opening of business data system

PETER DELMAR

TWO UN agencies have publicly endorsed SA's inclusion in an international business information system.

The UN Industrial Development Organisation (Unido) and the UN Conference on Trade and Development (Unctad) have backed the SA launch of the Swiss-based Kompass information system.

Safto is launching the SA edition of Kompass which will feature 15 000 local companies.

Kompass currently operates through 61 companies in 130 countries.

Unido director-general Domingo Siason said the local publication was a long-awaited development. "Unido sees extensive scope for co-operation with SA companies in its efforts to secure new investment for, and transfer of technology to, the developing countries," Siason said.

Until now UN agencies have been reticent about openly expressing commercial links with SA. The UN Development Programme recently denied it was compiling data on potential SA contractors for development projects in Africa.

Kompass chairman Max Neuenschwander said yesterday the local publication would boost small and medium-sized business while exposing SA products to export markets worldwide.

Development of a local data base was encouraged by the two UN bodies, said Neuenschwander, who had been compiling a worldwide network on their behalf, of which SA would form an important part.

One use would be in Unctad's efforts to boost international trade with developing countries through the 200 trade efficiency points identified by an Unctad summit last year.



DAVID BRIDGMAN . . . ready to swing into action

PUSH FOR REINVESTMENT

By JEREMY WOODS

THE setting of an election date for multi-party elections will trigger the biggest marketing drive for foreign investment South Africa has ever seen.

"If there is ever a signal for reinvestment in South Africa it must be the forthcoming election date," says economist David Bridgman of Wesgro, the Western Cape development organisation. ST Times Bus 5 21/3/93.

All major cities — Cape Town, Johannesburg and Durban — are involved in the marketing push.

Cape Town alone is spending more than R2-million a year on its marketing drive and the other cities are spending similar amounts.

"We are busy preparing ourselves for the election date. Then we'll swing into action," says Dr Bridgman. "We are much more competitive than we think we are, and South African businessmen should wake up to the fact," he says.

A recent study by Brussels-based Plant Location International, a subsidiary of Price Waterhouse, concluded that SA was one of the most competitive places in the world to establish a manufacturing plant.

The main reasons cited were cheap electricity, outstanding physical infrastructure, good business infrastructure and competitively priced semi-skilled and moderately skilled labour.

"Commercial rands were used in the calculations done for the study, but an overseas manufacturer wanting to set up a plant here to export goods can use the financial rand with an effective 40% discount, plus tax incentives from the Regional Investment Development programme for plant costs, and GEIS when goods are exported," says Dr Bridgman.

"This can result in a pay-back period of between two and three years of the original investment," he says.

Investments in SA can be repaid to the country of origin in commercial rand or via dividends or interest.

Strict US rules hold up cash for ANC, IFP

STRINGENT accounting requirements are slowing disbursal of US "democracy" money to the ANC and the IFP.

Responsible for ladling out the $10-million (R32-million) initially appropriated by Congress in 1990 to help the ANC and other parties prepare for democratic elections is the US-SA Leadership Exchange Programme (Ussalep), a respected private group.

Its Washington-based director, Robin Hoen, admitted last week that it was having difficulty pushing the money, which includes R12-million for the ANC, out of the door to recipients.

By SIMON BARBER
Washington

"It's going very slowly," Mr Hoen said, "because the purpose is very restricted. It's hard to spend the money in accordance with the terms and conditions."

These include a fully documented accounting for expenditures by recipients.

The lifespan of the so-called "Transition to Democracy Project" — which should have been almost complete by now — has had to be extended by 15 months. When initially proposed by the Congressional Black Caucus, the project was supposed to be a slush fund to help the ANC build up its political operation in South Africa after years in exile.

After months of haggling between the sponsors, Congressional Republicans and the State Department, it was finally decided that most of the money should be divided between the ANC and Inkatha, with the former getting the larger share.

The funds were to be spent on office expenses, and further delays were generated in a debate over whether the parties could use the funds to pay salaries.

It was finally agreed that they could not.

Expenditures would be limited to equipment and furniture.

Mr Hoen downplayed suggestions that there were problems with the accounts submitted by the recipients, preferring to stress the stringency of the accounting rules laid down by the US government.

Ussalep and the parties were also discussing using remaining funds for voter education programmes.

Star. 23/3/93

AECI opens doors with US

The US Trade and Development Agency, in the first grant of its kind since the introduction of sanctions, has made $450 000 (R1,44 million) available to AECI for a feasibility study into the production of penicillin in South Africa. AECI will match the amount.

280

Star 24/3/93

ANC opposes new US sanctions

(280)

By Hugh Roberton
Star Bureau

WASHINGTON — The ANC distanced itself yesterday from moves to expand sanctions against South Africa.

The organisation claimed in a statement released in Washington and Johannesburg that "the delays in setting up the Transitional Executive Committee and the evident inability of the Government to put an end to the continuing violence have influenced opinion in the international community in the direction of further sanctions".

But the fact remains that those pressing for new sanctions in the states of New York, Massachusetts and Oregon are all supporters of the ANC, and in their lobbying effort to get the new measures in place as a matter of urgency they have claimed to be acting with the support of the ANC.

Furthermore, groups which support the ANC have visited several leading US banks in recent days to urge them to sever their correspondent links with South African institutions.

They have also visited US corporations which are known to be considering plans to invest in South Africa, warning them that to do so could unleash the sort of shareholder resolutions which finally persuaded many US companies to withdraw from South Africa.

The ANC's statement denying that it has called for new sanctions suggests that there is a profound difference emerging between the organisation and some of its supporters in the US who have been accused of desperately trying to keep alive the anti-apartheid crusade even as the ANC moves closer to calling for an end to sanctions.

"The ANC has made no call for increasing sanctions," the statement said. "Our national executive committee did recently, however, pass a resolution recommending that on the announcement of an agreed date for elections, and on the establishment of the TEC and the independent electoral and media commissions, as well as the enactment of the Transition to Democracy Act, sanctions affecting diplomatic relations, gold coins, trade and trade credits, new investment, loans and other financial links should be lifted.

"The lifting of most sanctions was therefore brought much closer than ever before..."

There was no immediate comment from groups pressing for new sanctions, although it is understood they were aware of the ANC's intention to issue a statement on the matter.

Star 24/3/93

ANC opposes new US sanctions

(280)

By Hugh Roberton
Star Bureau

WASHINGTON — The ANC distanced itself yesterday from moves to expand sanctions against South Africa.

The organisation claimed in a statement released in Washington and Johannesburg that "the delays in setting up the Transitional Executive Committee and the evident inability of the Government to put an end to the continuing violence have influenced opinion in the international community in the direction of further sanctions".

But the fact remains that those pressing for new sanctions in the states of New York, Massachusetts and Oregon are all supporters of the ANC, and in their lobbying effort to get the new measures in place as a matter of urgency they have claimed to be acting with the support of the ANC.

Furthermore, groups which support the ANC have visited several leading US banks in recent days to urge them to sever their correspondent links with South African institutions.

They have also visited US corporations which are known to be considering plans to invest in South Africa, warning them that to do so could unleash the sort of shareholder resolutions which finally persuaded many US companies to withdraw from South Africa.

The ANC's statement denying that it has called for new sanctions suggests that there is a profound difference emerging between the organisation and some of its supporters in the US who have been accused of desperately trying to keep alive the anti-apartheid crusade even as the ANC moves closer to calling for an end to sanctions.

"The ANC has made no call for increasing sanctions," the statement said. "Our national executive committee did recently, however, pass a resolution recommending that on the announcement of an agreed date for elections, and on the establishment of the TEC and the independent electoral and media commissions, as well as the enactment of the Transition to Democracy Act, sanctions affecting diplomatic relations, gold coins, trade and trade credits, new investment, loans and other financial links should be lifted.

"The lifting of most sanctions was therefore brought much closer than ever before..."

There was no immediate comment from groups pressing for new sanctions, although it is understood they were aware of the ANC's intention to issue a statement on the matter.

'Strife keeping investors out'

KELVIN BROWN

IT WAS impossible to expect foreign investors to invest in SA when local businessmen did not have enough confidence in their own country, Japanese ambassador to SA Katsumi Sezaki said yesterday.

Political instability in SA was the main reason keeping Japanese investors out of the country.

Speaking at the Omega SA-Japan course in Japanese business management he said to date no Japanese businesses had invested in SA to any great degree.

Violence was detrimental to a creating a healthy investment climate, and it was natural forJapanese investors to adopt a wait-and-see attitude.

The 70 states and municipalities in the US which still maintained rigid measures against companies doing business with SA was another major deterrent, Sezaki said. It would help considerably if black political organisations dropped sanctions.

Major Japanese companies had large business interests in the US and did not want to damage their corporate image in that country.

But even if the ANC announced it supported the ending of sanctions, Sezaki said many investors would not come to SA because of the lack of certainty about the economic policies of the new goverment leaders. It remained to be seen what policies on foreign investment a transitional government would adopt.

"It is unclear what their views are on corporate taxes, work permits for foreigners, the percentage of local components, labour policies and assurance for remmittance." But it was encouraging to hear that ANC leaders were talking openly about market principles and the importance of the private sector.

There were also technical questions that had to be answered before Japanese investors made up their minds to invest in SA. The high cost of unskilled labour would have an adverse effect on investment in SA.

Labour costs in SA were expensive compared to Asian countries, Sezaki said.

'Sanctions drive harms all SA'

Star 25/3/93

280

CAPE TOWN — Political leaders who continued to plead for economic sanctions against South Africa were harming every South African, President de Klerk said yesterday.

Replying to a question from Louw Retief (NP Graaff-Reinet) asked during the State President's question time, he said sanctions disadvantaged all South Africans and had a debilitating effect on the economy.

De Klerk welcomed the lifting of sanctions by Norway. — Sapa.

Investors to be urged to 'take a long view'

Star 26/3/93

280

Staff Reporter

The South Africa Foundation would encourage international investors to take the long view on the potential of South Africa and continue to press for the lifting of remaining sanctions, director-general Kurt von Schirnding told the foundation's annual meeting, held in Sandton yesterday.

The meeting saw Meyer Kahn, chief executive of South African Breweries and a member of the Economic Advisory Council, take over the presidency of the foundation from Warren Clewlow. Kahn has served for several years as a trustee of the foundation.

Von Schirnding said the foundation would in coming years "engage our contacts in the major democracies to use their influence to ensure that South Africa becomes, and remains, a multiparty democracy with a market economy".

The organisation had stepped up contact with multinational agencies, such as the World Bank and International Monetary Fund, and was targeting a generation of rising young leaders who have had little exposure to South Africa, except in negative contexts.

The foundation's London director, John Montgomery, said in 1992 that British confidence levels in relation to South Africa sank to their lowest since President de Klerk's election. Although 1993 held more promise, "caution has become slower to ease".

From the Bonn office, Rudolf Gruber reckoned there was a keen awareness that Europe could not allow Africa to "collapse into anarchy and destitution" and that South Africa could be the key to redevelopment in the region.

Paris director Desmond Colborne made some stinging observations about South African "anti-diplomacy". He singled out the Springbok rugby team but granted they "would yield pride of place to ex-President Botha, who had former German leader Willy Brandt bodysearched before wagging his finger at him in Tuynhuys".

More recently, there was the advertising copywriter who informed people that "the wine on South African Airways flights would be a little Italian but that the pilot, thank goodness, would not".

Noting that Italy's Leonardo da Vinci anticipated air travel a good two centuries before Jan van Riebeeck got to the Cape, Colborne ventured: "Faux pas — false steps — happen when people don't watch where they put their feet. Perhaps they have their eyes on their navels instead. Too much inward-looking isolationism has made too many of us lose sight of how the world works."

SUNDAY TIMES CAPE METRO

US hair firm under fire

(250)

By JESSICA BEZUIDENHOUT

AN American hair-product manufacturing company allegedly operating in South Africa under the pretext of providing education and training in hair care to black people, has come under fire from two former employees.

The two — one from Cape Town and the other from Johannesburg — claimed the company's local management had made several "unfulfilled" promises about the rate of payment to sales representatives, petrol allowances and working conditions

Soft Sheen — said to be one of the biggest ethnic hair-care manufacturers in the world — came to SA last June following the African National Congress's announcement that overseas investors should explore the market here.

However, according to an ANC spokesman, Aziz Pahad, no trading was to take place until a Transitional Executive Council had been established.

Soft Sheen, which had its head office in Chicago, Illinois, appeared to have ignored the fact that the State of Illinois was still imposing economic sanctions against SA, said former employee Anver Saferdien

Mr Saferdien said he had been appointed as an education manager, but was used instead as a field worker to market the products.

The only education provided were the product demonstrations given at salons to encourage sales, he claimed.

The company had brought out Americans to perform duties that could have been carried out by suitably-qualified South Africans, he said.

Mr Saferdien, who worked for the company in Johannesburg, claims he received a letter last week terminating his services as from April 1.

The letter said the company was to concentrate on the independant countries bordering SA and would no longer employ South Africans in its local operation, he said.

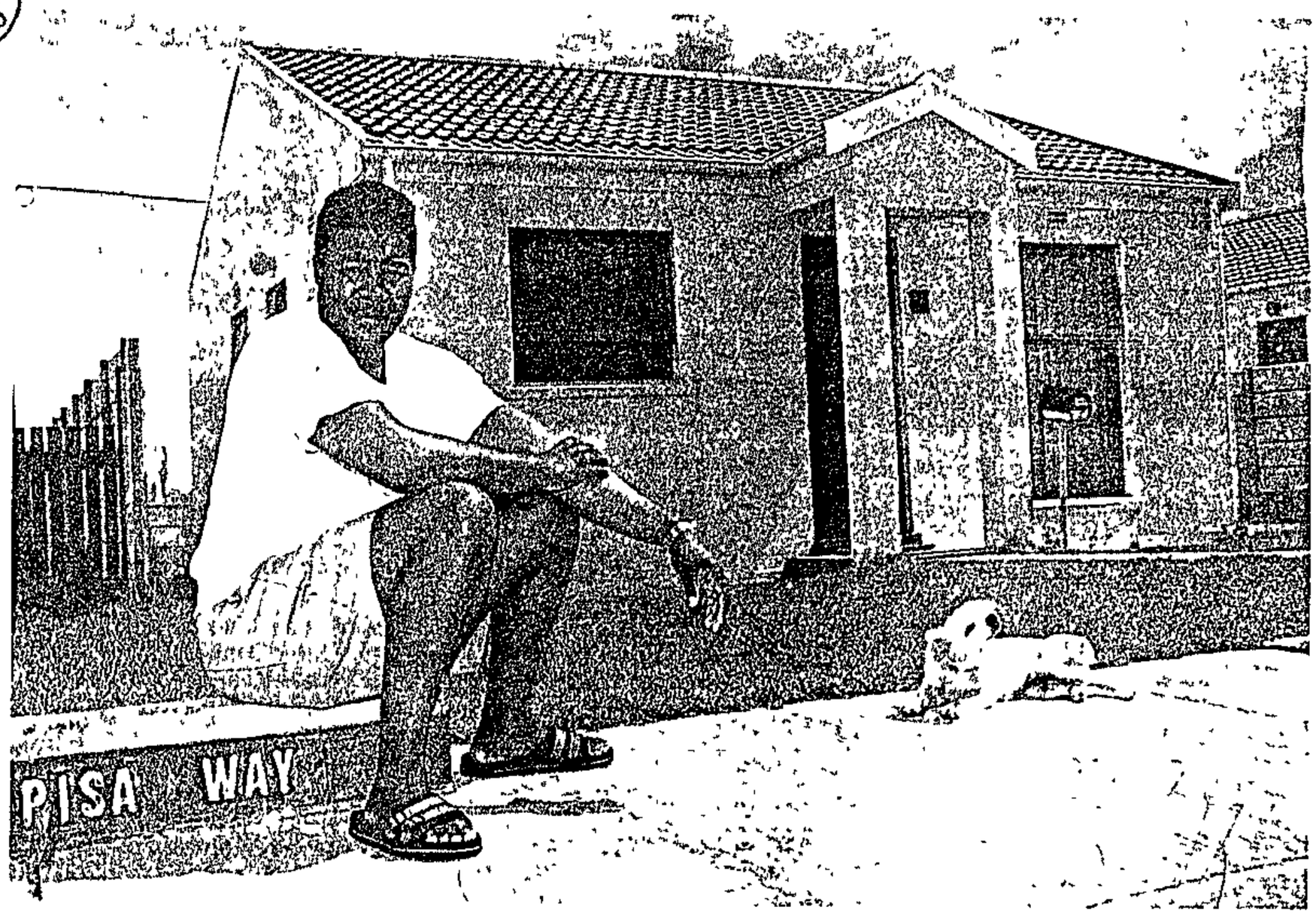
A company document in possession of the Sunday Times says that "if sanctions against SA are not lifted, then the strategy to intensify and expand distribution efforts in Namibia, Lesotho and Botswana will be accelerated from September this year".

A young Cape Town man claimed that he was facing financial ruin as the company had not paid his salary since January, although his services had been terminated only this week.

Ian Page, formerly employed as a sales representative in Cape Town, claims his car has been repossessed and that he is on the verge of losing his house in Strandfontein, Mitchells Plain, because he has been unable to make his bond repayments for the past two months.

Ike Papageorge, legal representative for Soft Sheen in South Africa, denied that the company was involved in any unfair labour practices.

Although Soft Sheen had its head office in Chicago, this did not affect the company's operations here as Soft Sheen in SA was, among other things, a South African-registered company, he said



UNHAPPY ... Ian Page faces financial ruin Picture: AMBROSE PETERS

ST Times [Cape metro) 28/3/93

ANC blocks new sanctions drive

ARG 31/3/93

280

HUGH ROBERTON
The Argus Foreign Service

WASHINGTON. — The threat of further sanctions against South Africa in the states of New York, Massachusetts and Oregon has receded following a statement by the ANC earlier this month distancing itself from the new initiative.

According to legislative leaders in New York and Oregon, the unexpected demands for new sanctions by supporters of the ANC in these states almost certainly would not be pursued during the current legislative season.

In Massachusetts a comprehensive sanctions proposal "probably" would be shelved, according to officials who said they were aware of the ANC's disclaimer of responsibility for the renewed sanctions demand.

State legislators said that senior South African diplomats had also asked for the scrapping of the proposed sanctions, arguing that they would make the final stage of negotiations on a transitional administration in South Africa more difficult and would exacerbate economic hardship and unemployment.

The ANC's statement, saying that the organisation had not asked for the new sanctions, followed reports of efforts by supporters of the ANC in the US to get the new measures introduced at a time when the ANC itself was moving closer to calling for an end to sanctions.

Commenting on the apparent end to the sanctions campaign today, the South African ambassador, Mr Harry Schwarz, said the obvious impression was that the ANC had issued its disclaimer in response to Press reports, "and I think that demonstrates the advantages of a free and independent Press in South Africa."

He added that there appeared to be a communications gap between the ANC and some of its supporters in the US on the sanctions issue which he hoped had now been ameliorated.

ANC blocks new sanctions drive

ARG 31/3/93

280

HUGH ROBERTON
The Argus Foreign Service

WASHINGTON. — The threat of further sanctions against South Africa in the states of New York, Massachusetts and Oregon has receded following a statement by the ANC earlier this month distancing itself from the new initiative.

According to legislative leaders in New York and Oregon, the unexpected demands for new sanctions by supporters of the ANC in these states almost certainly would not be pursued during the current legislative season.

In Massachusetts a comprehensive sanctions proposal "probably" would be shelved, according to officials who said they were aware of the ANC's disclaimer of responsibility for the renewed sanctions demand.

State legislators said that senior South African diplomats had also asked for the scrapping of the proposed sanctions, arguing that they would make the final stage of negotiations on a transitional administration in South Africa more difficult and would exacerbate economic hardship and unemployment.

The ANC's statement, saying that the organisation had not asked for the new sanctions, followed reports of efforts by supporters of the ANC in the US to get the new measures introduced at a time when the ANC itself was moving closer to calling for an end to sanctions.

Commenting on the apparent end to the sanctions campaign today, the South African ambassador, Mr Harry Schwarz, said the obvious impression was that the ANC had issued its disclaimer in response to Press reports, "and I think that demonstrates the advantages of a free and independent Press in South Africa."

He added that there appeared to be a communications gap between the ANC and some of its supporters in the US on the sanctions issue which he hoped had now been ameliorated.

Threats of sanctions from 3 states recede

Star 11/4/93

280

By Hugh Roberton
Star Bureau

WASHINGTON — The threat of further sanctions against South Africa in the states of New York, Massachusetts and Oregon has receded.

This follows a statement by the African National Congress earlier this month distancing itself from the new initiative.

According to legislative leaders in New York and Oregon, the unexpected demands for new sanctions by supporters of the ANC in these states almost certainly would not be pursued during the current legislative season.

In Massachusetts, a comprehensive sanctions proposal "probably" would be shelved, according to officials who said they were aware of the ANC's disclaimer of responsibility for the renewed sanctions demand.



Harry Schwarz . . . free press vindicated.

State legislators said that senior South African diplomats had also asked for the scrapping of the proposed sanctions, arguing that they would make the final stage of negotiations on a transitional administration in South Africa more difficult and would exacerbate economic hardship and unemployment.

The ANC's statement, saying that the organisation had not asked for the new sanctions, followed reports in The Star of efforts by supporters of the ANC in the US to get the new measures introduced at a time when the ANC itself was moving closer to calling for an end to sanctions.

Commenting on the apparent end to the sanctions campaign today, the South African ambassador, Harry Schwarz, said the obvious impression was that the ANC had issued its disclaimer in response to media reports, "and I think that demonstrates the advantages of a free and independent press in South Africa".

He added that there appeared to be a communications gap between the ANC and some of its supporters in the US on the sanctions issue which he hoped had now been ameliorated.

US company executives welcomed the change, noting that legislators appeared to agree with the argument that the Cosatu code for new investment in South Africa, which was included in the proposed new legislation, usurped the authority of a future new government in South Africa.

The new government, rather than a trade union federation with no mandate to speak on behalf of the investment community or business, was the appropriate authority to draw up investment codes if these were considered necessary.

Validity

"By including the Cosatu code in the proposed new sanctions, we saw an attempt to enact in US law a set of regulations which did not even have legal validity in South Africa itself, and which were drawn up without any form of consultation with those who would be most directly affected.

"Suffice it to say that the US investment community did not view this as a glittering example of democracy in action," one company executive said.

'ANC has final say on sanctions'

(280) CT 8/4/93

By AUDREY D'ANGELO
Business Editor

AMERICAN cities and states will not lift sanctions until the ANC says so, the SA ambassador to the US, Harry Schwarz, said in Cape Town last night.

And, he told a seminar organised by stockbrokers Davis, Borkum, Hare at the Cape Sun, there will be no finance from banks or private investors "until there is a commitment from the people who are going to be in the next government that existing debt will be honoured."

However, Schwarz said, SA now received $80m a year in aid from the US — which was a fraction of the amount just made available to Russia.

Plans had been prepared by the World Bank for measures to uplift the under-privileged and money would be available to implement them when the interim government was in place.

"There has to be some satisfaction of expectations if we are to have stability in SA. It will come from the World Bank."

Schwarz said the condition given in the US for the lifting of most sanctions was "the reaching of internal consensus" in SA. He had found that, in most people's perceptions, that meant the agreement of the ANC.

Nelson Mandela was seen in the US as the liberator of the black people and a statesman. His reputation was untarnished and a clear line was drawn between him and Winnie Mandela, and what she might have done and might have said.



Harry Schwarz

But, Schwarz warned, the scenario sometimes put forward that it needed only a change of government and a nod from the ANC for money to pour into SA, with people queueing up to invest here, was wrong.

So was the scenario that Africa would be marginalised, remaining in turmoil with people afraid to invest here.

Provided this country could offer stability and a guarantee was given that previous debts would be honoured, SA would regain access to foreign finance.

There was an interest in the US in investing in exotic countries. Several funds had been set up for this purpose, investing in countries like Indonesia.

"We need only a very tiny percentage of the money being invested in unit trusts in the US to make a major impact in SA.

"I think we are going to find — probably next year — people starting funds to invest in SA."

Discussing the attitude of the Clinton administration towards SA, Schwarz pointed out that the situation had changed since Jimmy Carter was president. The Democrats were opposed to apartheid. In Carter's time SA was an apartheid regime, now it was a country where apartheid had been abolished.

The Clinton administration was concerned principally with the internal affairs of the US and foreign policy came second.

But the US president, Bill Clinton, was concerned with human rights and democracy and therefore minorities in SA would have a champion.

His administration would be supportive of a move towards real democracy in this country. His secretary of state had already pointed out the advantages of the US federal system in a country with a number of ethnic groups.

The US was anxious for democracy to succeed in SA because if it failed here it was unlikely to succeed anywhere else in Africa.

In answer to questions, Schwarz said the International Monetary Fund disapproved of a two-tier financial system and of exchange controls. However, it realised that exchange controls could not be lifted in SA's present situation.

Most business people had nothing against the two-tier financial system, which allowed them to invest with the financial rand and receive interest in commercial rands.

SA must export processed goods

CPress 11/4/93

■ MONEY TALK

IT was with considerable surprise that South Africans read during the past week that the US government was complaining that SA was unfairly restricting the entry of American goods into its markets.

After all, Washington has been in the vanguard of the sanctions campaign against this country. Even today certain of its cities and states are still applying sanctions. It has been alleged that some are even considering the tightening of these sanctions.

Why?

Firstly, the US is running a massive deficit in its business dealings with the rest of the world. Even Washington seems to realise the only way to pay debts is to earn foreign exchange by increasing exports.

Secondly, we are part of a general group of 44 countries that stand accused by the US of unfair trading practices.

Thirdly, there is growing awareness in the US that increasing unity in Europe during the next decade will cause competition in international trade to become much tougher. At the same time south eastern Asia is making rapid strides as a trade bloc under the leadership of Japan.

SA is not a part of the three dominant trade blocs, but must somehow find its way among the industrial giants of the world.

So how should we approach Washington's accusation about unfair trade practices?

The old principle that there are no friends in international politics but only common interests should apply. It is as much in our interest to increase trade with the Americans as it is in theirs. So let us use the opportunity to take a careful look at how this can be achieved.

Another important point is that America, in contrast to Europe, expects a reasonable growth rate this year. It is important that we ensure that we benefit from this, because the US is a large buyer of many of the commodities we can supply.

However, we should bear in mind that while it is fairly easy to sell our relatively low-priced raw materials to the outside world, the real need is jobs for our rapidly growing population. And this will have to come from manufacturing and the local beneficiation of metals and minerals.

Let us bear this in mind when negotiating with the Americans and our other trading partners. These negotiations are going to be tough, because – make no mistake – while the Americans may be quick to cry foul they are far from being innocent of restrictive trade pratices.

Star 12/14/93

World Bank aid waiting on go-ahead from ANC

280

By Bruce Cameron

CAPE TOWN — The World Bank is standing by to pump millions of dollars into development aid, education, health care, electrification and the alleviation of poverty in South Africa.

But the bank will only initiate the aid when the ANC gives the green light, says Harry Schwarz, South African Ambassador to the United States.

At a function organised by stockbrokers, Davis, Borkum, Hare in Cape Town, Scwharz said remaining US sanctions would stay in place and access to International Monetary Fund (IMF) stand-by facilities would be blocked until the ANC gave the signal.

The World Bank development aid would be followed by significant aid from the US, he said, but warned that American private sector investment would not come until there was stability and political certainty.

Schwarz said President Bill Clinton's administration was showing sympathetic support for South Africa in the move away from apartheid and could prove to be the salvation of South African minority groups because of commitment in foreign policy to a liberal democracy and human rights.

The administration also favoured a federal system, similar to that in the United States, for South Africa.

Schwarz said two scenarios were being painted for South Africa.

South Africans should be under no illusion that the remaining sanctions would be lifted before there was what was termed "internal consensus" — meaning until there was ANC agreement.

The World Bank had gone ahead with various studies on various aspects of the South African economy and was poised for the next step.

The bank realised that unless some expectations could be satisfied in the short term, South Africa's democracy would be very fragile.

Its next step would be to plan strategies to deal with poverty alleviation, electrification, education and health care.

Schwarz said it was now urgent that the ANC give the go-head for the project-planning stage.

Even if the go-ahead was given now for the planning, nothing would come to fruition until after the first elections.

Schwarz said a major impetus would come from the World Bank, but that it would also be boosted by increased US aid.

US aid would be given because it was felt there would be a moral obligation to make good the damage caused by sanctions and because there would be a better return in South Africa than anywhere else because of the infrastructure.

The US would also seek to ensure the survival of democracy in South Africa in an attempt to spread democracy through the rest of Africa, he said.

(280)

Norwegian investment

THE first investment in SA by a Norwegian company since sanctions were lifted by Norway in March this year was concluded recently. Norwegian company Jotun Polymer has decided to invest R1m-R2m to set up a southern African distribution network for its polyester resins and gel coats.

Engen to import crude directly

EDWARD WEST

ENGEN would import crude oil directly from oil-producing countries in future, logistics GM Pete Bartlett said yesterday.

The move to operate outside the state procurement agency, SFF Association, set up to source crude for SA's oil refiners during the sanctions era from 1981, would prepare the group to operate in a deregulated environment.

Bartlett said that the relaxation on crude oil procurement structures was made possible by a steady evolution of political perceptions of SA over the past 18 months.

The re-establishment of links by members of Arab League countries with SA's fuel industry, was an example of this change in attitudes, he said.

Although small quantities of crude had been purchased outside leviable crude oil supplies for re-export purposes for a number of years, oil companies had begun sourcing from outside the SFF since 1992, said Bartlett.

He declined to disclose the quantity involved, but the volume of crude oil sourced from the SFF was falling monthly.

Engen had eliminated a level of costs as a result, but the irony was that savings could not be passed on to the consumer because of price control by government.

Although sourcing outside the SFF would prepare Engen for deregulation, the decision was political.

A number of issues would have to be addressed first, such as reconciliation of deregulation with SA's protected synfuels producers, Sasol and Mossgas, Bartlett said.

BUSINESS Seminar on the workings of the World Bank

Business looks north of the Limpopo

Soweta 22/4/93.

AFRICAN OPPORTUNITIES The continent opens up for South Africa:

By Mzimkulu Malunga

SANCTIONS are steadily becoming history and more South African companies are looking up-north and exploring business in Africa.

A two-day conference to enlighten local companies on business opportunities north of the Limpopo is to be held at the Sandton Sun on May 6 and 7.

Officials from the World Bank — institutions and organisations associated with it will be participating — will for the first time send representatives to take part.

The gathering is being organised by the South African Institution of Civil Engineers with the support of the South African Foreign Trade Organisation.

Though interest exists, many South African businesses are adopting a wait-and-see attitude before getting involved in ventures in Africa.

Logistics

Insights regarding procedures and logistics when doing business in Africa will come under the spotlight.

The World Bank spends more that R61,6 billion on development projects in Africa. About 30 000 contracts are awarded to companies by African governments every year.

About 70 percent of the money injected into Africa by the World Bank is spent on buying equipment for projects, 20 percent on civil works activities and 10 percent on consulting services.

"The conference will not only provide information on the opportunities of dealing with the World Bank but also the pitfalls," says Saice president Professor Fred Hugo.

World Bank operations in Africa could offer lucrative business contracts to local business but certain procedures have to be followed to gain access.

World Bank projects range from nurturing agricultural output and infrastructural construction to the supply of basic needs like water and electricity.

US-EC trade war averted by contract deal

STRASBOURG — The US and the European Community last night reached partial agreement in their trade dispute over public procurement contracts Although Washington still planned to go ahead with reduced trade sanctions.

As part of the agreement, both sides agreed to open their government procurement markets for billions of dollars in services and heavy electrical equipment.

The EC and US had withdrawn from what could have been the brink of a trade war, said Sir Leon Brittan, EC trade commissioner.

But he said the US could still ban EC telecommunications companies from competing for US government procurement contracts. — Financial Times.

EAS?

national removals
eminar
ional relocation."

ds Training Centre,
t, Glen Austin,
alfway House.

sday of every month,
h00.

RICA S NO 1
TAFORD
LINES

VE YOU CAN MAKE
ST 1857

NEW ZEALAND IMMIGRATION CONSULTANTS LIMITED

NZ IC

CPO Box 3079, Auckland
NZ. Tel: 64-9-3602152.
Fax: 64-9-3601190

Ron Moncur, MD of the above company, is currently in South Africa to open a local office to assist the Auckland Head Office expedite our client applications.

If you are considering emigrating through New Zealand's foremost immigration consultancy and have tertiary or trade qualifications or business experience and money to invest, then call him at:

(011) 880-2989 ext 27 or
Fax (011) 884-5501 for an interview appointment.

8355

Eltsa goes into reverse

Star Bureau

LONDON — Eltsa (End Loans to South Africa), long-time campaigner for the economic isolation of SA, is studying ways to reverse its orginal goal.

With SA entering the post-apartheid phase, the movement hopes to stimulate investment in the New South Africa.

Just one indicator of how overseas perceptions have changed is that Eltsa's soul-searching comes at a time when SA faces some testing economic problems.

And since these are widely regarded as presenting serious obstacles to a peaceful future, Eltsa plans to make its programme a priority.

Co-ordinator David Craine says: "We are considering how, once sanctions are lifted, we could turn our activity round and encourage loans — or, at least, lobby for assistance to be given to the Southern African region through economic linkages."

Star 26/4/93

SA 'will have to change thinking on exports'

When all sanctions are finally lifted, South Africans must become far more oriented towards exports, Safto chief Len van Zyl tells Foreign Editor FREDERICK CLEARY.

APARTHEID is fading into history. The constitutional bandwagon is lurching forward, and so, with South Africans no longer pariahs, our businessmen are now welcome everywhere abroad, with lucrative export contracts waiting to be picked up.

So some might think. The reality is somewhat different.

Sanctions still apply in many parts of the world, and only when Nelson Mandela gives the green light — probably when the Transitional Executive Council is formed and a general election date set — will doors be fully opened. Then we will have to fight hard to obtain a slice of a highly competitive yet fruitful market.

This is the view of Len van Zyl, chief executive of the South African Foreign Trade Organisation (Safto).

Flying the flag abroad, as Van Zyl and his 170-strong staff do, is one thing, but a handicap is the mentality of South African businessmen. Too many are not export-conscious enough.

"We never have really been export-oriented," Van Zyl said. "In the past we have always built our exports primarily on the stuff the Good Lord put in the ground. We would settle for taking it out of the ground and selling it to those countries which were not so fortunate.

"Our effort in exporting manufactured goods leaves a lot to be desired, and always has done.

"Thus, we never developed an export culture. We were far from the main markets. Africa took basic foodstuffs, so the economy was built primarily on the growing internal market.

"Many who did export did so only when they had a surplus. Consequently, the outside world formed a fairly negative opinion about South Africa as a trading partner."

True, attitudes have improved. But, said Van Zyl, South Africa is still not as vigorous an exporter as others, certainly not in the same category as Japan, other Oriental tigers and many European nations.

Political events over the past decade — sanctions and general hostility to this country — stultified whatever export growth developed. Now that this situation is changing, albeit slowly in many cases, a refocusing on marketing abroad is possible.

"We should study the Japanese. They did not say: 'We have it, therefore we will sell it.' They said: 'What do the big markets in America, with its 250 million consumers, and Europe, with its 350 million, need? Whatever they need, we will make.'

"We do not do that. However, to be fair, with our industrial and technological development, thing are changing. Take our motor industry. We are selling cars to China and components to other motor manufacturers, even BMW seats to Germany, and we are selling electronic and chemical components to Italy, and so the picture looks better. But it can improve a great deal."

Probing

The global marketing scene is varied.

"President Bush lifted federal sanctions 20 months ago, but in reality that did not mean a thing. America is not really one country. It is 50 little countries, each state very much autono mous. At present, many states and cities do not deal with South Africa. They do not even deal with American companies that do deal with us."

Despite this complicated situation, South African trade delegations are probing into North America, although at a low-key level. For example, wine is now being shipped to some southern states such as Georgia.

"Conversely, American companies are not slow in seeking further trading opportunities here. Representatives of one of the major motor companies were here recently, sounding out the possibility of buying directly essential minerals such as chrome and platinum instead of working through New York agents.



Van Zyl . . . South Africa needs to develop an export culture.

"I worked in America for three years in advertising prior to joining Safto eight months ago and know the markets well. I am anxious to take a large trade delegation there, but the timing must be right."

There is a problem with the European Community in that the Lome Convention — a favourable trading agreement the EC has with developing African countries — excludes South Africa because of objections from other African countries.

Apart from adhering to the United Nations oil and arms embargoes, Britain has never maintained sanctions against South Africa.

But Van Zyl accepted as justified criticism that many South African businessmen have not ventured outside London, appointing agents rather than hard-selling themselves in other regions and cities. This attitude needed to change.

"Sweden, the largest Nordic country, has not lifted sanctions, yet a colleague recently attended a seminar, which they arranged, where the theme was using South Africa as the gateway to southern Africa.

"They appreciated that we know the sub-continent better than they do. They want to trade with and through us, but their government has yet to give them the go-ahead."

There is an open-trade policy in the Arabian Gulf. "Last October we took representatives of 100 companies there, and now two-way trade is thriving.

"Singapore has just lifted sanctions, so we are taking a team representing another 100 companies and we are using the island state as our gateway to south-east Asia.

"Where sanctions do not still apply, we have moved in rapidly in Africa, and have been most successful. But a major problem here is that few countries have the money to do business. Again, when the political climate changes, the picture should improve."

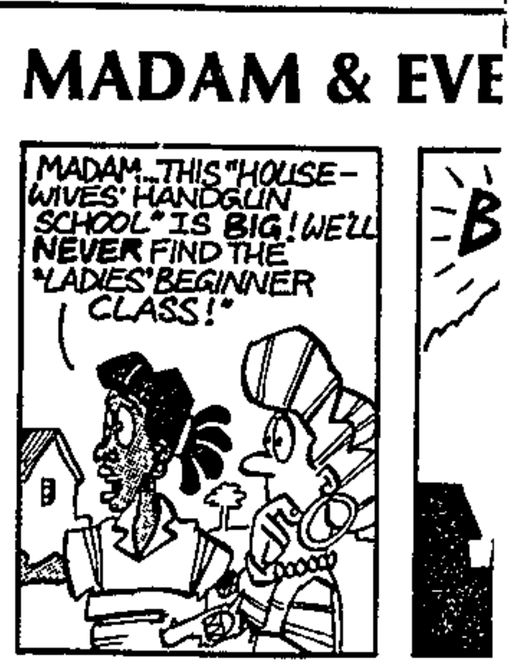
Sanctions still apply in India, Russia and China, but trade delegations from all three countries have been here and are gearing up for what would obviously be enormous two-way trade once the political barrier is lifted.

"That time is close," said Van Zyl. "Hopefully, as soon as the TEC is formed and, presumably, when, and only when, Nelson Mandela gives the signal, South Africa's whole foreign trading pattern can be transformed overnight.

"In the meantime our companies, particularly the medium and small firms, should be out there investigating these foreign markets. Generally, the major groups have established themselves.

"The competition is keen, the market is enormous and the rewards are potentially considerable. It is vital that we produce the right product of high quality and at a competitive price.

"Also, we must not overlook the fact that, if we can become a thriving export nation, in turn we can take up our present slack industrial capacity and thus help alleviate our unemployment." □



DP diehards oppose smoking ban

BIPDM 29/4/93.

GAVIN DU VENAGE

SMOKERS in the Johannesburg City Council's DP caucus broke ranks this week and refused to pass a law banishing puffers in the civic centre to "designated" toilets only.

An item on Tuesday's council agenda, that would have prohibited smoking in most rooms within the civic centre, was quietly withdrawn as it had no clear support, a council source said.

If approved, smokers would have had to skulk in designated toilets for a puff.

Diehards who balked at the idea of puffing in the loos would have been "encouraged" to join the council's anti-smoking programme.

Smokers in the DP caucus furiously objected to the restrictions. When the matter threatened to spark an intra-party debate at the chamber meeting it was quietly withdrawn.

Recently the Randburg Town Council was also embroiled in debate on whether to tighten smoking restrictions within the civic centre. The ban was approved only when mayor Brian Crail used his casting vote.

Cape Town, too, has regulations that ban smoking in its civic centre.

□ Sapa reports the board of property company Seeff Organisation Holdings has declared its Cape Town head office a non-smoking zone.

The decision was taken after top management, meeting at Seeff House on Monday night, realised something was burning. Apparently a table had caught alight as a result of a burning cigarette.

Recession 'limited social efforts'

KELVIN BROWN

THE recession had limited the extent to which the local business community could afford to involve itself in broader social and political issues, SA Chamber of Business (Sacob) economic policy director Ben van Rensburg said yesterday.

Van Rensburg was responding to US ambassador Princeton Lyman's criticism that the local business community was not doing enough to promote change and improve the quality of life in SA.

At a Seeff/Radio 702 business breakfast earlier this week, Lyman warned that foreign funds would not be forthcoming if local business did not take greater risks and show greater commitment to SA.

Van Rensburg said business was involved as a full partner in the work of the national economic forum.

In addition, two business leaders had joined the cabinet to assist with growth and development strategies.

The business community had played a significant role in the national peace accord and its structures, often beyond the call of duty. Business was also actively involved in forums dealing with diverse aspects such as housing, education, health and regional economic development.

Lyman criticised the ANC for not calling for an end to sanctions. "If sanctions were removed only when there was a newly elected government it would take two years before assistance could be utilised."

ANC economics department deputy head Tito Mboweni said the lead time argument was only one of the issues that had to be taken into account in deciding when to lift sanctions. The main reason for sanctions was to help transform SA into a democratic, nonracial country.

The events of the past two weeks proved that it would be premature to call for the removal of sanctions, Mboweni said.

"The assassination of Chris Hani, the behaviour of the right wing, recent statements by government and the lack of progress in negotiations on Monday show that we are still a long way off from a real transition in SA."

FW launches undersea cable system

BIDM 29/4/93.

LINDA ENSOR

CAPE TOWN — The SAT-2 digital, optical fibre undersea cable system, spanning the Atlantic Ocean to the northern hemisphere, was officially launched by President F W de Klerk last night.

In his speech, De Klerk expressed confidence about reaching agreements which would rapidly lead to the establishment of the proposed transitional executive council, a transitional constitution and Bill of Rights and national elections.

He said the budgeted cost of the cable system, financed by 15 co-owning telecommunications bodies supplying services to Europe and the US, was R800m. Telkom bore R500m of the costs.

The co-owners from 14 different countries would contribute to maintenance on the basis of the number of channels purchased, Telkom said yesterday

Laying of the cable was completed in October last year. It replaced the SAT-1 which became operative in 1969 and would be withdrawn at the end of June.

The new cable, with a total length of 9 512km and submerged at a depth of more than 4 000m for most of its length, would be connected to the global optical fibre network. Its southern terminal would be at Melkbosstrand near Cape Town and its two northern terminals at El Medano in Tenerife and Funchal in Madeira.

The cable would provide 7 680 speech channels between Cape Town and Madeira, 7 680 between Cape Town and the Canary Islands and 7 680 between Madeira and the Canary Islands. The SAT-1 had 360 speech channels.

The system was supplied by a British/French consortium consisting of STC Submarine Systems and Alcatel Submarcom.

De Klerk has had the first official video conversation via the new cable with Portuguese Prime Minister Cavacao Silva and a Spanish foreign affairs official.

India trade accord

SACOB and the Federation of Indian Chambers of Commerce and Industry signed an accord to promote business ties once India's trade sanctions against SA were lifted.

"We are preparing ourselves for when sanctions are lifted," federation delegate Lallan Gupta said.

He estimated that unofficial trade through third countries was worth $4bn to $5bn a year.

There was no indication yet of when sanctions would be lifted as it depended on political developments in SA, but it was likely to be sooner rather than later, he said.

Once relations were normalised two-way trade could be worth $20bn to $25bn a year, he said. — Reuter.

Dropping of sanctions 'has opened the door'

B10/7M 575193

THE removal of sanctions has opened the doors for professional valuation services in SA, says Dunlop Heywood plant and machinery department head David Read.

"The lifting of sanctions has resulted in an inflow of regional and offshore inquiries. These are for valuations to be performed in Australia, Kenya, Mozambique and Zambia," he says.

While Dunlop Heywood had been active in these areas before sanctions, work came to an almost standstill after they were implemented. The limited foreign work that continued was conducted through the Botswana, Swaziland or Zimbabwe offices.

"We believe that current inquiries may be stimulated by the advantageous rand exchange rate. In addition to cross-border work, there is a large volume of valuations within SA for finrand purposes, where foreign investors are looking to buy into existing local companies or are relocating overseas factories to SA," Read says.

Commercial and industrial property valuers and consultants The Property Partnership has meanwhile formed an association with international property consultants Grimley J R Eve (GRJE), which has headquarters in London.

(280)

Associated

GRJE has nine offices in the UK and mainland Europe and associated offices in the US, Far East and Pacific Rim countries.

"The purpose of this link is to advise corporate clients on offshore property opportunities — several deals are already under consideration.

"In addition, it gives the company an enormous international backup and access to latest international valuation techniques and methods," says Property Partnership director Dave Grey.

It appears that it will take at least two years for the UK property market to emerge from its depression, which is creating opportunities for locally based clients.

In addition, the company is also able to facilitate overseas manufacturers that are showing interest in joint ventures with local conglomerates, he says.

INVESTMENT

People in glass houses

FM 7/5/93

280

Businessmen have done more than politicians to maintain investment

There is a perception abroad that SA's business leaders are reluctant to invest in the real economy. Since political change restored the country's status in the international community, they have been urged to show their faith in the future by investing.

The latest call came from US ambassador to SA, Princeton Lyman. Speaking at a Radio 702 business breakfast last week, he urged the business community to be bullish. He said sources of foreign finance would not materialise "if SA capital is either leaving the country or held out of the marketplace .. One clear condition (for attracting foreign capital) is that it should be matched, if not overmatched, by SA investment in the same areas or instruments."

But the business community has already demonstrated its sentiments by remaining remarkably resilient through a testing time.

It is not known what proportion of the capital that has left the country over the past eight years originated from domestic sources. Nor is it known how much of the net outflow over the past few months is capital flight; and how much simply reflects decisions by local borrowers to convert offshore finance to domestic loans. But an indication of the capital deployed within the country comes from the levels of private-sector fixed investment made over this period — in the face of huge constraints on profits.

Since 1985, SA has had:

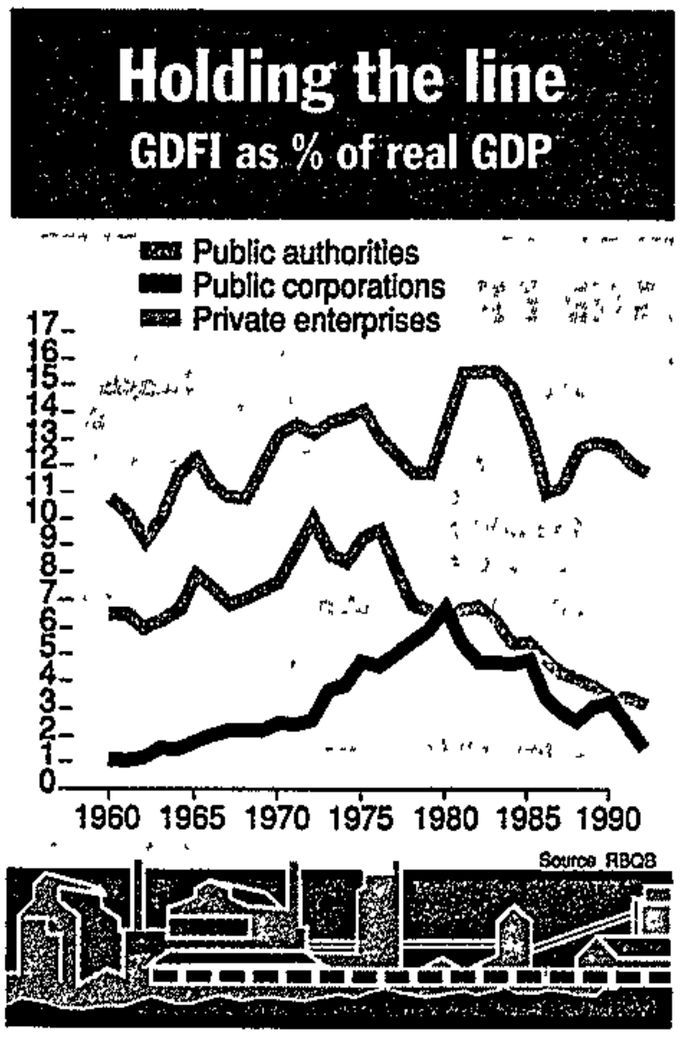
- ☐ Unprecedented political turbulence;
- ☐ Two major recessions;
- ☐ International sanctions which reduced export revenues and slashed foreign funding;
- ☐ A cyclical decline in demand for the country's exports, after growth in the major industrialised countries started to decline in the late Eighties;
- ☐ A structural change in the commodity markets which diminished the role of major exports, such as coal, in the world economy; and
- ☐ A decline in the investment value of gold, the country's single biggest export.

Yet private sector capital expenditure has fallen by only 5% in real terms — from R16bn in 1985 to R15,2bn (in constant 1985 rand) in 1992. The huge decline in gross domestic fixed investment has come in government initiatives, which fell 39% in the period, to allow for an increase in consumption spending (from 17,3% of GDP to 21,3%); and in the capex of State corporations, which plunged 67%.

It is the last two which contributed most to the huge decline in the ratio of gross domestic fixed investment to GDP — from nearly 28% in 1982 to 15,9% in 1992.

As to the future, major private sector projects already in the pipeline could make a significant contribution to GDP (see table). The timing of the funding flows is uncertain and the effect on the figures of projects completed is difficult to quantify, so predictions on investment figures for 1994 can be only tentative. But it seems likely that new projects will at least halt the decline in private-sector investment spending in 1994 and could actually reverse it.

An indication of its impact at a micro level comes from Willie Vance, executive director of the SA Federation of Civil Engineering Contractors: "The capital cost of the three major projects — Columbus, Alusaf and Namakwa Sands — is just under R12bn. If this amount is spent over a construction period of three years, it will mean about R400m a year to the civil engineering industry — which represents about 8% of turnover."



Whether capex increases further will depend on a number of factors.

One of the major determinants of investment is the strength of the world economy and international demand for exports. Amic chairman Leslie Boyd says. "In the case of vanadium, manganese and ferrochrome, for instance, we have idle plants because the market isn't there for our capacity."

However, where demand is firm, as in the case of stainless steel, there is an incentive to expand. "The plant at Middelburg," he says, "is working at full capacity and we are comfortable about expanding and taking a long-term view that SA is the right place to make a major investment in stainless steel " Hence the R3bn-plus Columbus stainless steel venture.

Tight monetary policy which resulted in high interest rates, he says, has been the second most important reason for the reduced level of demand, and hence investment. However, the benefits of lower inflation will eventually compensate.

As a deterrent to investment, he ranks political instability only third. Its effect is felt most in those sectors of the economy which depend on domestic consumption demand. People whose income has been eroded not only by recession but by disruptions in the economy are cautious about spending and even more cautious about borrowing.

Though the political dimension is only one of several which influence decision making, after the past few weeks of turmoil it tends to dominate perceptions.

Apartheid is gone but we are left with its legacy. When Hendrik Verwoerd and his henchmen introduced a series of amendments to the Urban Areas Act in the Fifties, they started a process of social disintegration within black communities. Legislation took migrant workers from their families and installed them in single-sex hostels.

It removed communities from "black spots" and settled them in wastelands And the enforcement of the notorious pass laws made criminals of innocent people. And as family life and community values were being destroyed, the Bantu Education Act of 1953 came into force, ensuring that blacks would receive an inferior education for decades.

The dragon seeds sown in the Fifties were reaped in the Seventies and after, when a generation of dispossessed, alienated and angry young people vented their frustration in violence The ANC, then in exile, mobilised the anger and frustration for its own political purposes and used it throughout the Eighties.

Now the forces the NP created and the ANC invoked in response will not return to their bottle.

The assassination of Chris Hani and the violence that followed have shown how powerful are the forces of destabilisation. The actions of a handful of white racists and anarchic blacks bent on destruction have held the country hostage. The white racists can perhaps be regarded as a security problem and contained.

But the black youths described by the ANC as criminal elements are a symptom of a huge social problem that will be with us for many years. They are from a generation born in the cauldron of the Seventies, reared in the township turmoil of the Eighties, steeped in a culture of violence — and largely unequipped to earn a living. cont'd.

SA shouldn't expect big inflow of foreign capital

(280)

(74)

W/Mail 7/5 - 13/5/93

Weekly Mail Reporter

CAN and should South Africa not only stop the "financial sanctions"-induced capital outflows that characterised the late 1980s but even bank on big new inflows?

Countries like Mexico and Argentina once considered lost in a sea of debt and unlikely to see new capital coming in again have seen huge new capital inflows in the 1990s.

But there was a suggestion at the Aspen Institute-Idasa conference that renewed inflows of capital to developing countries may not last.

MIT economics professor Paul Krugman suggested the new inflows could prove a speculative bubble. Unlike the 1980s bank loans which led to the debt crisis, the new inflows have gone largely into equities, with investors expecting big returns from the new economic policies adopted in those countries.

There is at least some possibility of a replay of the 1982 crisis. But even if there is no pricking of a bubble, inflows might dry up.

South Africa then might not be able to join the party. In any case, it will have to put together a convincing political picture to attract investors.

Krugman posed the question: If new inflows are on the cards, should South Africa try to prevent overheated capital inflows — or simply take whatever it can get? He did not attempt to provide an answer.

Foreign direct investment is another matter altogether.

Malaysia's former Finance Minister Daim Zainuddin noted foreign direct investment isn't only about money. As the Asian experience has shown, it has become important for aiding the transfer of technology and managerial skills.

However, Zainuddin suggested increasing protectionist pressures in developing countries and emergence of trading blocs could restrict trade and investment flows to excluded developing countries.

The business perspective on foreign direct investment was provided by Siemens executive director Gunter Gosmann, who noted that globally competitive companies centralised some activities and regionalised others.

In deciding where to put money, the specific costs of operating in a country were not the only consideration. Strategic reasons could come into play.

For South Africa, Gosmann's view was that stimulating investment can only be achieved by reducing government consumption spending and restoring investor confidence.

He stressed investor confidence could be restored by "clear political statements towards a free-market economy. These include economic factors relating to foreign markets and foreign participation, sound domestic economic conditions in which the area of industrial relations plays a major role."

ANC plea to Germans

BONN — ANC president Nelson Mandela said yesterday he wanted German companies to help black South Africans emerge from white minority rule.

Sapa-AP reports that Mandela also asked Chancellor Helmut Kohl for financial help for the ANC.

The ANC needed money for its electoral campaign and for educational programmes for black South Africans, who had never voted before, Mandela said. He would not say how much he sought, but said: "I do not expect to return to Johannesburg empty-handed."

Mandela did not meet business leaders during his one-day stop but said he wanted to encourage German companies to come to SA.

CHRIS BATEMAN reports from London that Mandela and ANC deputy international affairs head Aziz Pahad left Frankfurt for home last night.

They also met Social Democrat leader Gunter Verheugen, Foreign Secretary Klaus Kinkel and his predecessor — an old friend of Mandela — Hans-Dietrich Genscher.

Commonwealth set to lift sanctions

CANBERRA. — Australia and Commonwealth nations are set to lift remaining sanctions against South Africa, says Australian Foreign Minister Gareth Evans.

Mr Evans told the Australian senate today that he was consuling Commonwealth colleagues and that remaining sanctions could be lifted entirely within weeks.

Australia maintains trade, investment and financial sanctions against South Africa, although sanctions on sporting and air links were lifted in late 1991.

Trade and investment sanctions would be removed once agreement was reached on appropriate interim measures leading to a democratically-elected government, and financial sanctions once South Africa's multiparty forum agreed, Mr Evans said.

— Sapa-AFP. (280) ARGT 11/5/93

D-Day for last sanctions

CT 12/5/93

Own Correspondent

LONDON. — The Commonwealth's trade, investment and finance sanctions against South Africa would be lifted once a date for elections had been announced and a Transitional Executive Council set up, Chief Emeka Anyaoku, said yesterday.

The Commonwealth secretary general was commenting on the statement by Australia's Foreign Minister, Mr Gareth Evans, that sanctions could be lifted "within weeks".

Mr Evans said he had been consulting his Commonwealth colleagues about lifting sanctions. (280)

Billions will flow in — if violence stops

The United States plans to mobilise about R9-billion a year for South Africa once certain conditions are met. By **ARTHUR GAVSHON and EDDIE KOCH**

PRESIDENT Bill Clinton's administration in the United States is clearing the way for a huge international programme of investment and development aid to bolster a non-racial government in South Africa.

But it is clear that the package, which could bring in up to R9-billion every year to reconstruct the country's battered economy, would only be set in motion after a transitional government has been created and the African National Congress drops its call for international sanctions.

It is also clear that many components of the reconstruction programme, described as an initiative similar to the international community's effort to build democracy in the former Soviet Union and Eastern Europe, would depend on a reduction in political violence in South Africa.

A senior state department official in Washington said in a telephone interview that Democrats have reached informal agreement with their Republican counterparts in Congress to repeal anti-apartheid laws that bar certain types of trade and financial deals between US institutions and South Africa.

The official said the aid package would only be set in motion after a Transitional Executive Council has been set up. This was confirmed by the US ambassador to South Africa, Princeton Lyman, who told the 702 Breakfast Club last month that his administration was trying to "mobilise support for economic development in the South Africa" and it was possible "to anticipate some $2- to $3-billion (About R6- to R9-billion) annually".

Lyman noted that the World Bank was likely to be a major source of multilateral finance, but stressed it could take up to two years for capital to arrive in the country once the Bank had made a decision to grant loans.

"That means that unless the Bank begins now, a newly elected government a year from now will be faced with as much as two years before being able to utilise this assistance for the pressing needs of the population."

He urged those involved in efforts to create a non-racial government to begin the preparatory work for World Bank assistance immediately.

The ambassador welcomed the ANC's decision to drop all demands for international sanctions once a TEC has been set up rather than after the holding of non-racial elections. "Once this call is made, we will work with states and local governments in the US to repeal these restrictions."

The state department official in Washington said the package would be made up of:

- US allocations will continue in the areas of education, health and other social services.
- The World Bank and International Monetary Fund will galvanise a multi-donor package of development aid and would expect to have a say in how the money is used.
- Some $5-billion (about R15-billion) could be rescheduled with extended redemption terms and easier interest rates.
- Clinton's officials will encourage the disinvestment movement to be dismantled with US state and civic bodies being urged to switch their funds into development aid instead. This would depend on the violence subsiding.
- The possibility of US pension funds being used to invest in housing, transportation and black business in South Africa was being investigated. This would be a way of easing pressure on America's national deficit.

"These are our intentions," said the state department official. "But neither the US government nor the international community would find it easy to do so if there is to be a serious upsurge of civil violence threatening a Yugoslav-style situation of insurrection."

NICK CHARISSIS

Manufacturers, are you ready?

FM 14/5/93. 280



Nick Charissis is the director of Deloitte & Touche Management Consultants.

SA's reacceptance by the international community has not been well received by most local manufacturers. Many view international competition with trepidation instead of gearing themselves up for the tremendous opportunities it could represent.

But SA manufacturers cannot and should not avoid international competition. A strong manufacturing sector can be the main driving force in achieving the growth in GDP that is essential for the development, if not the very survival, of our economy.

Clearly, local manufacturers must become competitive. This is essential in protecting their local markets against international players and to ensure that those which aspire to it can become international players. Relying on the false sense of security provided by government protection policies is both short-term and short-sighted in thinking.

To find out how SA manufacturers are faring in key areas compared with their international competitors, Deloitte & Touche is conducting an International Survey of Manufacturing Organisations. It will cover critical success factors, the degree of global focus, manufacturing technologies and techniques, human-asset development, performance measures and the state of SA organisations. Other countries participating include the US, Canada, the UK, Germany, Japan, Mexico and France. The *FM* will publish the results later this year and plans call for repeating the exercise annually.

What can local manufacturers do to remain successful as SA becomes a normal member of the international community? Based on our experience in assisting manufacturing organisations to improve their competitiveness in both local and international markets, successful re-engineering of the organisation must address three broad categories:

- ☐ Achieving a complete focus on customers;
- ☐ Reorganising for success; and
- ☐ Integrating information systems.

The process is challenging and time-consuming. That momentum, however, can be maintained by avoiding lengthy planning and reports and concentrating on implementing the changes.

Obviously, not all manufacturers aspire to becoming world players. Some may prefer to remain successful in niche markets locally. But all manufacturers will benefit by going through a process of self-evaluation to address the three key issues and integrate their business around a focused objective.

The major difference for those with their sights set globally is that they must identify and address the needs of their international markets. These needs will not necessarily be the same as those of their local customers. Let's look at each of these three broad categories more closely.

Achieving customer focus revolves around customer service, a concept not extensively implemented in SA. The key issue is that customer service is not the responsibility of sales or marketing but of the whole organisation. Identification of the main order-winning criteria in each of a manufacturer's customer segments must be matched by the ability of the whole organisation to meet those order-winning criteria. Of equal importance is for the entire organisation — not just sales or marketing — to decide which segments it does not have the capability to compete in.

Reorganising for success means looking at the organisation from the customers' point of view — across the traditional functional areas How should each and every part of the chain, from forecasting to selling, planning, manufacturing and distribution, be organised to meet the customers' needs? Organisation of all resources is important, not just where management has problems.

A reorganisation is based on the facts at a given point in time. In today's rapidly changing environment, however, how does an organisation remain relevant and competitive on an ongoing basis? Sustainability is achieved via flexibility and information

Effective information — both inside and outside the organisation — is the nervous system that enables management to monitor and react to events. Reacting quickly can be achieved only if flexibility has deliberately been built into as many aspects of the operation as possible. A constraint is the amount of funds available for investment.

As a result of isolation, SA manufacturers have tended to focus internally when attempting business improvements. It is time we focused on our customers and reorganised to give them what they want.

US investment in SA depends on ANC actions in coming months, writes **Michael Christie**

Star 17/5/93

Old barriers must come down

THE future relationship between South Africa and the world's largest and most innovative economy will depend, to a considerable extent, on certain actions and pronouncements of the ANC over the next few months.

Contrary to what is generally assumed, there exists substantial interest among American businessmen to create new business ties in South Africa or to re-establish old ones. This is important to South Africa's prospects for economic recovery and consequently it is important that the barriers to US business involvement in South Africa be removed.

The ANC knows this and the organisation has said that as soon as there is an announcement of an agreed date for elections and a Transitional Executive Council has been established, it will call for the lifting of economic sanctions on South Africa.

Among the most important of these are the sanctions maintained by more than 160 state and local governments in the US. These remain a severe disincentive to businessmen who will not commit themselves to South Africa in any substantial sense until they are removed.

When the ANC calls for the lifting of sanctions many of these authorities are likely to respond accordingly, although the complete process will inevitably be slow and complicated. But this is not the problem. The real problem lies in the process whereby these sanctions were erected in the first place.

During the late 1960s and the decade that followed, the ANC and its allies worked assiduously and systematically to establish a network of sympathetic activists and organisations throughout the US, to exert pressure on apartheid and those who implemented it. This became an extensive network which was responsible not only for the across-the-board sanctions at state and city level but for the pressure on hundreds of US corporations which persuaded them to cut their ties with South Africa.

This network still exists and represents a considerable potential for mobilising support for South Africa in future. But many of its members still adhere to the assumptions upon which they based their activism in the past and will not be easily persuaded to completely reverse their approach to US business and South Africa — to change from forcing them out of the country, to encouraging them to go back.

In the literature of this movement it is easy to detect views ranging from a scepticism of the motives of business to an assumption of the exploitative nature of capitalism and, in particular, of large, multinational corporations.

It was not surprising therefore, that when it became evident that the negotiation process in South Africa was moving to a point at which the ANC, in particular, would feel free to call for the lifting of economic sanctions, and that this was imminent, that the more alert and committed of these activists would devise a means of supplanting sanctions with different means of exercising a degree of control over US business activities in South Africa.

It is now the stated policy of many of these groups to ensure that when sanctions are lifted they are supplanted by a mandatory requirement that any US business operating in South Africa should adhere to Cosatu's investment code or some similar code. The clear implication of this is that adherence to this code by US corporations would be monitored from the US with the involvement of the activist network.

This would mean that what ought to become an economic relationship would remain a politicised one. It would mean that the reasons why so many US corporations left South Africa in the first place would still apply. It would mean merely replacing one set of severe disincentives with another. It would mean that, in any substantial sense, US business would not return.

What has to be clearly understood is that US business does not object to the **principle** of an investment code. Investment codes can be written to protect the interests of all parties. Their concern is about having their activities in South Africa monitored and judged by activist groups in the US, rather than by South Africans themselves. And for South Africa it comes down to a matter of sovereignty and the freedom to attract to its economy those foreign investors it wishes to, and to decide for itself the terms upon which it wishes to do business

This is not an easy matter for the ANC. During its years of exile it relied on the support and assistance of its allies. Now it is having to ask them to change course and, if they are unable to, to step aside.

It is easy to suggest these activists are largely motivated by narrower interests. Certainly this would be true of many. Inevitably such a large grouping takes on a life of its own — its own views, its own bureaucracy and its own need to live. Also, the issue of South Africa always was, and still is, an extension of the civil rights debate in the US.

But it would be wrong to overlook the reality that many of these people became involved because of a genuine desire to see a decent society emerge in South Africa. They presumably would wish it to be a prosperous one. They are therefore a constituency that could be mobilised to get resources to flow into South Africa rather than out of it.

The call for the lifting of sanctions is consequently more than just that. It will be a call to put aside accumulated animosities from the past, to assist with the growing of the South African economy, and to those who have resources and are prepared to take risks to join in the South African enterprise on mutually agreed terms set in South Africa and not elsewhere.

This is another complex and difficult responsibility that the legacy of apartheid has thrust upon the ANC. But, as always, the overriding consideration is the magnitude of what is at stake.

● *Michael Christie is director of the South Africa Foundation's Washington office.* □

US investment in SA depends on ANC actions in coming months, writes **Michael Christie**

Old barriers must come down

THE future relationship between South Africa and the world's largest and most innovative economy will depend, to a considerable extent, on certain actions and pronouncements of the ANC over the next few months.

Contrary to what is generally assumed, there exists substantial interest among American businessmen to create new business ties in South Africa or to re-establish old ones. This is important to South Africa's prospects for economic recovery and consequently it is important that the barriers to US business involvement in South Africa be removed.

The ANC knows this and the organisation has said that as soon as there is an announcement of an agreed date for elections and a Transitional Executive Council has been established, it will call for the lifting of economic sanctions on South Africa.

Among the most important of these are the sanctions maintained by more than 160 state and local governments in the US. These remain a severe disincentive to businessmen who will not commit themselves to South Africa in any substantial sense until they are removed.

When the ANC calls for the lifting of sanctions many of these authorities are likely to respond accordingly, although the complete process will inevitably be slow and complicated. But this is not the problem. The real problem lies in the process whereby these sanctions were erected in the first place.

During the late 1960s and the decade that followed, the ANC and its allies worked assiduously and systematically to establish a network of sympathetic activists and organisations throughout the US, to exert pressure on apartheid and those who implemented it. This became an extensive network which was responsible not only for the across-the-board sanctions at state and city level but for the pressure on hundreds of US corporations which persuaded them to cut their ties with South Africa.

This network still exists and represents a considerable potential for mobilising support for South Africa in future. But many of its members still adhere to the assumptions upon which they based their activism in the past and will not be easily persuaded to completely reverse their approach to US business and South Africa — to change from forcing them out of the country, to encouraging them to go back.

In the literature of this movement it is easy to detect views ranging from a scepticism of the motives of business to an assumption of the exploitative nature of capitalism and, in particular, of large, multinational corporations.

It was not surprising therefore, that when it became evident that the negotiation process in South Africa was moving to a point at which the ANC, in particular, would feel free to call for the lifting of economic sanctions, and that this was imminent, that the more alert and committed of these activists would devise a means of supplanting sanctions with different means of exercising a degree of control over US business activities in South Africa.

It is now the stated policy of many of these groups to ensure that when sanctions are lifted they are supplanted by a mandatory requirement that any US business operating in South Africa should adhere to Cosatu's investment code or some similar code. The clear implication of this is that adherence to this code by US corporations would be monitored from the US with the involvement of the activist network.

This would mean that what ought to become an economic relationship would remain a politicised one. It would mean that the reasons why so many US corporations left South Africa in the first place would still apply. It would mean merely replacing one set of severe disincentives with another. It would mean that, in any substantial sense, US business would not return.

What has to be clearly understood is that US business does not object to the principle of an investment code. Investment codes can be written to protect the interests of all parties. Their concern is about having their activities in South Africa monitored and judged by activist groups in the US, rather than by South Africans themselves. And for South Africa it comes down to a matter of sovereignty and the freedom to attract to its economy those foreign investors it wishes to, and to decide for itself the terms upon which it wishes to do business.

This is not an easy matter for the ANC. During its years of exile it relied on the support and assistance of its allies. Now it is having to ask them to change course and, if they are unable to, to step aside.

It is easy to suggest these activists are largely motivated by narrower interests. Certainly this would be true of many. Inevitably such a large grouping takes on a life of its own — its own views, its own bureaucracy and its own need to live. Also, the issue of South Africa always was, and still is, an extension of the civil rights debate in the US.

But it would be wrong to overlook the reality that many of these people became involved because of a genuine desire to see a decent society emerge in South Africa. They presumably would wish it to be a prosperous one. They are therefore, a constituency that could be mobilised to get resources to flow into South Africa rather than out of it.

The call for the lifting of sanctions is consequently more than just that. It will be a call to put aside accumulated animosities from the past, to assist with the growing of the South African economy, and to those who have resources and are prepared to take risks to join in the South African enterprise on mutually agreed terms set in South Africa and not elsewhere.

This is another complex and difficult responsibility that the legacy of apartheid has thrust upon the ANC. But, as always, the overriding consideration is the magnitude of what is at stake.

● *Michael Christie is director of the South Africa Foundation's Washington office.* □

Star 19/5/93

Sanctions to be discussed

Canadian External Affairs Minister Barbara McDougall said in Johannesburg on Monday she would discuss the prospects of lifting sanctions on South Africa when she meets President F W de Klerk and ANC president Nelson Mandela during her visit to the country. — Sapa.

280

US ready to help

THE US was ready to give SA a kickstart, a beaming Archbishop Desmond Tutu said after a 30-minute Oval Office meeting with President Bill Clinton and senior US officials in Washington on Wednesday. Tutu said Clinton had expressed sympathy with his message that SA needed investment to deal with its massive problems.



Congenial talks . . . US President Bill Clinton meets Archbishop Desmond Tutu in the Oval Office at the White House. Picture: AFP

Star 21/5/93

US offers economic boost

By Peter Fabricius
Star Bureau

WASHINGTON — President Bill Clinton has indicated that he would be ready to give South Africa an economic "kickstart" once a multiparty transitional executive authority had been installed — and this could happen by the end of this month.

Anglican Archbishop Desmond Tutu said this on Wednesday after a meeting with the American president.

Tutu said no "nitty-gritty" details were discussed. But Clinton had expressed willingness to help a transitional government get off to a good start, partly because, once the South African economy was running, it would be the engine driving the economy of southern Africa.

Tutu was confident that negotiations in South Africa were progressing so well that by the end of May he would be able to call on Clinton to lift remaining sanctions, especially those which prevent South African access to International Monetary Fund and World Bank facilities.

Investments

Tutu's conditions for calling for an end to sanctions are that the negotiating partners must set a date for the first democratic elections and establish a transitional executive authority that incorporates multiparty control of the security forces.

He said he would then also call for investments.

Tutu told a conference of the African American Institute on Wednesday that the affluent West was suffering from "donor fatigue".

The conference, devoted to an examination of the ways in which the US could aid Africa, is to be addressed by prominent Americans, including Secretary of State Warren Chrsitopher.

"Aid has made little difference to the lives of those who it was intended to help, finding its way far too frequently into the coffers of thoroughly corrupt and grossly inefficient ruling elites intent on a fast buck, of tinpot military dictators who have cared not one iota about human rights and civil liberties," Tutu said.

He said Africa should demilitarise as quickly as possible.

Economic sanctions set to go

W/Mail 21/5 - 27/5/93

With the message that it does not want to inherit a wasteland, the ANC is preparing the way for the removal of all remaining trade and financial sanctions. By **ARTHUR GAVSHON**

F7 280

AT the request of African National Congress president Nelson Mandela, Commonwealth secretary general Chief Emeka Anyaoku has prepared the way for the swift removal of all remaining trade and financial sanctions against South Africa.

Barring unforeseen developments, the green light for action will be given when, firstly, multiparty negotiators announce a date for countrywide non-racial elections; and, secondly, when the planned transitional executive council is set up.

And yesterday, Canada's External Affairs Minister, Barbara McDougall, announced that her government would lift economic sanctions against South Africa when a date for elections was announced. She was speaking after meeting President FW de Klerk at an official government residence in Cape Town.

Mandela's request to the Commonwealth was authorised by the ANC's national executive and was conveyed directly to Anyaoku. The two men met in London early this month.

Only a serious upsurge of violence is likely to cause Commonwealth governments to delay the dismantlement of their years-long sanctions, which have operated in tandem with the mandatory United Nations embargo on all economic and military dealings with South Africa.

Cancellation of the UN embargo is a matter of time, if and when the final burial of the apartheid structure is confirmed, say British officials.

The American administration and the 12-nation European Community are also gearing themselves to normalise their trading and fiscal relationships with South Africa when these conditions are fulfilled.

The message Mandela gave to the Commonwealth, the British government and a gathering of businessmen with interests in South Africa was simple: "We do not want to inherit a wasteland."

Many of his listeners seemed impressed not only by the message but also by the assurances he offered bankers, multi-national conglomerates and industrialists: that they would be free to repatriate their profits and that their investments would be protected properly. British Prime Minister John Major was among those who publicly welcomed these assurances. Nevertheless, a mood of caution still appears prevalent.

Possibilities of violence are constantly featured in news reports, and are likely to be addressed when Anyaoku attends the Economic Forum in Johannesburg next week.

No surge in trade expected

Bloomy 21/5/93

GERALD REILLY 280

PRETORIA — The lifting of Commonwealth sanctions against SA would not result in a sudden and spectacular increase in trade, said Safto official Bruce Donald.

He was commenting on a statement by Australian Foreign Minister Gareth Evans that Commonwealth countries could lift trade and investment sanctions "within weeks". Commonwealth secretary-general Chief Emeka Anyaoku also said sanctions would go once a date for SA's first nonracial elections had been fixed and a transitional executive council installed.

Donald said Commonwealth countries had never maintained a common sanctions policy against SA. Some member countries had been loath to lift even "people to people" sanctions.

Normal trade with the UK had resumed following the lifting of EC sanctions To a lesser extent, the already expanding trade with African countries could be further stimulated when Commonwealth sanctions were totally abolished. .

But the possibility of increasing trade with India and Australia was strong.

Australian embassy counsellor David Sprott said the Australian government would not assist in developing trade ties with SA. But trade did, however, take place — outside of prohibitions — on a company to company basis. Australian exports to SA last year totalled about R620m and imports from SA about R300m.

Sprott said it could not be expected that trade would suddenly take off. It would be a steady advance over a period of time.



away with the help of Formula One's chief as a normal racing track. — Sapa-Reuter.

y ruler. zo last, one who

But I cannot deny it would be something else if it came in Monaco."

Star 21/5/93

Canada may lift sanctions

CAPE TOWN — Canada is likely to lift all existing economic sanctions when a date for multiracial elections is announced, External Affairs Minister Barbara McDougall said yesterday.

Speaking after a meeting with President de Klerkshe she said she had informed him about the planned lifting of sanctions. She had told ANC president Nelson Mandela the same thing on Wednesday.

"We would be in a position to lift the sanctions once an election date is announced," said McDougall, who is also head of the Commonwealth Committee of Foreign Ministers on Southern Africa.

"We would hope that both De Klerk and Mandela will call for the lifting of financial sanctions at the same time so that we can move forward towards full integration (of South Africa) into the international community as soon as possible."

McDougall said the meeting with De Klerk had been positive although she was still concerned about political violence.

In a response, De Klerk said: "We are looking forward to the last vestiges of sanctions being removed and in returning in the full sense of the word to the international community."

McDougall said Canada would be prepared to assist South Africa with observers for an election and also assist in a voter education programme.

"We would only do that at the request of people inside South Africa," she added.

In October 1991 the Commonwealth heads of government agreed that economic sanctions would be lifted when a multiparty agreement was reached on ending white minority rule. — Sapa-AP.

LEAVING THE COUNTRY?

Poll date to be signal for end to sanctions

CAPE TOWN — Canada will lift economic sanctions against SA when a date for multiracial elections was announced, External Affairs Minister Barbara McDougall said yesterday.

Speaking after a meeting with President F W de Klerk at his official residence in Cape Town, McDougall said she informed the SA government about the possible lifting of sanctions.

She had told ANC president Nelson Mandela the same thing at a meeting on Wednesday.

Multiparty talks on ending white minority rule could agree on an election date by the end of June.

Many nations imposed economic sanctions to protest against the system of apartheid.

"We would be in a position to lift the sanctions once an election date is announced," said McDougall, who is also head of the Commonwealth Committee of Foreign Ministers on southern Africa.

"We would hope that both he (De Klerk) and Mr Mandela will call for the lifting of financial sanctions at the same time, so we can move forward towards full integration (of SA) into the international community as soon as possible."

McDougall said the meeting with De Klerk had been positive, although she was still concerned about political violence in SA that has claimed thousands of lives in recent years.

In his response to McDougall, De Klerk said: "We are looking forward to the last vestiges of sanctions being removed and returning — in the full sense of the word — to the international community."

McDougall said Canada would be prepared to help SA with observers for an election and also assist in a voter education programme.

"We would only do that at the request of people inside SA," she said.

In October 1991, the Commonwealth heads of government agreed that economic sanctions would be lifted when a multiparty agreement was reached on ending minority rule in SA.

McDougall last visited SA in 1992, and on this three-day visit also met international observers and peace monitoring groups. She is scheduled to leave today.

□ Our political staff reports that McDougall said Canada would provide an extra R25m to facilitate the transition to democracy in SA.

After her meeting with Mandela, she said her government was injecting an extra C$10,3m into the programme.

She said assistance for public sector reform was being increased by $10m to $15m, and $300 000 had been provided to support community-based policing in SA.

Local skills highly rated

ST Times (2455) 23/2/93

WHEN IBM succumbed to anti-apartheid pressure and withdrew from South Africa, many business people who had invested heavily in the technology feared the worst.

These fears were summed up by the CEO of a major bank who asked ISG group executive WJH "Willie" Scholtz: "Will you be able to keep your skilled people, and will you continue to have IBM back-up and access to the fruits of its research and development?"

In the event, says Mr Scholtz, his company's affirmative answer to those questions has proved correct.

"The sanctions issue was very unsettling," he says, "but we and our customers recovered from the shock of IBM's pullout within a few months."

To counter any possible siege situation, the SA successor to IBM SA invested heavily in spares and skills training.

"We made sure we had enough components and spares to survive and took every opportunity to get our people into IBM laboratories so their skills were honed to the point where they were as good as world experts," says Scholtz.

280

Foreign cash if ANC asks Clinton to return?

WHEN Nelson Mandela and State President De Klerk visit the US in July the question of US sanctions and future availability of foreign capital is bound to be high on their list of priorities.

They are to be presented with the prestigious Philadelphia Liberty Medal by US President Clinton on July 4

One of the most important of the remaining sanctions is the Gramm Amendment which entitles the US to veto any International Monetary Fund loans to SA.

It is expected that the US legislators will revoke the Gramm Amendment as soon as the ANC formally makes such a request to the Clinton administration.

There is no doubt that full membership of the IMF and access to its loan facilities will be most useful to our country – but make no mistake – the IMF is not a fairy godmother that gives away wealth

In fact, it is an organisation that is resented in many African countries

Some African leaders even accuse it of weakening their national sovereignty because of all the strings attached to aid.

They nevertheless remain very dependent on the IMF and other affiliated bodies of the World Bank for financial aid

Another very important point to bear in mind is that SA will not qualify automatically for IMF credits

At the moment we are experiencing a surplus in our physical trade with the rest of the world which will certainly cause raised eyebrows in Washington should we apply for loans

However, this surplus is really the result of sanctions and the need for SA to continually repay old foreign loans

If we turn to the IMF for help to develop our economy there is little doubt that we will receive temporary assistance, although the very fact that we have access to the IMF will probably cause other lenders to be more amenable than at present.

The key will be the state of our economy and national political stability. Nobody wants to lend to a country which finds itself in a virtual state of civil war.

As the ANC's Trevor Manuel puts it: "What we need is not really IMF money, but IMF approval of SA economics."

NEWS IN BRIEF

(280)

Lifting US sanctions

ONCE a framework for multiracial elections was established, the US would support lifting sanctions against Pretoria, US Secretary of State Warren Christopher said in Washington on Friday. (337)

Once a transitional executive council was in place and an election date set, the US would join other industrial nations to help SA "re-enter the global economy".

Sowetan 24/5/93

ANC sets police on new neighbours

MOST people would find a group of uniformed AWB Wenkommando and Ystergarde members on their doorstep a trifle unnerving. More so if they happened to be in an ANC office in Pretoria.

So when ANC officials in the organisation's Central Street office this week spotted a group of "strange figures with guns — staring", they got on the line to head office in Johannesburg sharpish.

Minutes later a crack squad of policemen descended on the five AWB members who, it turned out, were quietly minding their leader's car while he went about business in the capital.

No, they had no plans to occupy the ANC offices, they explained. AWB leader Eugene Terre'Blanche was attending an Afrikaner Volksfront meeting in the building directly opposite of the ANC offices, and his bodyguards were cooling their heels in the street.

DIRK VAN EEDEN

Police said they had been alerted to a possible confrontation by ANC peace officer Joe Sithole, who had in turn been called by the ANC. Sithole said yesterday the ANC officials in Pretoria had been unaware that the newly formed Volksfront had set up offices in the area.

"With rumours of hit-lists going round, the ANC officials must have thought the people on their doorstep were ready to hit out," said Sithole.

Later, after police were assured nothing untoward was about to happen, the ANC members decided to close their office for the rest of the day.

Police spokesman Lt Evan Johnson said yesterday no arrests were made and no charges had been laid.

India 'likely to lift sanctions soon'

TRADE and Industry director-general Stef Naude yesterday predicted a quick lifting of Indian sanctions, following a high-level government visit to the country.

Naude said he and other senior government members spent five days in New Delhi at the invitation of the Indian federation of trade and industry. The invitation had been extended after Naude's visit to India last year.

A Trade and Industry statement said Naude had held several meetings with Indian politicians, government officials, organised trade and industry as well as private businessmen. He met the Indian foreign minister as well as the secretaries of trade and foreign affairs.

"Although India still imposes comprehensive sanctions against SA it became evident during the visit that Indian policy-makers are eager to normalise relations with SA," Naude said.

"Developments in SA are followed with keen interest and the impression is being created that a political settlement will result in the speedy lifting of sanctions."

India recently announced its intention to establish a cultural office in Johannesburg in a move interpreted as a forerunner to the lifting of sanctions and the establishment of formal diplomatic relations.

PETER DELMAR

Naude added new IMF calculations had raised India's GDP tenfold. "India's economy is currently the sixth largest in the world following those of the US, Japan, China, Germany and France. According to the latest calculations, its GDP amounts to $3-trillion, compared with the previous figure of $290bn. The per capita income in India has thus increased from $330 to $1 150."

Reuter reports that Trade and Industry also announced yesterday that SA would participate in India's international trade show in November. The department said a delegation of prominent industrialists would visit India at the same time.

It said the Indian market offered opportunities for products such as iron and steel, pulp and paper, phosphoric acid, chemical fertiliser, rock phosphate and ferro-alloys.

□ Sapa reports that India's cultural centre director Harsh Bhasin said a full range of consular services to assist travellers to India should be operating by mid-June. Bhasin arrived in SA last week and said the rest of the Indian cultural team would be in Johannesburg within a week.

(280) GWG 29/5/93

Commonwealth sanctions to be lifted after TEC in place

REMAINING Commonwealth sanctions would be lifted as soon as a transitional executive council (TEC)is in place and a date set for the first elections, Commonwealth secretary-general Mr Emeka Anyaoku said this week.

Mr Anyaoku, attending the World Economic Forum conference on Southern Africa in Cape Town this week, confirmed he had intervened in the negotiations crisis sparked by the arrest of PAC leaders on Tuesday.

Within hours of landing in Johannesburg he was in contact with PAC leader Mr Clarence Makwetu, appealing to him to stay in the negotiations.

He had also spoken to ANC president Mr Nelson Mandela, Inkatha Freedom Party leader Chief Mangosuthu Buthelezi and President De Klerk.

Mr Anyaoku said he was hopeful the country would soon see the transitional executive council in place.

Once this happened and an election date was set he would telephone the leaders of the Commonwealth countries to have all remaining trade and financial sanctions lifted.

India returns to SA

ST Times 30/5/93

By CARMEL RICKARD

THE phones started ringing this week in the Indian Cultural Centre in Jeppe Street, Johannesburg.

When the office formally opens in mid-June, India will resume official ties with this country after more than 40 years. After further political developments towards a democratically elected government, the centre will be upgraded to a consulate-general.

Centre director Mr Harsh Bhasin said this was only one example of increased links between the two countries.

A senior Indian official, Dr Karan Singh, is in South Africa for the centenary celebrations of Mahatma Gandhi's arrival in the country. Dr Singh, former ambassador to the US and the son of the Maharaja of Jammu and Kashmir, is the highest-ranking Indian official to visit since diplomatic ties were severed with the introduction of apartheid.

Mr Bhasin said while his government would follow the Commonwealth on when to lift trade and other sanctions, his centre would be promoting "people-to-people contact", issuing visas and encouraging sporting ties. Growing links with India included the current visit of a top hockey squad.

Another significant pointer to improved relations is the University of Delhi's decision to award an honorary doctorate to Transvaal judge and Codesa co-chairman, Mr Justice Ismail Mahomed. The judge will receive the award from the vice president of India and university chancellor K Narayanan.

Mr Bhasin said the two countries could benefit greatly from restored ties. For example, India had experience in decentralised job creation through cottage industry which could be applied to this country, and South Africa had technology for converting coal into fuel which would be useful to India.

'Poll date will end sanctions'

CT 21/5/93

CANADA will lift economic sanctions against South Africa when a date for multi-racial elections is announced, external affairs minister Mrs Barbara McDougall said yesterday. (280)

She was speaking after a meeting with President F W de Klerk at his official residence.

Negotiators at multi-party talks could set an election date by the end of next month.

ANC set to call off sanctions

(280) CT 31/5/93

Own Correspondent

PORT ELIZABETH — A decision by Thursday of a final election date would lead to an ANC call for the total lifting of sanctions, says ANC director of international affairs, Mr Thabo Mbeki

Speaking on Saturday night at the annual general meeting of the East Cape African Chamber of Commerce, he said: "We are clearly on the eve of what will be a critical moment in the development of this country

"The ANC has taken the decision that once an election date has been agreed and executive transitional councils are in place, all economic sanctions against South Africa will be lifted.

"Although we do not expect this to lead to instant investment, it will send a message to the world that the situation in South Africa is normalising"

Mr Mbeki stressed the need for peace and stability during the transitional process.

"The economy will deteriorate further if the world sees that transition will produce a society in conflict with itself. Investors will not want to put their money into an unstable and violent South Africa.

"There are some very serious problems and very serious challenges facing South Africa, and how we meet those challenges and overcome those problems will have an impact on the whole fabric of society"

Sanctions go with elections

Star 3/5/93

By Bruce Cameron

CAPE TOWN — Remaining Commonwealth sanctions would be lifted as soon as a transitional executive authority was in place and a date was set for the first elections, Commonwealth Secretary General Emeka Anyaoku said on Friday.

(280)

Anyaoku, who was attending the World Economic Forum, confirmed he had intervened in the negotiating crisis sparked by last week's arrest of PAC leaders.

Within hours of landing in Johannesburg he was in contact with PAC leader Clarence Makwetu, appealing to him to stay in the negotiations.

He had also spoken to ANC president Nelson Mandela, Inkatha Freedom Party leader Chief Mangosuthu Buthelezi and President FW de Klerk.

Anyaoku said he was hopeful SA would soon see the transitional executive authority in place.

US gearing up to pump aid into post-apartheid SA

By JOAO SANTA RITA

THE Clinton administration is moving full speed ahead with plans to help SA as soon as a Transitional Executive Council is in place.

It is understood that plans include aid for the multiracial election process, different aid packages from the US and the G-7 group of industrialised nations and moves towards "encouraging" other southern African countries to quickly and efficiently integrate their economies with SA.

State Department sources said the United States government wanted to move quickly in order to send a clear message that it supported negotiations and the democratic process and that it strongly opposed radical forces which supported violence.

As soon as the Transitional Council is in place the Clinton Administration will ask for a lifting of the so-called Gramm Amendment, which requires the US to veto IMF and World Bank loans to SA.

President Clinton will also ask Congress for about R31-million to help the election process in SA.

Reports in the US said that once the electoral process was fully under way the US would begin negotiations on tax agreements and scientific co-operation.

However, the Clinton administration has already told the World Bank to start planning economic goals for SA. The US Agency for International Development, AID, has also been told to review its assistance strategy for SA.

The US government and Congress are also expected to discuss soon an aid package to SA worth millions.

John Hicks, acting assistant administrator for Africa at the AID, has told congress that because of events in SA the US government "considers this to be an optimal time for donors and regional institutions to formulate a new vision for southern Africa".

Hicks said the US government wanted initiatives that "will promote regional integration and ... emphasise market-oriented economic development".

Some anti-apartheid personalities here continue to tell the US government to exercise caution in its rush to come to SA's aid.

However, they do recognise that SA will need massive injections of financial aid to help improve the living conditions of the majority of black South Africans.

Donald Payne, member of the Congressional Black Caucus, said aid restrictions should not be lifted until AFTER an elected government was in place.

However, Randall Robinson, executive director of the Trans Africa lobby group, says he supports lifting all sanctions as soon as a transitional government is in place.

"Once we have a transitional executive council in place ... then it's time for sanctions to be lifted ... and it's time for American and Western corporations to return to South Africa," he told the *Los Angeles Times* this week.

Robinson said Western nations should come to the aid of SA to ensure that there are economic benefits for the black majority in a politically democratic country.

Otherwise, he said, blacks "will really begin to question the value of the process they've undertaken".

In his interview Robinson, one of the strongest advocates for a total isolation of SA, said sanctions "did not contribute to black poverty".

"Black people always wanted sanctions because they had so little to lose and everything to gain in terms of what this kind of enormous economic pressure would cause in the way of a reaction from the white minority government. And they worked," he said.

Asea back in SA under new name

ST Times (Buss J 6/16/93

280

By DON ROBERTSON

THE world's largest power generation group, ABB, has gradually bought its way back into SA and plans to use it as a base for expansion in sub-Saharan Africa.

ABB represents the merged operations of Asea of Sweden and Brown Boveri of Switzerland. It operates in 140 countries, has 210 000 employees and sales of $30-billion.

Sanctions forced the Asea division of the combined group to quit SA in 1987. But Brown Boveri Company (BBC) stayed.

Changes in SA's political direction in 1990 encouraged Asea to return. It invested more than R100-million in re-establishing its presence last June.

This involved the establishment of Brown Boveri Technology, ABB Industry, ABB Ferralin, ABB Powertech and ABB Services, which had operated under the Powertech or BBC banners.

The combined group makes turbines, boilers, transformers, high-voltage switch gear and electrical systems. It is also involved in process automation and servicing.

Three months ago, ABB Sub-Sahara Africa was established in Sandton to oversee the group's operations. The office is headed by regional president Lave Lindberg.

ABB Sub-Sahara co-ordinates the operations of 11 companies in 45 countries south of the Sahara.

Mr Lindberg says about a third of the international group's taxed profit of $1,1-billion is generated in Africa. He believes that the manufacture of electrical components will double in SA in the next three to four years provided production costs are kept down and the economy improves.

"Europe does not have much time for Africa and is reluctant to become involved. SA, on the other hand, understands this market. Rather than be a multinational in Africa, we will become multi-domestic. SA will become a major supplier to the rest of Africa.

"Sales and engineering will be carried south of the Sahara, but manufacture will be in SA."

Mr Lindberg says most projects in Africa are financed by aid agencies. ABB Sub-Sahara "must improve its association with the World Bank and other aid centres".

Mr Lindberg returned to SA three months ago after eight years abroad.

He says: "Productivity is still below average, although this is probably because there has been little investment. It seems that companies merely try to stay ahead of their opposition. Customer care is also a problem."

SA to play a key role, says Dutch minister

CAPE TOWN — SA could become the economic gateway to the rest of Africa, Netherlands Economic Affairs Minister Koos Andriessen said after talks with President FW de Klerk yesterday.

Andriessen, the highest-ranking Dutch government minister to visit SA, said he had approached his fact-finding mission with caution, but had been encouraged by the sense of purpose he had encountered.

"Politically, there is much still to be settled ... but I have noticed, particularly in the talks this afternoon, that there is great confidence on the part of government that you will succeed," he said.

Andriessen said he would also meet ANC leader Nelson Mandela and Inkatha president Mangosuthu Buthelezi.

"If it emerges that everyone says the time and the circumstances force us to come to agreement, then I can see no reason why Dutch businessmen will not want to come to SA.

"Many things are in place and that makes SA interesting," he said.

After his meeting with Andriessen, De Klerk told a news conference that industrial action by right-wingers would harm only themselves and entrepreneurs.

"I do not think industrial action by right-wingers is a serious threat all." Unemployment was the greatest problem. — Sapa-Reuter.

Equity considering lifting SA screening ban

LONDON — The ban on British television programmes being screened in SA could be lifted within weeks of the appointment of an "acceptable" new SABC board and independent broadcasting watchdog body.

British actors' union Equity yesterday said terms for lifting the ban were also being reviewed in the light of the announcement of April 27 1994 as a date for multiracial elections.

The hardline union's previous position was that the ban, imposed on January 5 1976, should stay until interim rule was achieved.

IAN HOBBS

Equity general secretary Ian McGarry said Equity would consult ANC president Nelson Mandela, other opposition leaders and SA show business union PAWE for guidance.

If they supported the new position, the recommendation would almost certainly be put to Equity's ruling council without delay.

A postal referendum of the union's estimated 45 000 members would then be carried out. A 75% majority would be required to end the boycott.

The process could be completed within four to six weeks.

"I hesitate to be more optimistic until we hear from the people who matter on the ground in SA," said McGarry. "Events in SA are so unpredictable and often so tragically disappointing that we have to remain cautious."

McGarry emphasised he did not want to cause premature optimism because the legacy of apartheid and the "dirty tricks" era had left the union still facing a minefield of political and legal problems

End nears for many sanctions

Star 9/6/93

Staff Reporter 280

Commonwealth countries may lift trade sanctions within weeks — and the European Community is set to give economic help once South Africa's new government is in place.

Announcements yesterday by Niels Helveg Petersen, the EC Council of Foreign Ministers chairman, and by Commonwealth Secretary-General Emeka Anyaoku, reiterated that restrictions are close to being scrapped.

Anyaoku, on a visit to Australia, said sanctions could go once agreement was reached on an election date and a transitional executive council. This seemed likely because of the progress in setting an election date, provisionally down for April 27.

Petersen said in Luxembourg that the EC was ready to extend economic help once a nonracial, democratic government was in place.

Sanctions may be lifted 'in weeks'

CT 9/6/93

(280)

CANBERRA. — Commonwealth countries could lift trade and investment sanctions against South Africa within weeks, Commonwealth secretary-general Chief Emeka Anyaoku said here yesterday.

New initiatives to scrap sanctions against South Africa gained momentum yesterday and expectations are running high of quick breakthroughs — possibly "in the next few weeks".

"The time is approaching. We're not quite there yet — we are waiting for the developments which I hope will be occurring in the next few weeks," Chief Anyaoku said after talks with Australian Foreign Minister Mr Gareth Evans.

In reaction, SA Foreign Affairs spokesman Mr Patrick Evans said: "This is the home stretch. We're just mopping up the sanctions which remain in place."

Late next month

However, other South African government sources said that while the setting of an election date was an important signal, they did not expect to see the formal lifting of sanctions until a multi-party transitional executive council was installed.

Sources at the multi-party negotiations said this step could be expected by late next month or in August.

New Zealnd's Foreign Minister Mr Don McKinnon said the trigger for lifting sanctions would be the announcement of measures to oversee the transition to full democratic rule, including a firm election date.

The ANC has said a firm election date must be set and a transitional executive council formed before it would support the lifting of all sanctions, except those on arms and the oil trade.

Meanwhile, Archbishop Desmond Tutu will ask President Bill Clinton to scrap sanctions once joint control of the security forces had been arranged, his spokesman, Mr John Allen, said.

● Meanwhile, European Community ministers in Luxembourg last night were to discuss what could turn out to be significant new aid and assistance projects for interim rule in South Africa.

But the meeting was diverted by crisis motions on Bosnia which were delaying debate on South Africa.
— Own Correspondent, Sapa, Political Staff

Sowetan 10/6/93

PAC No to lifting sanctions

COMMONWEALTH countries should wait another 11 months before lifting sanctions against South Africa, the Pan Africanist Congress said yesterday. The PAC in part blamed the Commonwealth for the failure of the forerunner of multiparty talks, Codesa, saying it had lifted "people-to-people" sanctions too soon. (HB) (280)

July 4 looms large for new SA

STAR 10/6/93.

(280)

Peter Fabricius
IN WASHINGTON



THE fourth of July — America's Independence Day and biggest national holiday — is shaping up to be an important day in the calendar of South Africa's transition too.

That's the day President Bill Clinton is to present President de Klerk and African National Congress president Nelson Mandela jointly with the Philadelphia Medal of Liberty in the city of that name.

And it may well be the occasion Clinton chooses to throw some light on a question which many are anxiously asking: just what kind of economic support can South Africa in transition expect from America and when?

Senior administration officials have explained that the signal for any further aid or lifting of economic restrictions will be the firm announcements of an election date and a commitment to create a transitional executive council (TEC).

The key word, of course, is "firm". April 27 has already been diarised as the poll date but this — and the TEC — depend upon reaching agreement on outstanding fundamental issues such as the degree to which a new government will be federal.

With a bit of luck — maybe a lot of luck — this could happen when the Negotiating Council meets on June 25.

If so, the American president will probably announce his South Africa policy at his meeting with De Klerk and Mandela a few days later on July 4.

What exactly that will entail is not clear and is probably still being decided.

Expectations are high and rising. This week Mandela called on the world for no less than a South African Marshall Plan.

Given the enormous pressure Clinton is now under to cut government spending, that seems a long shot.

Direct aid is unlikely to rise much above the present $80 million (R240 million) a year.

Anything above that is likely to be limited, indirect, carefully targetted and conditional.

It will be of two kinds, according to a senior administration official: support for the electoral process; and more general economic support to underpin "democratisation" — a key element of the government's Africa policy.

The former category will include matters such as voter education.

America's economic support will be chiefly indirect, in the form of lifting political restrictions on South African access to international institutions such as the World Bank and the International Monetary Fund.

Clinton could also issue an appeal to the scores of state and city governments which still impose their own sanctions to lift them (to what effect is uncertain, considering that many of them still maintain sanctions against Namibia).

Aid is likely to be phased in — largely because of the administration's concern not to give away all its cards at once and thus lose its leverage over later stages of the transition.

There will probably be three phases.

The first — from the announcement of a TEC until the elections — will be assistance for the electoral process and perhaps the lifting of restrictions on access to the IMF and World Bank facilities.

The call for the lifting of state and city sanctions could also happen then. This could be a preparatory phase, the lifting of restrictions will probably be done so as to allow project planning to go ahead — but to hold back actual implementation of projects until the elections, which will mark the start of phase two.

Some sanctions — such as the arms embargo — would remain in place until phase three — the installation of a final new government.

None of this exactly invites comparison with the grandness of the Marshall Plan.

If anything is going to look like that, it will have to be in the joint G7 initiative on South Africa which US Secretary of State Warren Christopher announced last month he was seeking.

The G7 club will be holding its next summit early next month when it is expected to address the question of aid to South Africa.

What it will do remains uncertain and some South African officials are rather gloomy about the prospects of the whole aid effort amounting to much.

Not so SA's ambassador to the US, Harry Schwarz. He told the National Press Club here this week that he expected World Bank loans to South Africa to climb to $1 billion a year and the G7 summit to offer "not just encouraging words" but a concrete economic package just as substantial — relatively — as the one it had provided to Russia.

Schwarz — not generally given to wishful thinking — says he is neither "euphoric" nor "pessimistic" but "moderately optimistic" about it all coming off. □



Clinton ... will he have good news for SA?

ANC, PAC demands set poser

CAIRO. — African foreign ministers will have to choose between African National Congress and Pan-Africanist Congress standpoints when they meet to discuss the South African situation in Cairo today.

The ANC would ask the Organisation of African Unity to lift sanctions once an election date was officially confirmed and an interim committee was established to supervise the transition, said ANC representative Stanley Mabizela.

He accused the PAC of delaying the transition. "The PAC is delaying the process of our liberation. (Our differences) will place the OAU in difficulty, but it is up to the OAU to decide what to do."

PAC representative Ahmed Gora Ebrahim said: "We have been the ones that have been the true custodians of the OAU position that there must be mutual cessation of hotilities. We cannot see how the OAU cannot applaud that position of the PAC."

Proposals adopted by the foreign ministers will be presented to African heads of state at the 30th OAU summit at the end of the month. — Sapa.

Sacking report shocks PAC's Alexander

PAC secretary-general Benny Alexander says he has yet to learn if he has been axed from the organisation's negotiating team, adding he was still awaiting a response to his request to be temporarily excused for personal reasons.

But if he had been sacked, he would abide by the decision, he said in reaction to Sunday newspaper reports that he was dismissed because of his embarrassing statements supporting the organisation's armed wing Apla.

"I wrote a letter to the leader of the PAC negotiating team ... Willy Seriti requesting that I be excused from the team for a while to attend to personal family matters," Alexander said.

"I made it clear that I would take up my post at negotiations again once I had attended to the said personal matters. I am still awaiting a response ... and I am shocked with disbelief to learn through the media that I have been kicked out and axed."

Alexander said if he had been sacked by an appropriate organ with due authority he would abide by its decision.

He denied he had embarrassed the PAC over his support for Apla.

"I wish to restate the official party policy: that the armed struggle will only come to an end through a mutual cessation of hostilities."

☐ The PAC later issued a statement denying "in the strongest possible terms" that Alexander had been dismissed, saying that he would be present at a meeting today of the organisation's planning committee.

The statement said that Seriti was the PAC negotiating team's leader and not Alexander as claimed in Sunday's reports, and that the team operated "as a collective on a rotating basis". — Sapa.

Dutch economic affairs minister visiting SA

DUTCH Economic Affairs Minister Koos Andriessen arrived in SA yesterday to meet political, business and labour leaders.

During his five-day official visit, Andriessen is expected to hold talks with President F W de Klerk and ministers Derek Keys, Pik Botha and Piet Welgemoed; ANC president Nelson Mandela and head of economic planning Trevor Manuel; Inkatha president Mangosuthu Buthelezi and Cosatu representatives.

He is also due to meet officials from the Reserve Bank, Portnet, Eskom, Nedcor Bank, Investec Bank and Idasa.

Andriessen is being accompanied by a delegation of Dutch businessmen who are keen to familiarise themselves with economic developments in SA.

The Netherlands imposed comprehensive economic sanctions against SA in the '80s but has since lifted some trade and investment embargoes. — Sapa.

Dutch economic affairs minister visiting SA

DUTCH Economic Affairs Minister Koos Andriessen arrived in SA yesterday to meet political, business and labour leaders.

During his five-day official visit, Andriessen is expected to hold talks with President F W de Klerk and ministers Derek Keys, Pik Botha and Piet Welgemoed; ANC president Nelson Mandela and head of economic planning Trevor Manuel; Inkatha president Mangosuthu Buthelezi and Cosatu representatives.

He is also due to meet officials from the Reserve Bank, Portnet, Eskom, Nedcor Bank, Investec Bank and Idasa.

Andriessen is being accompanied by a delegation of Dutch businessmen who are keen to familiarise themselves with economic developments in SA.

The Netherlands imposed comprehensive economic sanctions against SA in the '80s but has since lifted some trade and investment embargoes. — Sapa.

Dutch-SA trade could improve

Star 15/6/93

By Chris Whitfield
Political Correspondent

CAPE TOWN — South Africa could become the gateway to Africa, Dutch Economic Affairs Minister Jacobus Andriessen said yesterday after a meeting here with President de Klerk.

Andriessen, on a six-day fact-finding visit with a delegation of top Dutch businessmen, will meet KwaZulu Chief Minister Mangosuthu Buthelezi tomorrow and ANC president Nelson Mandela on Thursday.

He was cautious in his assessment of South Africa's business potential, saying "there is still much to be settled".

But he added that if circumstances forced agreement "then I can see no reason whatsoever why Dutch businessmen will not want to come to South Africa. We always say that Holland is the gateway to Europe and South Africa could become the gateway to Africa".

De Klerk said there was considerable space for expanding economic interaction between the two countries and he believed South Africa would become "the Japan of Africa".

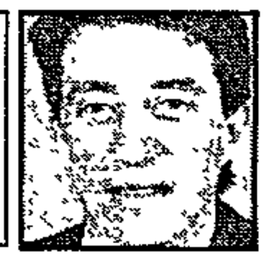
The President said he believed a breakthrough in negotiations was imminent. The country was are still on track for elections by the end of April.

Time is running out for a concerted effort to lift the remaining American sanctions

Star 17/6/93

Forces must unite on US front

Peter Fabricius
IN WASHINGTON



WHILE the principal parties in Kempton Park labour to forge a settlement, disturbing signs are emerging that the lack of an equivalent degree of co-operation here may be undermining their efforts to launch a prosperous new South Africa.

When the negotiators agree on the fundamentals of the transition — perhaps within weeks — they, and especially ANC leader Nelson Mandela, are expected to issue a call to America and the rest of the world to lift remaining sanctions and to invest in South Africa.

That may happen here when President Clinton hangs the Philadelphia Liberty Medal on F W de Klerk and Mandela.

Clinton is expected to respond to the South African appeal by pledging some R320 million in extra aid, calling for the abolition of the remaining 166 sanctions measures at city, state and national level and urging American businessmen to invest.

For a moment, South Africa will hold a bit of the international stage. It will be a brief moment.

America does not have a long attention span for obscure corners of the universe. Nor — especially now — has it money to spare.

Like a 30-second TV ad, the impact of that moment will have to be great if it is to grab the attention of the hundreds of corporate executives and portfolio managers responsible for investment and the hundreds of legislators at all levels of government who have the power to repeal sanction measures still in place.

At that critical point, South Africa will have to speak with one clear, unambiguous and unified voice if it wishes to be heard.

Among lower-level legislators there is enormous inertia, indifference and just plain ignorance to be overcome.

After Namibia became independent in March 1990, it took years for many to lift their sanctions. To this day, a few have still not done so and in Pennsylvania last week a state legislator proposed new legislation to impose sanctions on South Africa and Namibia.

Although these measures often remain in place only through inertia, they are nonetheless real. They have the power to hurt South Africa, barring governments at all levels from investing in any companies and banks which do business with South Africa.

Those seeking a speedy end to sanctions and a quick injection of funds to give transitional South Africa a jump start are very aware of the difficulties they face.

They are planning major campaigns to exploit the moment and reach out to everyone with the power to invest and lift sanctions.

Yet it seems — with perhaps just weeks to go — that divisions and confusion that could squander the big moment are setting in.

The South African embassy here has announced that it will launch a major drive across America to inform legislators at all levels that the all-clear has been given to re-invest in South Africa.

Other groups with the same purpose are beginning to emerge but there is no sign of co-ordination of effort.

In Washington, the SA-America Chamber of Commerce was recently formed by former SA Foundation representative John Chettle and former Ford executive Wayne Fredericks.

Almost immediatly, Dan O'Flaherty of the National Foreign Trade Council established the US-SA Business Council with the same goal.

Now the two bodies are sniping at each other, each claiming sole rights to lead the charge for the lifting of sanctions.

The Chamber of Commerce claims to be the more authentic institution because it has a letter from Mandela giving his blessing to the enterprise and has the backing of other credible groups.

Members of the two bodies are also taking swipes at the SA embassy, accusing it of failing to take sides to settle the squabble.

Meanwhile, anti-apartheid groups dismiss all three efforts as lacking credibility because they are being undertaken by those who opposed sanctions even in the days of full-blown apartheid.

Other similar, business-oriented groups are popping up on the west coast and the midwest.

The SA embassy is trying to co-ordinate the efforts but there is no evidence it is succeeding.

In the anti-apartheid camp, there is also some division and confusion. For one thing, some of its members accuse Mandela of being too free with his letters of endorsement to bodies like the SA-America Chamber of Commerce.

Some members of the Congressional Black Caucus in Washington and black state legislators elsewhere seem reluctant to take their cue from the ANC and are threatening to maintain sanctions until they feel satisfied that change in South Africa is truly irreversible.

Some may have been influenced by the PAC, which is queering the pitch by demanding that sanctions remain until a constituent assembly has been installed.



Testing time . . . Nelson Mandela has a brief moment to make a big impact.

Anti-apartheid groups also blame the ANC for adding to the confusion by failing to project a consistent line on what it wants to happen when the transitional executive council is up and running.

They point out that last November the ANC drafted "guiding principles" which stipulated that foreign investors would have to fulfil certain conditions, such as implementing affirmative action.

Since then, some ANC spokesmen have suggested that this policy may have changed and that the organisation would now welcome any investment.

Certainly that is the approach which influential voices here are pushing.

This week, at a Carnegie Endowment for Peace discussion, former assistant secretary of state for Africa Herman Cohen urged his successor George Moose to resist any "zealous" attempts to make investment conditional.

"That is the way to get no investment at all," he warned.

Time is running out for the organisation of a clear and concerted effort to banish the vestiges of sanctions and inspire life-giving investment.

"This is going to be a big moment. You would think that the South African parties involved would take the trouble to rehearse it before they go on stage," remarked one South Africa-watcher.

What is required now is a quick "Codesa" to be called here — either by local South Africans or, if they cannot agree, by their principals back home.

This conference must agree on what exactly is to happen and who is to do it when the call for an end to sanctions is made.

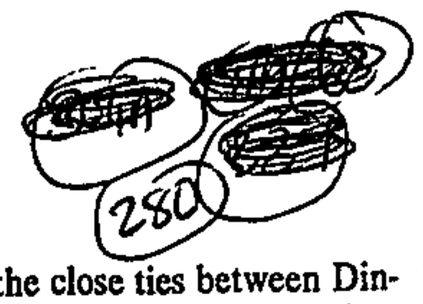
If South Africans can agree to transform an apartheid state into a democracy, they can surely agree on a strategy to sell the idea abroard.

They will have to stand together if they hope to make headway in an indifferent world. □

THE TRANSITION

FM 18/6/93.

Oasis or mirage?



ANC leader Nelson Mandela is expected to call for the lifting of all remaining US sanctions when he goes to America next month. He and President F W de Klerk are due to receive the Philadelphia Freedom Bell Award from President Bill Clinton on July 4.

The acceptance by multiparty negotiators of a provisional general election date and the expected establishment of a Transitional Executive Council (TEC) before the end of the month would meet the requirements Mandela has repeatedly set for an end to sanctions.

In this context, government's chief negotiator Roelf Meyer in parliament last week proposed hastening the onset of the TEC without immediately going through the legislative process — subject to agreement by the negotiating council in Kempton Park. Another indication that the TEC could soon be in business is that government has already identifed premises in Pretoria to house TEC subcouncils.

Though former president George Bush lifted nearly all federal sanctions in July 1991, many states and cities still enforce restrictions on companies that operate in SA.

A call by Mandela would not lead to a significant inflow of new investment but it would be psychologically important and could pave the way for the repeal of the Gramm Amendment, which blocks SA's access to IMF facilities.

The scrapping of remaining sanctions will provide a penalty-free platform for many US companies to consider new business ventures in SA. However, there is concern that city and state legislators may not regard the repeal of restrictions as a priority and this could delay the resumption of normal trade ties.

At least eight US cities and states still have sanctions laws against Namibia, more than three years after independence. New York City, for example, applies what are regarded as the harshest restrictions against companies with SA ties. They include loss of city contracts and withdrawal of investments in those companies by city employees' pension funds.

Ruby Ryles, assistant press secretary to New York mayor David Dinkins, says a decision to lift sanctions will depend on Dinkins's assessment of progress towards democracy in SA. She says he is aware of the importance of lifting sanctions at the appropriate time, and can see no reason why the move should be delayed once that time arrives.

But sceptics point out that even in New York City references to Namibia were only removed from some sanctions regulations in February 1991, nearly a year after independence. However, the close ties between Dinkins and Mandela point to a special effort being made to facilitate the resumption of trade and investment.

At present 27 states, 89 cities and 25 districts in the US still have sanctions against SA, according to the Department of Trade & Industry.

Even after sanctions go, SA is likely to remain a fairly low priority for American companies. Earlier this year US ambassador to SA Princeton Lyman said he believed there was little chance of a return to the situation as it was in the Eighties, when 360 US companies had investments worth $2,7bn in SA. By this year the number had dropped to 110 companies, with investments totalling only $1bn.

He expects US companies to adopt a cautious approach to SA and to look at other opportunities as well, such as the Pacific Rim or the North American Free Trade area. ■

...dead after ignoring a warning to stop.

St Lucia study flawed, meeting told

BDay 18/6/93

MARIANNE MERTEN

DURBAN — The St Lucia environmental impact assessment (EIA) report had been discredited, Wildlife Society spokesman Jeremy Ridl said at a meeting yesterday.

The EIA's economic team had formally distanced itself from the report, he said.

Just before its publication, the geological section of the report "had been thrown into doubt" as new evidence was made available by monitors of the Ramsar convention on the environment, which was signed in Iran in 1978 by representatives of 77 countries.

Ridl condemned the "indecent haste" with which organisations had had to respond to the CSIR report, which said no irreparable damage would be caused by mining.

Campaign for St Lucia co-ordinator Oliff d'Oliveira said if mining were allowed, the wetland would have to be taken off the Ramsar convention list of protected wetlands.

If this happened, it would be the first time one of the convention signatories had delisted an internationally recognised wetland.

During a recent Ramsar convention conference in Kushiro, Japan, delegates recommended that mining at St Lucia should be refused on principle.

Zululand Environmental Alliance spokesman Jim Phelps said the EIA report's procedure was flawed.

The assessment management committee was not representative as it did not include members of conservation organisations or the public.

The principle of "hearing the other side" — a vital part of any impact assessment and integrated environmental management system — was "interfered with" because comments from the interested and affected parties were "filtered and digested" before they reached the review panel, he said.

KwaZulu Bureau of Natural Resources director Nick Steele said the bureau had found "significant omissions and unacceptable bias" in the report.

The pro-conservation sentiments were supported by those invited to the meeting, which included representatives from political bodies and conservation organisations such as the Natal Parks Board.

DP MP Rupert Lorimer said his party had dedicated itself to the fight against mining at St Lucia, although "all environmental impact assessments meant nothing because the final decision was a political one".

CP MP Joseph Chiole said the CP did not want mining activity "anywhere in St Lucia".

NUM secretariat professional assistant Roy Sewnarain said his task was to "put the facts before the national executive" and facilitate a debate within the union.

UK govt changes mind on SAAF ban

BDay 18/6/93

Own Correspondent

LONDON— The British government yesterday announced the lifting of its ban against the SA Air Force being invited to the RAF's 75th anniversary celebrations at the Fairford International Air Tattoo next month.

Pressure, including a published letter from five former marshals of the RAF, has been levied on the government to lift the ban following the participation of the SA Navy in last month's 50th anniversary of the Battle of the Atlantic.

British government officials admitted their approach to the two events had been apparently inconsistent, but were concerned that the appearance of SA military aircraft and personnel on the operational military base of RAF Fairford would be more clearly a breach of UN, EC and Commonwealth sanctions against SA than the navy event was.

The SA supply ship Drakensberg pointedly stopped at the civilian port of Milford Haven rather than the navy ports of Plymouth or Portsmouth.

However, officials have concluded that since Fairford is a standby base that will not be used operationally during the tattoo, and because this is a major historical anniversary, the sanctions do not apply.

South Africans such as Field Marshal Jan Smuts played a major role in the creation of the RAF, and pilots such as "Sailor" Malan were heroes in the Battle of Britain.

Proportionately more SA pilots were killed defending Britain than those of any other nationality. There has been a steady drumbeat of RAF veterans demanding SA be included in the 75th anniversary celebrations.

The Chief of the SAAF is expected to be among air force chiefs from around the world to be invited to the tattoo. It is hoped that SA will at least be able to return to the original invitation: four Pitts Special aerobatic planes carried to Fairford in two SA Hercules C-130 aircraft. — Daily Telegrpah.

Call for new joint plan

BDay 18/6/93

MARIANNE MERTEN

A credible national environmental management strategy was too important to be developed by government alone or with limited support from other groups.

Cape Town University Environmental Studies Prof Richard Fuggle said this week a minimum requirement was that participants in the multiparty negotiating forum agreeda national environmental strategy should be developed at this point.

All significant role players needed to commit themselves to such a strategy, he said.

Although the task of drafting the strategy would lie with a steering committee and its secretariat, wide-ranging consultations were also necessary.

Gallo
Gallo

Last US sanctions will be lifted soon

ST Times 20/6/93

By MATTHEW DOULL
London

PRESIDENT Bill Clinton is expected to announce the removal of remaining US federal sanctions against South Africa next month when he presents a joint peace prize to President FW de Klerk and ANC leader Nelson Mandela.

This will remove the US veto on access by South Africa to credits and loans from the International Monetary Fund and the World Bank.

The main US sanctions, embodied in the Comprehensive Anti-Apartheid Act (CAA) of 1986, were lifted in July 1991 by President George Bush.

But the Gramm Amendment to the Bretton Woods Agreement Act — voted into effect by US Congress in November 1983 — remains in effect.

Veto

The amendment was tagged on to the bill to renew the Bretton Woods legislation which covers America's membership of the IMF and World Bank.

Under it the US director at the IMF was precluded from supporting SA applications for credits until certain conditions were met.

All the political conditions have been met. But the final demand is that SA cannot obtain IMF help unless its balance of payments is in deficit and it is unable to obtain funds from the international capital markets.

According to diplomatic sources, the announcement will be made at the ceremony in Philadelphia on July 6. The current SA Parliament ends on June 25, after which a transitional executive council will be constituted by representatives of 26 negotiating parties. The council will have a veto over government decisions.

The removal of the Gramm Amendment will open the way for SA to receive World Bank funds later this year and to register for a stand-by facility from the IMF to bolster its depleted foreign reserves.

Mr Mandela and Mr de Klerk have also agreed to retain Finance Minister Derek Keys in a future government. — © *The Telegraph, London*



Star 21/6/93

'Trade walls must

South Africa is emerging from isolation and sanctions to encounter new pressure: the demand to dismantle walls of protection around local businesses in line with the rules of fair play in world trade, reports MICHAEL CHESTER.

THE END of political isolation and the chance to return to the bustle of normal world trade was greeted with champagne parties in the boardrooms of most South African companies. Now come the headaches.

The first shock is that renewed access to export markets does not mean a flood of overseas orders. Exporters are finding the old price edge they used to enjoy over many rivals has vanished — labour and production costs have rocketed because of political reform and inflation — and new rivals have encamped themselves in our traditional markets.

Even worse, the removal of sanctions has exposed the thick entanglement of trade barriers that protect numerous local industries from international competition. And in exchange for letting South Africa re-enter overseas markets, global trade partners are demanding the opportunity to trade on level playing fields in South Africa.

Pressure to comply with the rules of global competition is coming from the General Agreement on Tariffs and Trade, (Gatt) a powerful secretariat that acts as a world trade policeman. All now hinges on how long Gatt gives South Africa to adjust to its rules — given the special circumstances of dramatic political and economic reform.

A South African Government negotiating team travelled to Geneva recently to start discussions. Department of Trade and Industry director-general Stef Naude found Gatt was fully aware of the damage caused by sanctions — the Gatt secretariat assessed the damage at no less than R40 billion — counting the combined losses caused by the shrinkage in export earnings, financial sanctions and disinvestment.

Even so, Gatt remained highly critical of South Africa's tariff structures. It was true, a special report admitted, that South Africa had made a start on the removal of direct import controls. Out of a mountain of 12 600 tariff items, the number covered by controls had been trimmed down from 23 percent in 1985 to about 15 percent.

But tariff walls were still far too high. The average level of protection over the industrial sector was no less than 27 percent — soaring over 60 percent in some pockets of manufacturing and a staggering 90 percent or more in textiles and leather.

Also viewed with a stern eye were the shelters around the motor and chemical industries and the tobacco trade. All in all, less than one-fifth of South African tariffs were bound by Gatt rules.

The Government was now volunteering to increase the number to a shade more than one-half. Also, South Africa was offering to lift the number of duty-free items in its tariff list from under 20 percent to more than 25 percent. Still on the agenda, however, was South Africa's system of "import licensing" that protected the agricultural, forestry and fisheries sectors.

Next under review came the issue of how the State Tender Board handled government procurement contracts, where individual department were able to award contracts up to R500 000 for construction and engineering projects. The Gatt report said tenders were invited normally only from firms based inside South Africa — and preferences granted to domestic suppliers were estimated to create a margin of some 30 to 40 percent in favour of locally produced goods.

The Government was well aware of the way various protection measures increased the overall costs of manufacturers. It had compensated them by offering export subsidies that averaged about 20 percent of actual export value.

Under pressure, South Africa had now agreed to phase out its general export incentive scheme in 1995.

South Africa has also pledged to axe import quotas on non-food products within a year and remove licensing requirements on agricultural imports as fast as possible. Gatt wants a written commitment on the table within the next month.

Naude emerged from the talks warning local industrialists they need to face a batch of harsh moments of truth. "SA's own future, and the international community responsible for multilateral trade rules, demand from SA to face realities that are impossible to avoid. Our economy simply has to be reintegrated into the world economy."

The Gatt secretariat argues that South Africa will be far better off in the end if it toes the line. "The immediate challenge is to regenerate growth in the context of policies aimed at social upliftment," says its report.

Rejoining the international trade circle involved would result in more international confidence in the economy, more investment and more jobs.

Seasoned economists have no argument with the longer-term scenario.

But there are reservations about the speed of trade reforms. "Pulling away all the layers of tariff protection could be traumatic for many industries," says one observer. What has to be weighed is the impact on employment. The loss of more jobs could ignite the fuse of political dynamite.

"Finance Minister Derek Keys has also promised the gradual withdrawal of trade protection as a longer term objective while new strategies are ironed out to restructure the entire economy.

"But we need time. The socio-political climate is far too sensitive to stand the shock of major trade upheavals." □

US prepares to resume business with SA

B/Day 22/6/93

WASHINGTON — Remaining federal economic sanctions on SA are to be repealed and US investment supported under legislation to be offered by senators Nancy Kassebaum and Paul Simon.

The Bill is being readied for introduction as soon as an election date has been set and a transitional executive established. A draft was vetted by ANC foreign affairs director Thabo Mbeki last week.

It not only rescinds the Gramm Amendment, which requires the administration to veto IMF and World Bank lending to SA, it actively instructs the US Treasury to press the bank "to initiate or expand ... lending

SIMON BARBER

and other financial assistance activities in SA". SA is also to be dropped from the list of countries barred from receiving tariff reductions on their exports to the US under the Generalised System of Preferences.

Although the legislation calls for the repeal of the 1986 Comprehensive Anti-Apartheid Act, US companies are upset by the authors' decision to reinstitute a mandatory, State Department-monitored code of conduct for US businesses in SA. The code would be dropped only "when the president certifies to Congress that a democratically elected SA government has established fair labour standards".

The Bill amends existing law protecting state and local sanctions and "urges" the authorities to rescind their restrictions.

The Export-Import Bank is encouraged to expand support for black-owned SA business, as is the Trade and Development Agency, which provides grants and credit to help foreign companies expand operations using US contractors and products.

The Overseas Private Investment Corporation "should immediately begin negotiations" for an agreement with SA that would enable it to extend loan guarantees "to expand US private investment in SA".

280

● See Page 10

Clamour for clarity before the US can do business with SA

B/Dey 22/6/93

SIMON BARBER in Washington

THE hope here is that, on Friday, SA's negotiating parties will announce they have reached agreement on a firm date for elections and the formation of a transitional executive. Perhaps they will also be in a position to define how the executive will function, what its powers will be and when, precisely, it will be in place.

This will be extremely helpful to, among others, Assistant Secretary of State for Africa George Moose and ANC international affairs head Thabo Mbeki, neither of whom was able satisfactorily to answer audiences at the Carnegie Endowment for International Peace last week.

Moose spoke in the plural, referring to transitional executive councils. Mbeki spoke of one council with subcommittees. Both agreed that whatever they were, they would exist to "level the playing field" for elections. That we knew. Thereafter there was confusion.

The American, pleading inexperience, felt sure there were others in the room who could explain things better than he. If there were, they were not volunteering, and he was obliged to make various stabs on his own. There would be "mechanisms" designed to "ensure transparency in key government institutions", but they were "not as yet entirely clear to me.... My sense is these will be decision-making bodies."

Mbeki, the following day, was asked to verify Moose's sense. A simple yes or no would have been nice. Instead we were merely assured that, *pace* Roelf Meyer, "how the playing field will be levelled" would be spelt out in law at some point. Even then, we should not expect anything that was "mathematical", though we could be certain that the council would not be "overridden by government in matters of its competence". Then, in a flash of candour, Mbeki allowed that not even he could define easily what the council's foreign affairs subcommittee would do, despite the fact that he would logically be an important part of it. Here's a suggestion: its first task might be to clear up the fog.

It will be a matter of no little importance for the outside world to know who and what is the SA government during the transitional executive council's period. Moose said he was urging the White House and Congress to treat the formation of the transitional executive as the end of apartheid rule for the purposes of US law. Is this a proposition the ANC, in particular, accepts?

If it is serious about seeing remaining US sanctions lifted, it had better accept. The Gramm Amendment, the last federal sanction of any significance, requires the US representatives on the boards of the IMF and World Bank to veto loan applications by any country "which practises apartheid". Unless there is greater clarity about the status of the transitional executive, this could cause difficulties.

There are two ways of dealing with Gramm. Either the US president can certify that apartheid is no longer being practised or Congress can repeal the statute. Both methods are under consideration, but both could be complicated if, say, the Congressional Black Caucus decided to extract concessions from the administration on other matters by insisting Gramm's conditions would not be met until there had been elections. All politics, remember, is ultimately domestic.

Imprecision about the council could cause problems on the state and local fronts as well. There are plenty of arrogant experts out there ready to be more royalist than the king, aka Nelson Mandela, when it comes to penalising US businesses for daring to go near SA. They will be looking for excuses not to heed Mandela's call. Some will even think they are helping the ANC by disobeying, which will be pretty rich given the resources the ANC and others are going to have to sink into disabusing them. They must not be allowed to think the council is a charade.

On the other hand, none of this may matter much unless the parties agree that decisions taken during the council's period are those of a sovereign, responsible and legitimate government and will be adhered to, where applicable, after elections.

The waiving or removal of the Gramm Amendment will not in itself open the door to World Bank and IMF finance. Loans and facilities will have to be negotiated with the institutions, and undertakings on policy given that will satisfy a majority of their boards. Will a transitional executive council administration be able to do that? If not, action on Gramm before April 27 — assuming that is the final election date — is moot, a comforting symbol, nothing more.

Another, if lesser, example. Will the council authorities be able to sign an agreement with the Overseas Private Investment Corporation, the US government agency that provides risk insurance for foreign investment? For US business the existence of an Opic agreement is an important signal, and the sooner one is signed the better.

Among the options percolating through the National Security Council is the provision of US government guarantees to leverage private investment in housing, education and other "reconstruction" projects. These, too, will require negotiations with a sovereign SA government. Surprising as it may sound, the US Congress is loath to risk voters' money without some assurance that the beneficiary will not squander taxpayer underwritten investment through rash policies.

One issue that continues to vex US companies, both those already in SA and those sniffing, is the fair employment codes mandated by the Comprehensive Anti-Apartheid Act. Though few object to the principle of standards, no other country imposes such obligations on its companies operating in SA. Compliance is a bureaucratic burden and, arguably, has led to a misallocation of resources. It also put US firms at a competitive disadvantage.

The ANC has belatedly come to recognise the problem and has acknowledged that labour standards should be drafted and enforced equally for all by an SA government. As Moose put it: "South Africans regard the question of business behaviour as something they themselves should decide."

Fine, but when? Can a transitional administration deal with the question, thus allowing the relevant section of the Act to be phased out? Or must US companies continue to wait? Once more, there is no clarity.

It may be said there are only 10 months before there is a real government, decisions can wait. No doubt they can, but is the delay worth it, especially when a newly elected government will be under enormous pressure to provide immediate and visible material gains for its electorate? Another year of talking will not help, especially given the lead times for loans to be negotiated and investment to be translated into jobs, schools and houses.

Put very simply, it is not very much use for the ANC to declare SA open for business — except as a symbolic gesture — unless there are legitimate authorities in place with whom business may be done. Can the transitional executive arrangement be so characterised?

Proposed US bill repeals sanctions

WASHINGTON. — Remaining federal economic sanctions against South Africa are to be repealed and US investment enthusiastically supported under legislation to be offered by two US senators.

The bill will be introduced once an election date is set and a transitional executive established.

It not only rescinds the Gramm Amendment on lending to SA, but actively instructs the US Treasury to press the World Bank "to initiate or expand-...lending and other financial assistance activities in South Africa".

● Meanwhile the Utrecht Conference has urged churches to call for the lifting of sanctions once a Transitional Executive Council is established, the South African Council of Churches said last night. — Own Correspondent, Sapa

280 CT22/6/93

Star 23/6/93

We will have to woo investors — economist

By Peter Davies

It will be far more difficult to reverse economic sanctions than it was to impose them, Sacob chief economist Ben van Rensburg said yesterday.

Van Rensburg was referring to the sudden climate of economic expectancy created by the "South African Democratic Transition Act" proposed by US senators Nancy Kassebaum and Paul Simon. The Act will lift virtually all remaining sanctions and actively encourage foreign aid, private investment and development loans to South Africa.

Van Rensburg says that if and when sanctions are lifted, the country should not expect to "sit back and watch all the money pour in".

He says South Africa will have to make a concerted effort to woo potential investors but he nevertheless views potential sanctions-scrapping as a positive step forward.

"The whole world is currently under enormous economic pressure. Everyone is looking for new opportunities in a world flooded by mass communication. It's very difficult to establish investment opportunities that no one else has tried to develop.

"South Africa is under the magnifying glass. It's therefore vital to get the right systems in place as soon as possible." These systems include a transitional council seen by the outside world as totally representative, and agreement on an election date.

"Expectations out there are high because of a new set of voters. They are expecting a better life. If the new political system is not going to provide it, we are heading for trouble," he said.

New SA can still face arms curbs

Star 23/6/93

By Norman Chandler
Defence Correspondent

The lifting of the arms embargo against South Africa, even with a new government in place, is not likely to be automatic.

This is the view of top strategist Professor Mike Hough, who says that the issue could be dictated by increased emphasis on global and regional arms control measures which could neutralise some effects of lifting sanctions.

Writing in the *Strategic Review for Southern Africa*, published by the Institute for Strategic Studies of which Hough is director, he says there are many factors to be taken into consideration before sanctions are lifted either partially or completely.

These include international concerns over the proliferation of weapons in the Third World, the potential for instability in southern Africa, the reduced conventional threat with the ending of the Cold War and budgetary constraints.

Another factor would be the policies of a future South African government.

Hough says there are three scenarios to be considered: retaining sanctions; lifting the embargo after an election has been held and an interim government installed; lifting it once a new constitution has been adopted and majority rule established.

But to get the United Nations to lift the embargo will necessitate agreement by the five permanent members of the Security Council — United States, United Kingdom, France, China and Russia — and many countries which have legislated against supplying South Africa.

Hough points to Namibia, formerly administered as South West Africa by South Africa, where the embargo is still in force three years after independence.

"Budgetary constraints would mean that the SA Defence Force would maintain and upgrade existing equipment for the immediate future although new purchases would have to be made at some stage.

● The first attempt by the United Nations to place an embargo on arms sales to South Africa was in November 1962. In 1977 the Security Council adopted Resolution 418 providing for a mandatory embargo.

Churches urged to lift all sanctions

THE Utrecht Conference has urged churches to call for the lifting of sanctions once a Transitional Executive Council is established and to push for reinvestment and aid to South Africa, the SA Council of Churches said on Monday night.

Church, ecumenical and anti-apartheid representatives met in Utrecht in Holland earlier this month at the invitation of the World Council of Churches and the SACC to discuss lifting of sanctions and reinvestment in South Africa. — *Sapa.*

Economic links with Nigeria in the offing

Star 23/6/93

By Graham Linscott
Star News Service

LAGOS — SA and Nigeria could be on the point of forging significant economic links.

A Nigerian trade mission was in SA recently and its members speak enthusiastically of the possibility.

Officially, of course, no such thing happened. Nigeria observes Organisation of African Unity (OAU) sanctions.

As with so many African countries, SA products arrive by devious routes, camouflaged and considerably more expensive than they should be.

That could end soon. The Nigerian government is already turning a blind eye to direct contact between its businessmen and their SA counterparts.

Business people in Lagos expect that as soon as an interim executive council is in place in SA, sanctions will be lifted.

That would normalise relations between the two economic giants of sub-Saharan Africa, with all kinds of potential for mutual benefit.

Nigeria has a vast consumer market of something like 100 million people. The big difference between them and the millions in the rest of Africa is that in Nigeria they are relatively wealthy, thereby making a good market for SA exporters

Many Nigerians could be attracted to SA as tourists. Money-eyed Nigerians spend their holidays in Europe or America. They could well be persuaded to head south instead. (280)

Nigeria is eager for SA investment and expertise. It has unexploited reserves of iron, tin and bauxite which would be a proposition for SA capital and mining technology

And it's eager for transfer of agricultural expertise

Although they are so different in character and composition, there is a parallel between Nigeria and SA which goes beyond their economic clout. Both are transforming their societies to allow the free market to unlock their potential

A year ago Nigeria dropped foreign exchange controls and was rewarded by an inflow of funds. Now market forces are given free rein.

SA clings to exchange controls and still has to manage an immensely more difficult political transition

If it is any consolation, Nigerians are sympathetic. And they still want to do business

Congress set to ease up on US investors in SA

BIDay 24/6/93

SIMON BARBER

WASHINGTON — US companies with more than 25 employees in SA may be relieved of the burden of registering with the state department and reporting annually on their SA employment practices and social expenditures as soon as SA elections are held.

After intense lobbying by American business, the authors of a Bill repealing remaining US economic sanctions have agreed to drop an earlier demand that congressionally mandated employment practices for US companies in SA be retained until a new government adopted its own code.

The repeal Bill initiated by Senator Nancy Kassebaum and Senate Africa subcommittee chairman Paul Simon is set to speed through Congress without committee hearings as soon as ANC president Nelson Mandela gives the word.

In its new form, the Bill means that Congress agrees that the private sector is the engine of growth and development for SA.

US National Foreign Trade Council director Dan O'Flaherty, who lobbied for the change, said the mandatory employment standards grew out of the code of conduct developed by the Rev Leon Sullivan in the late '70s.

He said it was "critical" that Mandela be in a position to announce a firm election date and the creation of transitional executive committees by next Sunday, when he and President F W de Klerk received freedom medals in Philadelphia.

O'Flaherty said dropping the legal requirement would not change companies' behaviour, but would remove bureaucratic red tape that had become an important disincentive to new US investment.

If he does not, the US investor's newly rekindled interest in SA could start to wane, he said.

GAVIN DU VENAGE reports that the SA American Chamber of Business had condemned the initial form of the Bill.

Chamber executive director Michelle Cohen said yesterday the code would have had "onerous cost-implications" for US companies wanting to invest, and they would look for better prospects elsewere. Several companies had already abandoned plans to move into SA because of the proposal.

Sanctions must stay — Mandela

SANCTIONS had to remain in place because not enough progress had been made to scrap apartheid, ANC president Nelson Mandela said before leaving for Egypt and the US.

He said he had hoped that two key issues would be settled before he and President F W de Klerk jointly received the Liberty Award from US President Bill Clinton on July 4.

"These were creation of a transitional executive council and the setting of a date for an election.

"Depending on those developments we would have called for the lifting of sanctions," Mandela said.

"I am confident that April 27 next year will be confirmed, but as for the transitional executive, we depend on Mr De Klerk because there must be legislation installing it.

"We can't take any major decision before a Bill or legislation is published which defines the powers and functions of the transitional executive ... we cannot make any statement with regard to sanctions before that is completed."

He said he would invite US businessmen to do feasibility studies and that he would ask the World Bank to prepare for development programmes.

"I will also, in meeting President Clinton, ask for massive assistance (to address) some of our major socioeconomic problems."

Mandela left for Cairo on Saturday night to attend an OAU summit before going on to the US.

Sapa reports that on Saturday the OAU repeated its call for SA to withdraw from Walvis Bay and the offshore islands.

Sanctions must stay — Mandela

SANCTIONS had to remain in place because not enough progress had been made to scrap apartheid, ANC president Nelson Mandela said before leaving for Egypt and the US.

He said he had hoped that two key issues would be settled before he and President F W de Klerk jointly received the Liberty Award from US President Bill Clinton on July 4.

"These were creation of a transitional executive council and the setting of a date for an election.

"Depending on those developments we would have called for the lifting of sanctions," Mandela said.

"I am confident that April 27 next year will be confirmed, but as for the transitional executive, we depend on Mr De Klerk because there must be legislation installing it.

"We can't take any major decision before a Bill or legislation is published which defines the powers and functions of the transitional executive . . . we cannot make any statement with regard to sanctions before that is completed."

He said he would invite US businessmen to do feasibility studies and that he would ask the World Bank to prepare for development programmes.

"I will also, in meeting President Clinton, ask for massive assistance (to address) some of our major socioeconomic problems."

Mandela left for Cairo on Saturday night to attend an OAU summit before going on to the US.

Sapa reports that on Saturday the OAU repeated its call for SA to withdraw from Walvis Bay and the offshore islands.

Star 29/6/93

Malaysia set to drop sanctions against SA

Business Staff writer John Soderlund reports from Kuala Lumpur

Malaysian sanctions against South Afrcan are within weeks of being lifted, according to a reliable source in Kuala Lumpur.

The key is the establishment of a transitional executive council.

Malaysia, described by the source as "one of the last hardcore sanction campaigners against SA", is already encouraging its business sector to visit the country to identify potential opportunities so that they are ready when sanctions are officially lifted.

Attitude

This softening attitude was even more obvious when members of a South African Foreign Trade Organisation (Safto) trade mission sat across the table from 10 representatives of the Malaysian Industrial Development Authority (HIDA).

"That alone marks a distinct change of policy," said a Safto spokesman.

Unofficial trade between the two countries has been happening throughout sanctions. But the extent is not clear.

Most trades are through Singapore (a free port), where goods are repacked and forwarded.

South African officials say the level of trade in imports from Malaysia was R496 million last year. Malaysia statistics are considerably lower, putting it at R412 million.

Potential

Nonetheless, the government source says considerable potential for vigorous two-way trade in the future.

"Already, the re-establishment of air links and tourist trade between the countries has begun."

South African export figures to Malaysia have been boosted to R325 for 1992.

Both economies are very complementary.

"We are looking to increase our exports of manufactured goods and South Africa is the ideal country because of its current economic conditions," he says.

As regards exports from South Africa, vegetables, fruit, tobacco, animal feeds and many commodities would be required by Malaysia.



Malaysia's capital Kuala Lumpur could soon be a target for South African businessmen as trade barriers begin to fall.

Malaysia imposed sanctions against South Africa in 1964 and currently maintains them against only one other country — Israel

Perhaps their hardline attitude has to do with their own vigorous economic restructuring which began in ernest in 1970.

The National Development Plan (NDP) was designed to eradicate poverty and restructure the imbalance in the economic conditions of the Malays or "Buhiputera" (55 percent of the population) and the Chinese.

The Malays were poorer and less economically active and this affirmative action aimed to bring everybody out of the dire poverty bracket without sacrificing economic growth in the process.

To all accounts it worked.

Under the First Overall Perspective Plan (OPP1), an average growth rat of 6,7 percent a year annum was maintained between 1970 and 1990.

The proportion of people living below the poverty line decreased from 49,3 to 15 percent and average monthly incomes grew by a real 3,1 percent a year.

Growth targets

Share ownership by Buhiputera increased from 2,4 to 20,3 percent.

OPP2 is now under way, spanning the years 1990 to 2000, and already ambitious growth targets (particularly in the manufacturing sector) have been comfortably exceeded.

A model for South Africa?

Perhaps the OPP programmes are not that readily transferable given that they are based on the following principles, as described by the OPP mission statement:

A belief in God.

Loyalty to king and country.

Upholding the constitution.

The rule of law.

Good behaviour and morality.

Cash will not flow into SA simply at Clinton's behest

B/Day 29/6/93

SIMON BARBER in Washington

IF PRESIDENT F W de Klerk and ANC president Nelson Mandela do not bring an election date and a transitional executive to lay before President Bill Clinton this week, they will be wasting a modest opportunity but the sky will not fall.

Mandela will still be able to raise money for the ANC's campaign coffers and De Klerk will still get to play golf with a couple of senators and take in a show at the Kennedy Centre. He looks as though he could use the rest.

There are better choices than Washington and Philadelphia for a holiday at this time of year, but blame ambassador Harry Schwarz for that. The Freedom Medal business was his brainchild, and it was he who nagged all concerned to make it happen. At least in Philadelphia, the South Africans will have something to remind them of home. Police there have just rounded up the leaders of a particularly vicious gang that calls itself Zulu Nation.

The truth is, even if the two leaders do have an agreement for Clinton, his response is not going to be earth-shaking. The new policy Clinton wants to unveil, once you get down to the fine print, will demonstrate chiefly that what politicians bill as bold and innovative departures are often little more than simulations thereof. With regard to SA, there is not very much the US government can do in the near term that has not already been done, or whose practical implementation must await the establishment of an elected government in SA.

The administration's plan is essentially the same as that laid out in legislation drafted by senators Nancy Kassebaum and Paul Simon. What it amounts to is this: once Mandela gives the word, Washington will assist and reward SA's "transition to democracy" by ceasing, with the ANC's permission, to be deliberately unhelpful.

The principal reward will be the dropping of the Gramm Amendment. Washington's executive director on the boards of the IMF and World Bank will no longer automatically have to oppose all loans and facilities for SA. Indeed, the proposed legislation would have the Treasury secretary actively encourage him to lobby for such lending.

Lovely, but this does not mean the floodgates will open the next day. Before any funds begin to flow — let alone the $1bn mentioned by the bank's vice-president for Africa Edward Jaycox — a new government in SA will have to make hard choices about what it wants from the institutions and whether it is prepared to meet their terms. And IMF and World Bank finance offers no guarantees the recipient will prosper. Just look at the track record.

Neither is it worth getting too excited about what might emerge from the G-7 summit in Tokyo next week. Clinton will urge his partners to "mobilise" resources for SA's reconstruction. No doubt there will be mention of the subject in the summit communiqué, probably closer to the bottom than the top. This would not be the first time the G-7 has spoken of the need to help SA. Hitherto the practical results have not been obvious. Even now, as Assistant Secretary of State for Africa George Moose has admitted, "specific mechanisms" to translate the communiqué's language into practical effect have yet to be discussed.

The removal of the Gramm Amendment is the most concrete card Clinton and Congress have to play. Virtually everything else they propose will be hortatory.

There will be two main exhortations. The first will be to local and state governments to stop penalising investment in SA. The idea of trying to pre-empt local sanctions by federal *force majeure* has been weighed and abandoned, although the Kassebaum-Simon Bill does imply that federal funding for local road construction could be denied to authorities who insist on retaining contracting rules that discriminate against bidders with SA investments.

The second appeal will go to the US private sector: please go and invest. Nice words — and pragmatic, too. The federal budget has no fat left to finance official aid much above the current $80m a year (thank goodness). But the US private sector can only help SA if SA helps itself. The US government cannot tell investors where to put their money — although it is very good at doing the opposite — and its ability to influence investors' choices is at best marginal.

There are a number of steps the president and Congress will say they are taking to help, but most have long since been taken.

Do not be fooled if you hear Clinton pledging the active participation of entities like the Export-Import Bank, the Trade and Development Agency and the Overseas Private Investment Corporation. This is not especially new.

SA importers of US capital goods are already eligible for Exim loans and guarantees. The Trade and Development Agency recently announced that it would help Afrox finance the planning of a new penicillin plant in return for US firms getting engineering and supply contracts. The Overseas Private Investment Corporation has been anxious for some time to sign a bilateral agreement that would enable it to provide insurance cover for American investors.

Something Congress could do, but will not unless the ANC specifically gives it the go-ahead, is to stop requiring US companies in SA to register with the State Department and submit detailed annual reports to prove that their employment practices and expenditures on social upliftment meet certain mandatory criteria.

This is the one aspect of the Comprehensive Anti-Apartheid Act Congress does not intend to repeal immediately, although Kassebaum and Simon have agreed to make elections the cut-off point rather than waiting for a new government to write its own "fair labour standards".

The retention of this policy vitiates the call for US companies to invest. The hassle factor places US firms at a competitive disadvantage in SA vis-à-vis other companies, domestic and foreign. It discourages the very kind of investment that SA most needs — the sort that creates jobs. At a deeper level, it tells US companies that involvement in SA, unlike anywhere else, is even now potentially wicked and must therefore be specially regulated.

It is up to South Africans to decide if they want this to continue. Just as they must decide whether, or when, they want to proceed with negotiations on a new tax treaty to replace that cancelled by the CAAA; whether they want to sign a bilateral investment agreement establishing the rights and responsibilities of US investors; and whether they want to describe themselves as a developing or developed country for trade purposes. The Kassebaum-Simon Bill makes SA eligible to benefit from the Generalised System of Preferences, which grants reduced tariffs to certain labour-intensive exports of developing nations.

This could help the SA textile industry, but only if congressional protectionists can be held at bay.

The bottom line is that whatever Mandela and De Klerk bring with them to the US this week, the best "reward" SA can expect for moving to multiracial rule is the normalisation of its economic relations with the US and the rest of the world. There will be no special favours.

Furthermore, as a practical matter, the normalisation will not occur until there has been an election.

Mandela calls for investment

B/Day 20/6/93

SIMON BARBER

WASHINGTON — ANC president Nelson Mandela delivers a powerful appeal for "massive" foreign investment in the latest issue of Fortune magazine and says he will be urging President Bill Clinton to launch a "Marshall Plan" for SA when they meet on Friday.

"Our whole position is that we should forget the past. Let us concern ourselves with the present and the future. Let us build a new SA," he tells readers of the influential business publication.

The appeal, in an interview with managing editor Marshall Loeb earlier this month, appears to conflict with Mandela's newly stated intention to delay calling for the removal of remaining sanctions. This has come as a disappointment to both the Clinton administration and US companies which had counted on him using his 12-day US tour to declare SA open for business.

Ambassador Harry Schwarz yesterday questioned the political wisdom of his sanctions stance, saying the ANC was in danger of being blamed by voters for retarding SA's economic reconstruction.

In the interview, Mandela said all that was needed before he would call off sanctions was a firm election date. "We have already agreed on naming a transitional executive council."

He said: "Only 3% of those who finished school this year could finds jobs in the formal sector. It is a serious situation and it can only be remedied by massive investment in our country. That is why we are keen to review sanctions."

☐ To Page 2

Mandela

B/Day 30/6/93

☐ From Page 1

All foreign companies would be "guaranteed" against expropriation or nationalisation, he said, pledging in addition that "they will be able to recover their profits and dividends — all of them".

No restrictions would be placed on types of investment, but the ANC was "very keen to invest in such a way that there will be a creation of jobs for our people, a generation of wealth".

Priorities would be the development of a manufacturing base and infrastructure, including "ambitious housing schemes", because "these two areas will provide the most employment opportunities".

There would be no penalties for US companies that had stayed in SA despite the ANC's sanctions call. "This is not the time for us to be thinking in terms of revenge, in terms of punishing anybody. We are saying let bygones be bygones."

On the question of unbundling, Mandela said "our only interest is that there should be free competition". He hoped the conglomerates would unbundle on their own. "Although state intervention is something that is known throughout the world, we would like to avoid it except where it is absolutely necessary."

One area where "state action" might be required was land redistribution. But this could be done "without nationalisation, without depriving individual owners of their land". For example, "vast tracts of barren land" owned by the SADF could be made available "to address the claims of people who were removed by force and to ensure there is equitable distribution".

In addition to investment, Mandela hoped SA would receive substantial aid from the West "in the interest of making democracy take root". He would be asking Clinton to take the lead in establishing "a form of Marshall Plan". Once its "neglected ... human resources" had been developed — another area in which foreign companies could make an important contribution — SA could become "a mecca ... a powerhouse for Africa".

Mandela assured US businessmen he was "neither a socialist nor a capitalist. I am a pragmatist. All I want is that the living standards of our people be raised."

Star 1/7/93

'No end yet to US sanctions'

By Peter Fabricius
Star Bureau

WASHINGTON — The United States government has acknowledged that remaining American sanctions will probably not be lifted as hoped while President de Klerk and African National Congress leader Nelson Mandela are on a high-profile visit to the country. (280)

After De Klerk arrived here yesterday, a Government source said that tomorrow's crucial Negotiating Forum meeting would probably not culminate in firm agreement on a transitional executive council and an election date.

These are the conditions which must be met if ANC leader Nelson Mandela is to issue the long-expected call for sanctions to be lifted.

South Africa watchers were hoping that this would happen in the full glare of media attention while De Klerk and Mandela are here to meet President Clinton and to receive the Philadelphia Liberty Medal.

A highly publicised appeal would have attracted the attention of the scores of state and city legislatures which still impose sanctions.

Although De Klerk played down the sanctions issue, there is certain to be disappointment and even disillusionment here if Mandela does not sound the expected all-clear. (447)

Arriving at Andrews Air Force Base in his Falcon jet from Europe, De Klerk reported that there had been good progress at the World Trade Centre. (331)

"We are very near a breakthrough," he said.

Asked if his and Mandela's visits should be considered a failure if America did not move to lift sanctions now, De Klerk gave his standard reply: "I have not come here with a shopping list. Sanctions will be lifted in step with the progress we are making."

De Klerk will meet World Bank president Lewis Preston, International Monetary Fund managing director Michel Camdessus and several chief executives of major corporations.

Meanwhile, Mandela wasted no time yesterday asking supporters to help him raise millions of dollars so he can get out the vote in South Africa's pivotal elections next year, Reuter reports. (224)

"Opinion polls show that if the elections were held today the African National Congress would probably win," Mandela told a cheering crowd of more than 3 500 at the Concord Baptist Church of Christ in the New York borough of Brooklyn.

Mandela is expected to pick up about $250 000 (R825 000) from the first fund-raiser during his US trip.

"If we are going to win the election we must be able to afford transport vehicles to take people from their homes, from their workplace to the voting booth," he said.

"If we don't have that capacity we may lose the election ... If we are going to beat them we must have the resources. We must have the funds. We must have the money," he said.

Today, Mandela planned to meet New York corporate executives who said they planned to raise some $10 million (R33 million) to help the ANC.

Mandela then heads to Washington to meet US congressional leaders Other stops on his itinerary include Chicago, Los Angeles, Atlanta and Indianapolis before he heads back to South Africa on July 12.

Tomorrow, both leaders see Secretary of State Warren Christopher (separately) before meeting Clinton while Mandela also meets the Freedom Forum, prominent African-American leaders and Africare.

De Klerk addresses the National Press Club. On Saturday, he flies to Kennebunkport, Maine, for lunch with former president George Bush and his wife in their summer home.

'Sanctions will not be lifted now'

(280) ARG 24/7/93

PETER FABRICIUS
The Argus Foreign Service

WASHINGTON. — The government has acknowledged that remaining United States sanctions will probably not be lifted as hoped while President De Klerk and Mr Nelson Mandela are on a high-profile visit.

After Mr De Klerk arrived here yesterday a senior government source said that tomorrow's crucial negotiating forum meeting would probably not culminate in firm agreement on a transitional executive council and an election date.

These are the conditions which must be met if Mr Mandela is to issue the long-expected call for sanctions to be lifted.

South Africa watchers were hoping that this would happen in the full glare of media attention while Mr De Klerk and Mr Mandela are here to meet President Bill Clinton and to receive the Philadelphia Liberty Medal.

A highly-publicised appeal would have attracted the attention of the scores of state and city legislatures which still impose sanctions.

Although Mr De Klerk played down the sanctions issue, there is certain to be disappointment and even disillusionment here if Mr Mandela does not sound the expected all-clear.

Arriving at Andrews Air Force Base in his Falcon jet from Europe, Mr De Klerk reported that there had been good progress at the World Trade Centre.

But he did not think there would be agreement on all issues at tomorrow's meeting.

The negotiators will be meeting just hours before Mr De Klerk and Mr Mandela are to have separate, successive meetings with President Clinton at the White House.

□ FW arrives for US visit

No more SA sanctions — Austria

(280)
CT 1/7/93

VIENNA — President F W de Klerk yesterday ended a four-day visit to Austria, which pledged not to re-introduce anti-apartheid sanctions against South Africa

Mr De Klerk flew to Washington after talks here with Chancellor Franz Vranitzky, President Thomas Klestil and Foreign Minister Mr Alois Mock

He and ANC leader Mr Nelson Mandela are due to receive the Medal of Freedom from Philadelphia on Sunday.

● Mr De Klerk said yesteray during a brief stop-over in Madrid that the extreme right represented a tiny minority which could not prevent the emergence of a new, post-apartheid democracy.

"Ninety-five percent of the population support the peace talks," he said.

● Mr Mandela left Morocco for Washington yesterday after discussing Angola with King Hassan during a brief stop-over in Rabat

● In London, the Anti-Apartheid Movement strenuously denied a report that a fugitive Cypriot businessman, wanted for fraud, paid £60 000 (about R300 000) towards the costs of the 1990 visit to London of Mr Mandela — Sapa-Reuter-AFP, Own Correspondent

FM 2/7/93. (280)

the International Finance Corp and other sources will make this possible.

There are a number of spinoffs.

The availability of such facilities and a final arrangement on outstanding debt will change SA's status as a borrower, says Ernie van der Merwe, head of the Reserve Bank economics unit. "It will enhance our credibility and make bridging capital more readily available."

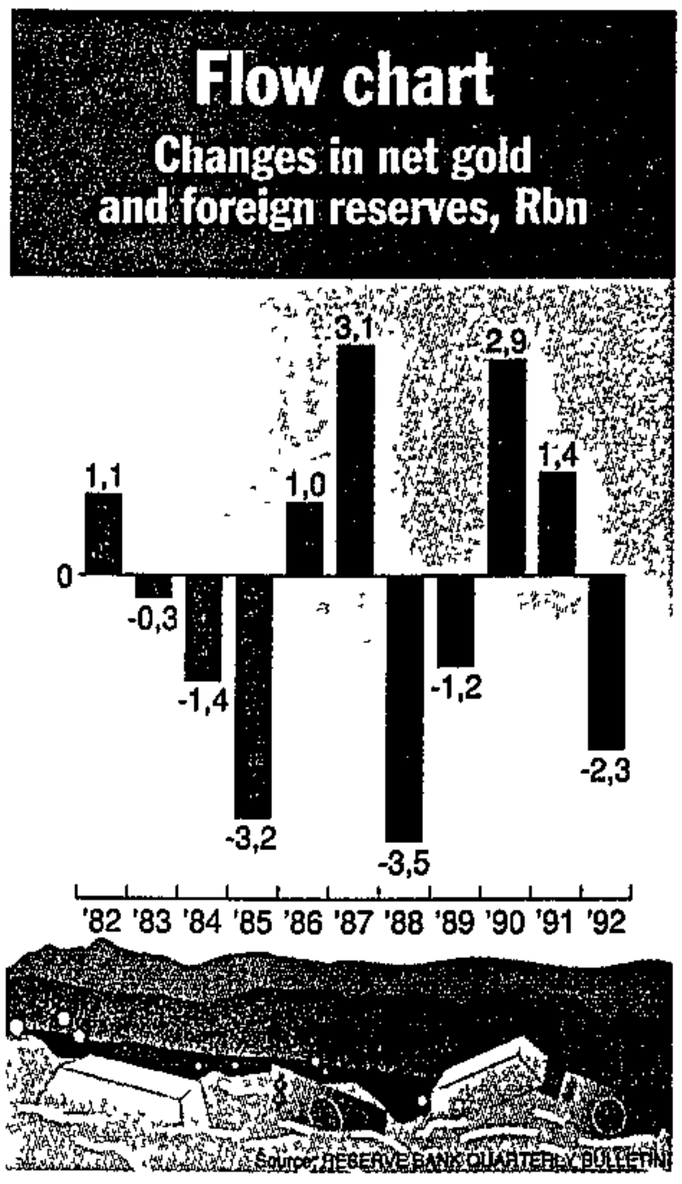
At present banks have to make additional provisions against loans to SA because SA borrowers have defaulted on debt repayments. When the situation is normalised, bank loans will be easier to raise. And capital market borrowing will be cheaper.

Given this leeway on the balance of payments (and provided inflation does not immediately resurge), interest rates can fall further. The normative economic model constructed by the official Economic Advisory Service projects that, in optimal circumstances, nominal interest rates can fall by 1,5-2 percentage points a year, for the next five years. In that case, borrowing will be significantly cheaper — which makes it easier for consumers and producers to spend.

IMF loans generally have to be repaid within three to five years, after balance-of-payments equilibrium has been restored. Theoretically, this is not a problem. As domestic fixed investment increases, productive capacity rises. And if a significant portion of the additional output is exported, more foreign earnings are generated. So, ultimately, the debt can be repaid out of the proceeds.

In practice, the process is more complicated and vulnerable to external and internal influences capable either of abortion or at least distortion. An increasingly efficient production and distribution chain is needed to promote this process.

But access to foreign loan capital alone will not be enough. It comes at a cost. As a ratio of GDP, foreign debt amounted to little more than 15% at the end of 1992. This compares with the 43% at the end of 1985. "Short-term debt alone, at that point,



amounted to 22 months worth of imports," says Dreyer, "among the highest ratio in the world at the time."

Despite our more favourable ratio now, we have to bear in mind the cost of servicing debt. "We cannot afford an inflow of loan capital of more than 1,5% of GDP a year," says Dreyer. The normative model projects an inflow of capital of only 0,7% a year between 1992 and 2000.

In the private sector, borrowers are likely to be wary of foreign borrowing, after the disastrous experience of the early Eighties, says SA Chamber of Business chief economist Ben van Rensburg.

Another constraint on borrowing is the adverse perception of potential creditors. No-one is optimistic on this score now. "The best we can hope for," says Dreyer, "is to halt the net outflow." But this is a significant gain, he stresses. "Outflows have averaged 2%-3% of GDP a year and represented 35% of net domestic savings. That's how much more we would have available for investment in future."

Raising capital is only one issue. Another is spending it productively, says Brian Kahn, UCT economist and a member of the ANC economic think-tank, Merg. "We have to ask: 'Is there a shortage of capital at the moment?' Firms aren't investing and capital will only become a constraint when there is a will to invest," he says.

Kahn points out that a debt-led boom which consists only of consumer spending will end in a debt crisis. "So you have to decide what are the investable opportunities. This decision depends on the nature of future industrialisation strategy."

The spending constraint applies also to aid capital. "We don't have the managerial capacity to use funds effectively," says Unisa's Philip Mohr.

These problems will have to be addressed — the sooner the better — if we are to maximise the benefits of capital inflows. Says development economist Wolfgang Thomas: "Formal sanctions have not been the only barrier to growth.

"The main obstacle has been an inability to compete internationally. Once sanctions are gone, there will be no excuses and we will have to tackle the real problems. While sanctions were not under our control, (economic) policy is."

There are different perceptions as to how problems can best be solved. But it is to be hoped that policies applied will be those best able to restore the country's credibility in international markets.

Freed from trade sanctions and the need to counter or compensate for them, SA will be able to exploit its comparative advantages instead of pouring resources into unproductive industries spawned by the needs of what was an increasingly isolationist apartheid outlook.

If the future government takes the opportunity to promote competition (especially through privatisation), liberalise foreign trade and phase out exchange controls, the capital outflow can not only be stopped but eventually reversed and the growth process will be self-perpetuating within the exigencies of the business cycle.

Access to adequate financing is, of course, the most pressing problem facing SA.

The restructuring of the economy to benefit from investment and trade is also important. But access to new technologies at reasonable prices, the freer flow of ideas and the attraction of new skills as progress becomes apparent — these are also tangible benefits that will flow from the removal of sanctions.

All these added together are more than the sums of the part. "New parameters always create new possibilities," says Merton Dagut, head of the Wits economics department. ■

STILL IN PLACE

Apart from sanctions relating to arms and military co-operation, the following remain, according to the Department of Foreign Affairs:

☐ Commonwealth countries (in some cases excluding the UK) ban all loans to SA and the import of SA coal, steel, iron and uranium;

☐ Canada bans export credit guarantees and insurance policies which facilitate trade with SA. No double taxation agreement. The province of Ontario bans the purchase of SA wines and liquor and excludes firms which are involved in financing the SA government from participating in Ontario government bond issues;

☐ Malaysia bans all exports and imports;

☐ Norway bans direct sales of Norwegian oil;

☐ Sweden bans new investment, reinvestment, trade, the issue of patents and manufacturing licences, as well as loans, credits and guarantees not related to international trade;

☐ Tanzania bans trade and commercial contact;

☐ In the US, financial sanctions are applied by an estimated 89 cities in 27 states. In some cases there are also restrictions on trade; and

☐ IMF and World Bank loans.

High costs loom as sanctions go

280

ARGUS 13/7/93

MARC HASENFUSS, Business Staff

EXPORT-PROCESSING zones will cost up to R800 million to set up, Gateway Park chief executive Dr Neels de Villiers told a meeting of the South African Special Economics Zone Association (Saseza) in Cape Town.

The high cost of establishing export zones would preclude the formation of more than seven special economic zones (SEZ) in South Africa, he said.

The cost he attributed to the major input required from civil the engineering industry, the transport sector and customs and excise

However, the cost of establishment must be seen in the light of the role of SEZ's in facilitating job-creation when sanctions were lifted. Estimates show that SEZs can create 20 000 to 30 000 jobs internally and up to 60 000 more externally.

Dr De Villiers said that SEZ's had already been favourably discussed by the National Economic Forum (NEF). "Of the 14 papers presented to the forum only one was negative," he said.

■ Opening the gates for imports and exports is expensive but must be seen as vital in the wake of sanctions.

Saseza unveiled its proposed fiscal packages at the meeting These include:-

- Duty free importing and exporting.
- A tax holiday for 10 years.
- A 15-percent corporate tax after the tax holiday period
- VAT zero rating on goods purchased.
- Exemption from RSC levies
- Exemption from property rates.

Dr De Villiers said the association had until July 27 to submit its incentive proposals to the NEF. Saseza would lobby for the passing of the necessary legislation in September.

Other proposals were for the implementation of a computerised bar-coding system in SEZ's to prevent millions of rands being lost through export rackets.

This would require the integration of the mainframes of Portnet/Customs and Excise with the Department of Trade and Industry to co-ordinate access/security levels

The formation of a technical committee on job-creation, labour relations and skills development was also proposed.

Dr De Villiers noted that the only bodies not represented at the meeting were the labour unions. "We have talked to the trade unions . but we need a technical committee to liaise with these bodies as regards the role of SEZ's".

He said labour costs — about R2,20 an hour — were competitive with Mexico, Malaysia, Taiwan and Vietnam.

■ The following were nominated as council-/founding members of Saseza Dr De Villiers, Dr David Bridgman (Wesgro), Mr Errol Spring (Border Chamber of Commerce), Mr Chris Procter (RDAC Natal), Mr Ben Moolman (MV3 Architects) and Mr Terry Markman (OVE Arrup)

Plea to end sanctions

280 CT 3/7/93

From SIMON BARBER

WASHINGTON. — While ANC president Mr Nelson Mandela asked US companies for campaign finance this week, a coalition of major firms pleaded with him to issue an unequivocal statement ending sanctions.

Their plea comes a day after President F W de Klerk said in Washington that South Africa was poised to conditionally receive $850 million (R2,8bn) injection from the IMF.

The loan would come with relatively few strings attached.

The government would merely be asked to come up with modest reductions in this year's expenditures and demonstrate that it was coming to grips with the deficit in next year's budget. The IMF might also ask for a reduction in import surcharges.

However, the IMF's directors, who will have to approve the loan, would insist that the ANC was on board and that there would be no major shifts in policy after elections that might require the loan to be renegotiated.

Meanwhile, Mr Mandela has told the Freedom Forum, a corporate-backed free press foundation, that the ANC's efforts to raise money from South African companies had "exceeded our wildest expectations".

FW, Mandela brief Clinton

Star 31/93

SAPA-AP, PETER FABRICIUS

WASHINGTON — President F W de Klerk and Nelson Mandela yesterday discussed with President Clinton progress toward dismantling apartheid.

The White House rendezvous came after public statements by the two visiting leaders disagreeing on whether international sapctions against their country should be kept in place.

De Klerk told a luncheon gathering the sanctions exacted an unnecessary economic price.

"Every day that we lose, somebody pays for it. And it's not me and Mr Mandela," De Klerk said. "The unemployed are paying for it. And whose without a roof above their heads. And those who are hungry."

Agreement at home

De Klerk and Mandela later met Clinton to issue a progress report on ending racial separation.

Hours earlier, negotiators in South Africa reached final agreement on terms for elections on April 27.

Mandela said he believed sanctions should remain until he was satisfied on the make-up of an interim government.

"There is no question of us making any statement in regard to sanctions during my visit in the United States. This is a matter which we will address in South Africa," Mandela said.

● TO PAGE 2.



F W DE KLERK: The unemployed are paying the price.



NELSON MANDELA: Not in a position to agree upon sanctions.

Sanctions

Star 3/7/93

● FROM PAGE 1.

..."Until that council has been installed we will not be in a position to agree upon sanctions."

De Klerk said after meeting US Secretary of State Warren Christopher yesterday he was confident the remaining US economic sanctions would be lifted shortly.

Both De Klerk and Mandela are eager to attract extensive foreign private investment to make it easier for the post-apartheid government to deal with the country's pressing economic and social problems.

De Klerk is convinced the estranged Inkatha Freedom Party will come back on board negotiations and will participate in the April 27 elections.

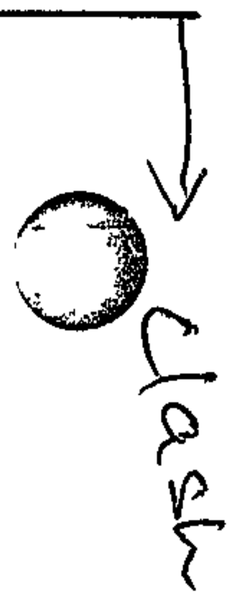
Mandela said that he would try to persuade the IFP to come back on board, but if he failed, negotiations would have to go on without them The two leaders were speaking shortly before going to the White House for separate, successive meetings with Clinton.

He did not think the IFP's failure to endorse the April 27 election date would upset the timetable for change. He believed the IFP had refused to accept the date only because it wished to be sure that its main concerns were addressed in the transitional constitution, which should be agreed to by mid-August.

FW, Bickering dominates US visit

Mandel

Cltress 4/7/93



IT was to have been a display of black-white harmony in SA's quest for a non-racial system but there was more friction than friendship in Washington on Friday between State President FW de Klerk and ANC president Nelson Mandela.

Their differences prompted cancellation of a White House photo session. Beyond that there was long-distance sparring between the two on the question of sanctions against SA.

At one point, Mandela said De Klerk was "irrelevant". De Klerk, in turn, said Mandela's ANC was aggravating poverty in SA by insisting that sanctions remain in place.

The day began with word from SA that negotiators had reached final agreement on terms for a one-person, one-vote election next April 27.

Mandela welcomed the announcement but said sanctions should remain intact until the setting up of an interim government.

Unemployed are paying

At a luncheon gathering, De Klerk reacted sharply when he was asked about Mandela's stand on sanctions.

"Every day that we lose, somebody pays for it. And it's not me and Mr Mandela," he said. "It's not the political leaders who are paying for this. The unemployed are paying for it. And whose without a roof above their heads. And those who are hungry."

Later, Mandela was asked about a De Klerk prediction that the sanctions could be lifted in six to eight weeks if the negotiation process went smoothly.

Standing in the White House driveway, Mandela said de Klerk had fought very hard to prevent sanctions in the first place. The decision to remove them, Mandela said, "does not lie with him. And he has no right to set any time frames. He just is irrelevant on the question of removal of sanctions".

Their day was to have been crowned by a joint photo session with Clinton in the Rose Garden. But the White House cancelled it without explanation less than an hour beforehand. – Sapa-Reuter

Billions wait for ANC nod

ST Times [Buss. J 4/7/93

Business Times Reporters

THE tide of investor sentiment has turned in South Africa's favour.

Aid and investment flows are expected to pick up after this week's indications by ANC president Nelson Mandela that sanctions could go within three weeks and the IMF signal that it would grant an $850-million loan to SA by November.

Several foreign firms await the ANC's go-ahead before announcing their investment.

There is growing evidence of increased corporate investment from abroad.

Tube

Anglo American Industrial Corporation (Amic) announces today that it has established a 50-50 partnership with Korean industrial leader Daewoo.

Amic chairman Leslie Boyd says two areas for cooperation are SA manufacture of high-value downstream consumer goods and joint international exploitation of technology-driven markets.

One SA manufacturing project has been approved and will be announced shortly. A colour-television tube-making facility could be started in SA.



LESLIE BOYD

Mr Boyd hopes the partnership will lead to more jobs, higher foreign-currency earnings and technological developments.

Apple Computers, Chrysler, Motorola, Polaroid and Pespi are rumoured to be set to open offices in SA this year.

American Chamber of Commerce (Amcham) executive director Michelle Cohen says deals are being kept under wraps until sanctions are lifted. (280)

"We are getting four to five serious inquiries a week from US corporations wanting to invest in SA. We get dozens of calls from not-so-serious investors checking out the mood."

Several firms are conducting feasibility studies.

International financier and author Albert Alletzhauser has bought Nationale Pers' 29% stake in Penrose Holdings for R2,2-million. This is one of the first significant investments in SA by an American in recent years.

Mr Alletzhauser expects strong interest from US investors in SA once financial sanctions are lifted.

The IMF loan, which could be in place by November, would be made from its compensatory and contingency financing facility, designed to tide member states over extraordinary pressures on their balance of payments (BoP).

Mr Mandela says SA faces such grave social problems that the ANC is considering changing its requirements to end sanctions.

He was speaking before his meeting with President Bill Clinton.

Mr Mandela cited rising unemployment, crime and violence as reasons for the policy shift. He contradicted a statement earlier in the week linking the lifting of sanctions to legislation defining the powers of a transitional executive committee.

The IMF loan could start to reverse net capital outflows by placing investor sentiment behind SA, say economists.

This would hasten the demise of the financial rand and allow relaxation of exchange controls, says Nedcor Bank chief economist Edward Osborn.

Finance Department Deputy Director-General Estian Calitz says: "Although the IMF money will be allocated for alleviation of BoP problems caused by the drought, it will not be used for a specific expenditure item."

Reserve Bank general manager James Cross says IMF approval is an important condition for attracting large-scale foreign investment.

"Once you have the IMF behind you, you're back in the world league and can afford to run BoP deficits. This will make a big difference to the country."

Net capital outflows were nearly R10-billion in the 15 months to March this year.

Mr Cross says the outflow could go into reverse once the IMF loan is in place.

Mr Osborn says the loan will cost more than R250-million a year if interest is charged at 8%. The cost will also depend on the rand's rate of echange.

Surplus

"This year the surplus on the current account of the BoP will be R5-billion, almost equal to the capital account deficit resulting from meeting SA's debt obligations.

"It is unlikely there will be any overall BoP payments surplus this year, thus putting pressure on reserves and reducing the likelihood of further interest-rate cuts. "This tight BoP situation will continue. The IMF loan will enable SA to withstand pressure on reserves, but it will come at a direct cost to the Exchequer.

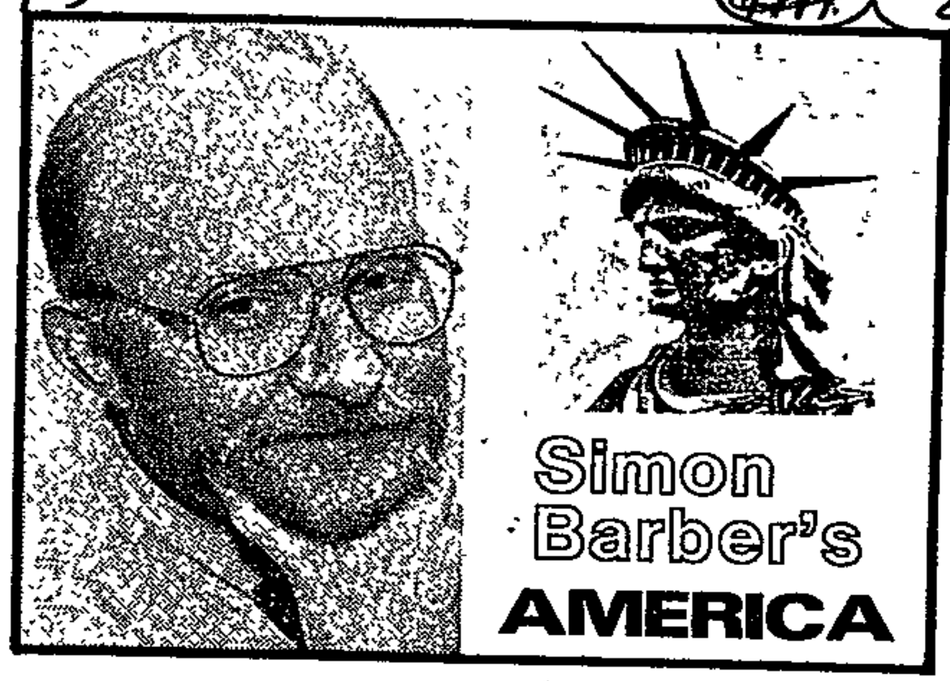
Twenty-seven US states, 90 cities and 24 counties have sanctions against SA.

Amcham says 16 US firms have invested in SA since 1991.

THE WORLD THIS WEEK

Mandela needs liberation — from sanctions

S|Times 4/7/93



AS THEY made their rounds in Washington in preparation for today's big Philadelphia medal ceremony, President FW de Klerk and his all-but-anointed successor, Nelson Mandela, inevitably invited comparison. One could not help but think that Mr Mandela suffered as a result.

It was, without question, a magnanimous gesture on his part to agree to share honours with Mr de Klerk. But a politically astute one?

By week's end, even Mr Mandela appeared to have his doubts, which may explain his unexpected refusal to be photographed with Mr de Klerk and US President Bill Clinton at the White House on Friday.

In the politics of race, particularly as it is practised in America, innocence is power. Here, voluntarily and for the best conciliatory motives, Mr Mandela was ceding power by appearing to grant absolution to his opponent.

Clearly, a limit had to be set before the playing field became a little too level. The Rose Garden photo opportunity was called off, and an invitation to share a podium at the National Press Club declined. Even so, Mr Mandela has lost more than he perhaps intended or bargained for.

He still holds the cards in terms of sanctions. The trouble is, those cards are no longer what they once were. The more legitimate Mr de Klerk looks, the more fatuous becomes the ANC's insistence that the US directors on the boards of the World Bank and IMF continue to vote against South African loans, and that state and local governments persist in deterring would-be investors.

After his meeting with Mr Clinton, Mr Mandela observed, rather testily, that sanctions belonged to the ANC, and that Mr de Klerk had no right to suggest they would fall away within six weeks or so, once arrangements for a transitional executive council had been settled.

But by now, Mr Mandela must find the sanctions issue a millstone around his own organisation's neck. Put another way, self-inflicted wounds are always the most painful: on top of the physical hurt, they are embarrassing.

The embarrassment in this instance is multiple. Not only, by Mr Mandela's own admission, is it going to require a "tremendous campaign" to persuade state, cities and counties to end their boycotts. Worse, the entire policy makes the ANC look feckless and weak.

No wonder Mr de Klerk, now granted reformed-sinner status by Mr Mandela, is suddenly so sanguine on the issue.

Sanctions are now the friends not of the ANC, but of those — like the government and the IFP — who seek a deeper, more entrenched federalism. The tables have been turned.

Mr de Klerk announced this week that the IMF stood ready to send South Africa nearly R3-billion to help it recover from the economic shock of the drought. That's a lot of money, and it's entirely up to the ANC when the treasury gets it.

What's more important? A major economic boost at a time when the country desperately needs it, or a few fine points of constitution-making?

Most sensible people should have little difficulty with that question — and Mr de Klerk made it clear this week that he intends to ask it. Anyone campaigning for votes would be foolish not to.

The fact is, Mr Mandela's antics over sanctions, combined with his gift of implied absolution, have helped Mr de Klerk look quite statesmanlike in the past few days. But Mr Mandela has hurt himself in other ways.

Few are impressed by his begging-bowl routine. While Mr de Klerk has been pleading, quite plausibly, for his country, Mr Mandela has been wheedling for his party.

YOU don't, as Mr Mandela openly admitted he did, go inveigling an American president to fill your partisan coffers; this is etiquette. And when you are invited to discuss freedom of the press by an extremely wealthy foundation devoted to the issue, is it not altogether tactful to use your speech to wave a tin cup?

Mr Mandela's remarks to the Freedom Forum were both audacious and inappropriate.

"We," he said, had been visiting "prominent business houses" in South Africa to solicit "resources", and "the response has exceeded our wildest expectations". The captains of South African industry realised "the democratic forces must win", and so "no questions are asked as to what other organisations can be funded".

Having thus boasted of the ANC's ability to shake down the South African business community, the ANC leader got to the point: Americans should be equally amenable. Give generously, for "that is what we expect our friends outside South Africa to do".

All of which was a shame. While the absolved Mr de Klerk used the opportunity to deliver plenty of vision, even going so far as to paint the new South Africa as a model for mankind, Mr Mandela's utterances — apart from an interview with Fortune managing editor Marshall Loeb before he left for the US — were, by contrast, mainly cramped.

He seemed badly in need of liberation — above all, from the issue of sanctions.

(INCL EXTRA-LONG ARM AND LEG LENGTHS)
SHOES UP TO 15
282/4 VICTORIA ROAD, WOODSTOCK. PH 47 4313

FOUNDED 1876 ☎ 488 4911 MONDAY, JULY 5 1993 **90c** (Country R1,00) Prices include VAT

QUAL

IMF loan: Mandela angers FW

PHILADELPHIA. — President F W de Klerk and Mr Nelson Mandela were preparing to receive Liberty Medal awards from President Bill Clinton at an Independence Day ceremony here last night, embroiled in a political wrangle over the lifting of sanctions.

It was up to the ANC — and not the current government — to decide whether South Africa should receive an $850million (about R2,8bn) loan from the IMF later this year, said Mr Mandela.

The remarks were in line with the generally imperious tone Mr Mandela has adopted toward Mr De Klerk, at least in public, in the run-up to yesterday's ceremony.

Mr De Klerk was reportedly angered by Mr Mandela's suggestion that sanctions should remain intact until legislation to set up the Transitional Executive Council had been approved. Mr De Klerk is quoted as saying that the hungry and the unemployed in South Africa are paying for every day lost.

Mr De Klerk appeared to have outflanked Mr Mandela on the issue of sanctions by announcing after a meeting with IMF managing director Mr Michael Camdessus that the IMF and the World Bank were "impatient" to resume lending to South Africa.

He predicted that the IMF would make available nearly R3 billion from its compensatory and contingency financing facility, possibly as early as November. The loan would be on favourable terms.

Speaking on Saturday in Philadelphia's legendary Independence Hall, where the United States constitution was drafted, Mr Mandela called Mr De Klerk's views "totally irrelevant". Lending to South Africa by the Bank and the IMF could resume only when the ANC called for the removal of remaining sanctions. — Own Correspondent, Sapa-AP

● End-sanctions call likely soon — Page 2

sive resistance to pressure negotiators into ac-

ANC 'aware of economic situation'

Formula to end sanctions in pipeline

BIDay 5/7/93

280

ALAN FINE

THE ANC national working committee is to devise "over the next week or two" a new formula to determine the timing of an ANC call for the lifting of financial and other sanctions.

Secretary-general Cyril Ramaphosa made this disclosure at a media conference after the multiparty negotiating forum adjourned on Friday.

It followed mixed signals from ANC president Nelson Mandela, who said on his trip abroad that lifting sanctions would have to await legislation establishing a transitional executive council.

Ramaphosa said the working committee would, on instruction from the national executive, assess the ANC's sanctions stance. The ANC was aware of the difficult economic situation.

He said one possibility for the working committee to consider was a formula in which transitional executive committee structures were set up before legislation establishing them was passed.

Ramaphosa said the ANC did not expect the transitional structures to replace the existing government. "But it must have teeth when it comes to levelling the playing field" in the period leading up to the proposed April 27 1994 election.

Meanwhile, Concerned South Africans Group (Cosag) members appear to have decided that the election date resolution, passed by "sufficient consensus" on Friday, is not a sufficiently important issue on which to risk a deadlock.

Unhappy at the idea that other parties might seek to "bulldoze" decisions through the negotiating forum without their agreement, Cosag members challenged the ruling and said they did not consider themselves bound by the resolution.

They argued that it was premature to set an election date before full agreement had been reached on all other issues — such as an interim constitution.

The ANC and government blocs concede that agreement on these issues is a prerequisite for an election. However, they argue that setting a date "focuses the mind" on the need for haste in resolving outstanding issues.

Asked about the low-key reaction of his delegation, Bophuthatswana government representative and Cosag strategist Rowan Cronje said a negotiating council subcommittee was investigating the sufficient consensus issue. He was content to await the outcome of this investigation.

Cronje, who is also one of the rotating chairmen of the negotiating council and forum, declined to say what ruling he would have made on the election date resolution had he been in the chair at the time.

Delegates at Friday's negotiating forum meeting confirmed council resolutions on issues including violence; the drafting by a technical committee of an interim constitution; a transitional Bill of Rights; the establishment of an independent electoral commission; an independent media commission; the repeal of discriminatory legislation and laws impeding free political activity; and to establish transitional executive committee structures.

End-sanctions call likely soon

(280)
CT5/7

ANC set to review its policy

By ANTHONY JOHNSON
Political Correspondent

THE ANC plans to announce a major review of its sanctions policy in the next week or two.

After significant progress at the Negotiating Forum — including the setting of an election date — ANC secretary-general Mr Cyril Ramaphosa said at the weekend that sanctions were now closer to being lifted than at any time in the past few years.

He said the ANC's National Working Committee (NWC) had been instructed by the organisation's National Executive Committee (NEC) to remain "seized" with the question about when and how sanctions can be lifted.

He said the NWC — effectively the ANC's shadow cabinet — was looking at applying a new formula for lifting remaining sanctions and that an announcement could be expected soon, possibly within a week or two.

"I hope this will help to put aside speculation on the matter," he told journalists at a press conference.

Mr Ramaphosa said that until recently the ANC's position was that it would call for the lifting of sanctions once an interim government had been installed.

However, the NEC decided to review this stand on February 18 because of the deteriorating economic circumstances in the country.

It was accordingly decided that as soon as necessary legislation was passed by the tricameral Parliament and a multi-party Transitional Executive Council (TEC) was installed the ANC would be able to call for sanctions to be lifted.

Although legislation on the TEC can only be passed when Parliament reconvenes in mid-September, the NWC is trying to come up with "a formula" which could allow the ANC to call for the earlier lifting of sanctions.

The formula would try to deal effectively with the urgent need to "stabilise the economy", Mr Ramaphosa said.

Sanctions row mars medal day

□ Mandela attacks De Klerk

PETER FABRICIUS
The Argus Foreign Service

WASHINGTON. — The simmering squabble about sanctions burst out in a savage attack by African National Congres leader Mr Mandela on President F W De Klerk at a news conference just before they received liberty medals from President Bill Clinton.

The incident jarred completely with yesterday's occasion, a festive celebration of America's 217th birthday on the country's most cherished holiday.

Taking up an earlier attack on Mr De Klerk as somebody who was "irrelevant to the lifting of sanctions", Mr Mandela slammed him yesterday as the leader of a an illegitimate government lacking credibility.

"We don't regard him as the President of South Africa, but as a leader put there by only 15 percent of the population," Mr Mandela said after yet another difference with Mr De Klerk about who had the right to lift sanctions.

Shortly after the clash, the two leaders once again put aside their differences and mounted a podium in front of Independence Hall, where the US Declaration of Independence was signed 217 years ago, to receive the liberty medals from Mr Clinton and Philadelphia Mayor Mr Ed Rendell.

After receiving the medals and a $100 000 cheque, they shook hands.

Although he did not call for the lifting of sanctions, which once seemed possible, Mr Mandela did call on Americans to invest in the new South Africa.

Mr Clinton replied by saying the US was ready to help South Africa with voter education and with alleviating poverty.

Mr Mandela said in his acceptance speech it might seem strange that he, as a freedom fighter ,should be sharing the honour of the award with somebody who had been a custondian of apartheid.

But he reminded Americans that their forefathers who had written the US Constitution had also permitted the system of slavery.

Both men received standing ovations from the crowd of several thousand.

Mr Clinton paid tribute to Mr Mandela for his courage and dignity and said he remained "unbowed, unbroken and unembittered" by his 27 years in jail.

He saluted Mr De Klerk for his wisdom and courage in asking his people to give up something that was not theirs in the interests of peace and freedom.

The Rev Leon Sullivan, the black cleric who instiuted the code of conduct for American investors in South Africa, spoke for at least some of the crowd when he said: "The main reason we are here is Nelson Mandela."

Several hundred marched to protest against Mr De Klerk receiving the award, but did not disrupt the ceremony.

The news conference ended after Mr Mandela's attack and Mr De Klerk was unable to respond.



OLD PALS ACT: President De Klerk and Mr Mandela wave after receiving the medal from President Clinton, rear.

SACC unveils business code

CT 7/7/93

JOHANNESBURG. — The South African Council of Churches yesterday unveiled a code of conduct for businesses in South Africa.

The proposal was tabled for discussion by the SACC's 25th national conference.

The code outlines ways in which business could play a constructive role with workers and communities to lay foundations for a prosperous country.

SACC secretary-general the Rev Frank Chikane also asked the conference to endorse the maintenance of economic and financial sanctions.

The conference was also asked to ratify a proposal for a code of investment to ensure that future reinvestment empowered the disadvantaged.

In his report to the conference, Mr Chikane said sanctions could not be lifted because a transitional executive council with joint control over armed forces had not yet been established.

"We are ... convinced that the economic crisis of this country cannot be divorced from, and be solved independently of the political crisis which undergirds it," Mr Chikane said.

The proposed investment and business codes had been strongly recommended by an ecumenical task force on economic justice. Local and foreign business leaders would be asked to commit themselves to the codes. — Sapa

Huge US fund waits for Mandela call

CT 8/7/93 (280)

From SIMON BARBER

WASHINGTON. — Calpers, the giant California public employee pension fund, is waiting for ANC president Mr Nelson Mandela's call for an end to the remaining sanctions, its chief investment officer, Mr Jose Arau, said yesterday.

If the call did not come soon, the $78 billion (about R257,4bn) fund may have to drop large holdings in companies that have resumed operations in South Africa, he said.

There were at least 10 US firms, and another 10 foreign ones, that had invested in SA since former President George Bush lifted the Comprehensive Anti-Apartheid Act's sanctions last year

Mr Arau said divestment had cost the fund about $600 million (about R1 980m) between 1987 and 1990 because the companies whose shares Calpers was obliged to sell had generally outperformed the SA-free alternatives.

Meanwhile, analysts are predicting SA equities will not attract a rush of US institutional investment once the ANC ends its boycott demand.

Mr Jarrod Wilcox, director of international investment for Battery March Financial Management, which manages $5bn (about R16,5bn) in pension assets, said he would advise waiting at least two years after elections.

"The real values in South Africa won't emerge for at least a couple of years."

US investors take on a no-risk policy with SA

By JOAO SANTA RITA

CORPORATE America has given a clear message to ANC leader Nelson Mandela: Don't expect a rush of investments in the new SA.

Business analysts say in the short term some US companies might return to SA (some already have), but they would concentrate on selling and servicing their products rather than investing in productive infrastructure.

While organisations such as the World Bank and the International Monetary Fund will come forward with millions of dollars to help a democratic government, top US executives and analysts are now coming out in public to say what many already know: private capital is looking at SA and is having second thoughts about the country.

Mandela continues to have enormous prestige in the US and his American tour has shown that he is still capable of pulling crowds and raising money for his organisation.

But while many well-known American business personalities are ready to come out in support of fundraising for the ANC, they are much more cautious about investing their money in SA.

The New York Times this week warned in a business section headline that American companies are "awaiting more than Mandela".

"Executives of pension funds and endowments expressed excitement about the prospects of investing again in companies that do business in SA but it could take months if not years to gain approval to put their money back in the troubled nation," it said.

This week's violence brought the bloody images of unrest back to US television screens with commentators now underlining the "black-on-black" and "tribal" aspects of the violence.



CROWD PULLER . . . ANC president Nelson Mandela continues to draw large crowds in the US.

US officials and commentators have begun expressing doubts that free and fair elections will be possible because of the growing feud between Inkatha and ANC supporters.

Statements by the ANC's chief economist, Tito Mboweni, that an ANC government has plans for a special tax to finance "development, repatriation and compensation" were given prominence by some American newspapers – compounding suspicions that still linger on about the ANC's economic policies.

One newspaper said many business executives were still suspicious about the fact that the ANC had been very late in "kicking the Marxist habit".

Reports of a power struggle between Cyril Ramaphosa and Thabo Mbeki for control of the ANC in the post-Mandela era have also been reported.

Some business executives are saying that the business community will have to wait "a couple of years" to see if the turmoil in SA abates.

Ironically, while up to now it has been to the ANC's advantage that apartheid is part of America's own racial politics, this could soon become a burden.

Lobbyists and organisations which have strived in the struggle against apartheid now want to impose their own moral codes on the post-apartheid SA.

Many potential investors are openly saying that they do not want to face criticism from local organisations and will therefore turn their attention to less controversial places.

They pointed out that while the ANC has said it will agree with the lifting of sanctions once a transitional executive council is in place, many local anti-apartheid legislators and organisations are saying that investments should only go to SA AFTER the elections.

Hundred of local legislatures and city councils have sanctions against SA and it may take months to reverse them.

Companies are unlikely to violate those laws and ordinates even if the ANC gives the green light for investments.

US diplomats pointed out that Namibia had to fight huge bureaucratic battles with some US local authorities which had prohibited trade with the territory before the country's independance.

The laws remained in the books for months after Namibia's independence, forcing companies to cancel potential investment opportunities in Namibia.

William Moses, a senior analyst with the Investor Responsibility Research Centre, based in Washington, said a lot of investors had told him they did not want to be criticised for acting too quickly or prematurely.

"They don't want to be the first ones to take action.

"They want to be second in going back to SA so they can assess the situation and maintain their integrity," he told the *New York Times.*

The newspaper said many universities which disinvested from companies with links with SA are now saying they want to see "tangible changes" before reversing their policies.

Jarrod Wilcox, director for international investments for a financial management company, said there were considerable risks for potential investors in SA.

He predicts economic and political turmoil after the elections.

"Those who act quickly could be hurt because of the turmoil and disruptions that will follow," he said.

New York to urge reinvestment in SA

☐ 'Sanctions could undermine health of new SA'

ARG 14/7/93

RAMSAY MILNE
The Argus Foreign Service

NEW YORK. — Though still waiting for a formal signal from Mr Nelson Mandela, New York State is to take immediate steps to lift investment restrictions against South Africa.

The state's controller Mr H Carl McCall said that, based on a conversation he had with Mr Mandela during the ANC president's recent visit to the United States, he would immediately withdraw any shareholder resolutions that call for restrictions on investment in South Africa.

He said that he would, in fact, encourage those companies in which the state holds stock to seek investment in South Africa.

Though these steps would be taken in advance of any ANC call to lift sanctions, Mr McCall said he would formally advocate a full investment policy in South Africa only when the ANC urged an end to sanctions.

"I am convinced and assured that the time has come to consider a reinvestment programme in South Africa," said Mr McCall.

He added that Mr Mandela had told him last week that he expected the ANC to call for the lifting of all economic sanctions against South Africa within three weeks.

Stating that the disinvestment campaign against South Africa had been "highly successful and effective", Mr McCall added: "However, to continue such a policy would be counter-productive because it would undermine the economic health of post-apartheid South Africa."

Mr McCall, who is the first black to hold a major state post in New York, said that Mr Mandela's description of the economic conditions faced by black South Africans, who have a 48 percent unemployment rate, had convinced him to take the step.

New York's $56 billion (about R168 billion) state pension fund holds stock in 495 of the 500-largest publicly traded companies in the US.

Under pressure from anti-apartheid activists the state had reduced its stock to 42 companies with investments in South Africa, down from 167 when the disinvestment policy started in 1985.



All smiles . . . Nelson Mandela and Cyril Ramaphosa at Jan Smuts yesterday.

Picture: George Mashinini

Mandela home and optimistic

Star 14/7/93

By Kaizer Nyatsumba
Political Correspondent

ANC president Nelson Mandela yesterday returned from the United States full of optimism about South Africa's future in spite of the continuing violence, and said President Bill Clinton and US businessmen were ready to help the country during the transition.

Mandela, who jointly received the Philadelphia Liberty Award with President F W de Klerk on July 4 — US Independence Day — said his trip to the US had been an unqualified success.

Not only had he raised millions of dollars for the ANC's election coffers, but he had also obtained commitments from Clinton and important business leaders to help South Africa during the transitional period.

"I used the opportunity to ask both the president and business leaders for a massive injection of funds (into South Africa) to help generate wealth and offer job opportunities. I asked the president to specifically encourage both the public and private sectors to invest in South Africa," Mandela said.

The ANC leader said he also briefed Clinton about discussions which had been going on between the ANC and the International Monetary Fund for the past three years about financial assis-

● To Page 3

US state to lift SA ban

Star 14/7/93

Ramsay Milne
Star Bureau

NEW YORK — Though still waiting for a formal signal from ANC leader Nelson Mandela, New York state is to take immediate steps to lift investment restrictions against South Africa.

State controller H Carl McCall, said a conversation with Mandela during Mandela's US visit had convinced him he should withdraw any shareholder resolutions that call for restrictions on investment in South Africa.

Although these steps would be taken in advance of any ANC call to lift sanctions, McCall said he would advocate a full investment policy only when the ANC urged an end to sanctions.

He said Mandela had told him he expected the ANC to make that call within three weeks.

McCall is the first black holder of a major state post in New York.

Star 16/7/93

Indonesia easing its sanctions stance

By Business Staff writer John Soderlund, who travelled with a Safto mission to Thailand, Malaysia and Indonesia.

For years South Africans have been persona non grata in Indonesia, with the vast collection of islands still maintaining official sanctions.

But there are strong signs that all is about to change very soon, if it has not already done so on an unofficial level.

The relationship between government and business in Indonesia is claustrophobically close. In short, business is government, Indonesians admit.

The republic, comprising some 200 million people scattered over 3 000 inhabited islands (of a total of 16 000 islands) is effectively run by 150 families. Most of these families have fingers in complex networks of political, business and social pies.

So when a top businessman tells visiting South Africans he believes sanctions have been all but lifted, it means something. Talk of inter-government co-operation is not on the cards for a while though, most agree.

At a recent meeting between members of the non-governmental South African Foreign Trade Organisation (Safto) trade mission and representatives from Indonesia's largest private group of companies, the PT group, indications were given that the government had encouraged the development of business links between the two countries.

PT Prima Comexindo, the largest trading company operating on the archipelago, has the closest of government links and it is being punted as one of the first companies to get into the South African market after the official lifting of sanctions.

President Suharto's daughter is married to the brother of the company's chief executive officer, Hashim Djojohadikusumo.

Another senior PT Prima Comexindo director says he has received encouragement from sources in the central intelligence agency to begin developing links with South Africa.

Other meetings between the Indonesian Chamber of Commerce and Industry, the Importers Association of Indonesia, the Investment Co-ordinating Board and several businessmen served to confirm the more friendly intentions of Indonesia to South African trade relations.

Potential areas where South Africans might be well placed to corner a slice of the huge Indonesian market include power generation and transmission, chemicals, specialised and industrial machinery, motor vehicles and parts and in a wide range of infrastructural developments.

MAKE AN APPEARANCE!
ADVERTISE IN
The Star
633-2472

Star 17/7/93

ANC 'pushing for early end to sanctions'

THE African National Congress is holding discussions with a view to having the Transitional Executive Council set up before legislation is passed in Parliament to enable the organisation to lift sanctions, according to its president, Nelson Mandela.

He was addressing an End Conscription Campaign peace festival at Wits University last night.

Mandela said the ANC would take the proposal to multiparty negotiations after discussing the matter. If sufficient consensus was reached, the ANC would then call for the lifting of sanctions within two or three weeks.

Mandela said his organisation had been unable to lift sanctions because legislation on the creation of the TEC and its duties had not been passed during the last parliamentary session. — Sapa.

280

Who will benefit from ANC's business deals?

CT 20/7/93

Washington Letter
by SIMON BARBER

AT FIRST blush Apple Computer's stance on returning to SA is curious. The company has clearly wanted back in for some time

Jackie Robinson, the Apple executive charged with preparing for re-entry, has publicly voiced frustration that Apple's rivals — most recently Digital Equipment Corp — have been stealing a march, yet have gone largely unpenalised by state and local sanctioneers. This raises the question: Why is the company still waiting until the ANC formally calls off the boycotters?

Robinson's answer is that Apple prides itself on its social consciousness and wants to do things properly. That's probably true. But nobody's saying DEC is acting irresponsibly. Indeed, Tim Smith, executive director of the Interfaith Centre on Corporate Responsibility, a church-based coalition that has been in the vanguard of the sanctions movement, stopped not far short of lauding Digital and others for going back in a letter to the New York Times last week.

Distasteful

The obvious inference is that DEC and the rest have been willing to do something Apple still finds distasteful. And what might that be? Well, it is now a matter of public record that Digital, in addition to pledging scholarships and training for black South Africans, has agreed to form a partnership with newly created Bhekisizwe Computer Systems, whose principal shareholder is the ANC-aligned Thebe Investment Corp.

As Peter Chaveas, director of the State Department office of Southern African affairs, explained to a Washington business group last Thursday: "DEC has returned in close collaboration with the ANC which helped them with some of their political problems."

In other words, the company had acquired — for a consideration — the functional equivalent of a papal indulgence exempting it from the wrath of people like ICCR's Smith.

This puts the ANC's continued reluctance to call off sanctions in an interesting light. It suggests that at least some in the movement see the policy less as a "weapon" to force concessions from the government — as ANC President Nelson Mandela described it in Philadelphia earlier this month — than as a means to win concessions of a different kind from foreign investors.

Partnership

In which case, one begins to wonder whether the policy, in one form or other, will ever be terminated, even when the ANC is formally in power.

In an interview with the Washington Post, Eugene Nyati, an economist who heads the Centre for African Studies in Johannesburg, recently described Thebe's activities thus. "Basically, you have a company that is saying if you want to be kosher with the incoming government, come into partnership with us."

He added: "It's easy to see how that opens up a window for structural corruption."

Easy, indeed, but how troubling? One way to answer that question is to ask how many US firms that might have invested may be turned away by the need to grease the wheels.

At this stage, probably not very many. Apple will no doubt do the necessary before long. "Large multinationals do business in a lot of hair-raising places," explains Dan O'Flaherty, director of the Washington-based National Foreign Trade Council.

In other words, they are grown-ups and have long factored into their calculations the special "philanthropic" costs of doing business in countries like the new South Africa.

Dealmaking

And if the price gets too high, they can always refer their hosts to the Foreign Corrupt Practices Act which makes it illegal for US companies to bribe foreign officials.

More worrying is the effect of such dealmaking on South Africans themselves and the kind of culture it fosters.

No one disputes the need for the previously disenfranchised to get a substantial equity stake in their country as soon as possible. But problems arise when a small elite uses its power and leverage to hog the newly-available stake for itself, and when access to the stake starts to be seen too exclusively as an entitlement to redress past injustice, without any responsibilities attached.

If restrictions on investment remain in place and are exploited in such a way as to enrich a small ring of politically well-connected entrepreneurs, the ANC will have to face charges that it deliberately stood in the way of desperately needed economic growth for personal gain.

Scholarships

The obligation to grant favours to selected individuals and entities may not, as noted, be an immediate disincentive to investors, but the barriers to entry that create that obligation most assuredly are.

For every fortunate insider who benefits from the mandatory joint ventures, training opportunities or scholarships, there will be thousands kept in poverty and unemployment by policies designed to advance the chosen few In that respect the new South Africa will look very much like the old one.

At the same time, little is as corrosive, socially or economically, as the ethos of entitlement. South Africa will have scant chance of success if its new elites operate on the principal that, as victims, they are owed. Here, the American experience is instructive.



JESSE JACKSON: Has used charges of racism and discrimination backed by boycott threats to squeeze concessions out of US corporations.

For years, prominent African-American leaders like the Rev Jesse Jackson have used charges of racism and discrimination backed by boycott threats to squeeze concessions — racial hiring quotas, money, franchises and other special dispensations — out of US corporations.

The deal recently cut between the Denny's restaurant chain and Rev Benjamin Chavis, director of the National Association for the Advancement of Coloured People, is a typical transaction. In return for the NAACP absolving it of racist practices (the accusation was not without merit), Denny's agreed to grant franchises to black businessmen on generous terms and to appoint more black managers.

The fact that Denny's had it coming is beside the point. The message broadcast by this is that blacks cannot succeed unless they receive the preferential treatment that is their due as a historically oppressed minority.

Dependency

This notion, internalised by both whites and blacks, is deeply destructive, not to mention self-perpetuating. Whites get it into their heads that blacks will never prosper without them; blacks come to view failure as their historically-determined lot and that, absent some kind of magical redemption which somehow never comes, their own efforts break out of the cycle of dependency are doomed.

Now this, it sometimes seems, suits leaders like Jackson and Chavis just fine. If their constituents were to succeed, they'd be out of work. The "struggle" that empowers them would be over

Furthermore they'd lose their claim on the larger society and the ability that flows from that claim to win privileges for the elite of which they are a part.

Will the truly disadvantaged benefit from the Denny's deal? They seldom have from such arrangements in the past — single teenage mothers and high school drop-outs don't get jobs, let alone franchises, under even the most affirmative of affirmative action schemes — and they are unlikely to be any luckier this time. The masses are the fodder their leaders and their croneys use to enrich themselves.

If there is an echo here of what the ANC and Thebe are up to, pray that it is a false one.

Jo'burgers' minds on crime and guns

Gun-madness and fear of crime has permeated the day-to-day culture of South Africans, writes ALEC RUSSELL from Johannesburg.

IT IS 11am on a crisp Friday morning and Radio 702's John Robbie, South Africa's top radio talk show host, is on the air to the housewives of Johannesburg.

"OK, everyone out there in 702-land (the Vaal triangle between Johannesburg and Pretoria). We have an expert right here in the studio to deal with your queries

"Do you want one? How do you use one? Where to buy one? What's the safest make? Get on your telephone — we're talking guns

"Here we go Where are you from? Bryanston? (one of Johannesburg's most exclusive suburbs) You hear there's a shortage of ammunition. Let's see what the expert says ..."

And so, with its distinctive jingle, the John Robbie Show launches into half an hour of live-

hear a shot fired in anger or to witness one of the rapes, hijackings or murders which daily make the papers.

For gunshops, it is a dream market. Since the assassination of Mr Chris Hani, the Communist Party leader, in

EC holds back on sanctions

BRUSSELS. — The European Community attempted to step up pressure on the Croatians to cease their onslaught in Bosnia last night, but stopped short of sanctions.

British Foreign Secretary Mr Douglas Hurd, who last week urged his EC counterparts to impose sanctions on the Croats, said yesterday he now accepted that sanctions would hit the 750 000 Bosnian refugees already in Croatia. (280) CT 20/7/93

The EC will send Belgian Foreign Minister Mr Willy Claes today to inform the Serbian president in Belgrade, Mr Slobodan Milosevic, that existing sanctions will remain in place.

Meanwhile, fighting raged yesterday on Mount Igman, the Bosnian army stronghold above Sarajevo.

Serbs have reportedly deployed 15 000 men to attack Muslim forces.

Call on US to end sanctions

(280 ST 20/7/93

JOHANNESBURG. — A call for all levels of US government to lift remaining sanctions against South Africa was made at a Republican Party convention in Washington yesterday by NP media director Mr Marthinus van Schalkwyk.

At the same time, in an address at a different forum, Sir Robin Renwick, the British ambassador to the United States, made a strong plea for economic assistance to South Africa so that it can succeed as a democracy and play a unique role in generating economic growth in the region.

Mr Van Schalkwyk said the NP will do its best to ensure that South Africa does not become a begging nation.

The best way for the US to ensure that the future South Africa would not stand with its hands outstretched for aid was to allow free trade with South Africa and promote free economic activity in the country, he said.

In an address in Washington, Sir Robin — a former ambassador to South Africa — said enormous efforts had been invested in helping to secure the elimination of apartheid

"We now have to help South Africa succeed as a genuine democracy with political freedom guaranteed not just for the short-term and for the next election, but thereafter," he said. — Sapa

No rush by US companies anxious to reinvest in SA

Star 22/7/93

280

By Claire Gebhardt

If sanctions are lifted next month — as Nelson Mandela suggested at the weekend — which foreign firms would invest in SA?

Conventional wisdom says very few, but the ANC is bullish.

The ANC's optimism following Mandela's recent fund-raising trip to the US is infectious, but the reality is that the instruments for foreign investment are sadly lacking — no matter how willing the participants, observers said yesterday.

Though there is widespread talk of direct investment by Americans after elections on April 27 — among them Apple, Pepsi, Heinz and Sara-Lee after major deals were put on hold last year — few have done so, apart from computer companies Digital Equipment Corp and Lotus.

Other companies said to be high on a list of possibles include Fortune 500 company Proctor & Gamble and hamburger giant McDonald's, whose presence is always a positive rubber stamp.

A McDonald's spokesman, approached by The Star yesterday, said there were no plans to open in SA "at the moment", though that didn't rule out a future entry.

Yet several multi-nationals, who disinvested in 1987 after negotiating "buy-back clauses" which lapse after five years, are said to be anxious to return.

Tuesday's ANC workshop on Foreign Portfolio Investment gave some indication of the urgency behind the drive to attract investment.

Conferences

Some 300 business people, the cream of SA's financial crop, were invited by Trevor Manuel, the ANC's head of economic planning, to concentrate their minds on new financial instruments for development.

A series of investment conferences in September/October this year to coincide with the 48th annual meeting of the IMF is being targeted to sell SA overseas.

Sources for new foreign funding include US pension and endowment funds, many of which were in the forefront of the disinvestment drive.

Sceptical businessmen suggested that the delay in the lifting of sanctions was a face-saving attempt by the ANC, which had belatedly realised that no investment was in the offing.

An American said: "By January US companies will be allocating their asset portfolios and unless there is consensus among the ANC, the trade union movement and the churches about the lifting of sanctions, money is just not going to come into SA. No US company wants problems with its workers.

"We also question where $4 trillion of pensions fund money can go, apart from the JSE and bonds. A lot of money is going that route because of the high returns, but it's going to do nothing for the country.

"If unbundling takes off, US companies could be prepared to do buy-outs for blacks, though only on a commercial basis with dividend paybacks over, perhaps, 15 years.

"On the positive side, most companies are looking to grow markets in developing countries and SA is a stepping-stone for the rest of Africa. If there's no money, we could barter."

American Chamber of Commerce's Michelle Cohen says US companies are holding back because they're afraid they will come in at the politically incorrect time. They'll then face flak from their shareholders and pension funds.

The Americans are coming!

ST Times 25/7/93

THE end of United States sanctions will be unofficially marked by a watershed expo of blue-chip American companies in Johannesburg in September.

The African National Congress and the US government have given their blessing to the show, which will open its doors less than a month after sanctions are due to end.

Billed as the largest-ever expo of American products in Africa, the "Made in USA" show will open at the World Trade Centre on September 7.

The US Department of Commerce is co-operating in the venture and 10 state goverments will send delegations. Most of the remaining sanctions in the US are those imposed by state authorities.

The "Made in USA" expo will also be attended by more than 150 US companies, their local subsidiaries or local distributors of US products.

Exploratory

Organiser and backer of the expo, marketing consultant David Altman, said several more large corporations were expected to commit themselves to the expo once ANC president Nelson Mandela announced the end of US sanctions.

An "exploratory exercise" after years of crippled trade between the US and South Africa, the expo is expected to attract 30 000 local and southern African visitors during its five days.

Exhibitors will include the Export-Import Bank of the US, which has undertaken to give credit guarantees to creditworthy South African companies for the purchase of US products, according to Mr Altman. But the bank's brief — and client list — may turn out to be more limited.

The Export-Import Bank will be specifically encouraged to expand support for "black-owned" South African business in terms of a bill being readied for introduction in the US as soon as sanctions can be lifted.

(280)

Private sector firms that have signed up for the show include several who made the Fortune 500 list of top US corporations this year, including AM General, Johnson & Johnson, Kellogg, Riceland Foods, and Timken.

~~(178)~~

One of the more surprising exhibitors is the state-supported Centre for Innovative Technology based in Herndon, Virginia, a state whose governor, Douglas Wilder, is a firm ally of the ANC and who pressured colleges in his area to divest stocks in firms with links to SA in 1991.

The centre is involved in the transfer of new technology to about 180 companies.

The 10 states whose State Trade Development Agencies are to attend include Texas, the second largest exporter state in the US. Together, these states are home to almost 100 of the top 500 corporations in the US.

By CLAIRE ROBERTSON

The expo received a glowing letter of approval from ANC secretary for international affairs Thabo Mbeki.

The letter reflects ANC attempts to channel new investment into the country towards black business, echoed by an aggressive drive to promote black business by Thebe Investments, a corporation originally set up by Mr Mandela and ANC deputy president Walter Sisulu, and an exhibitor at the show.

But traditionally "white" business interests have also booked stands, including the Standard Bank, SAA, the Johannesburg Chamber of Commerce, and the Afrikaanse Handelsintituut.

The US firms coming to the expo have been promised not so much in the way of lucrative investment opportunities, as a chance to grab a larger slice of the R64-billion South African import market. South African imports from the US are worth about R7,7-billion a year.

Efforts will be directed not at increasing imports by cash-strapped South African companies, but by offering them a chance to replace those from Europe — and from cost-hiking middlemen — with cheaper, more accessible, US products.

Gateway

The initiative seeks to ride a wave of export-orientated business in the US, where 70 percent of all new growth is expected to be export driven, and where President Bill Clinton recently urged US industry to concentrate on exports.

The show also promises traders a gateway to sub-Saharan Africa and its estimated R176-billion import market. Invitations have gone out to 100 000 business people in 34 African countries.

Sanctions to end shortly – Mbeki

Star 27/7/98

By Jon Qwelane

SUN CITY — Economic sanctions will be lifted next month, ANC director for international affairs Thabo Mbeki said last night.

Addressing the 29th annual conference of the National Federated African Chambers of Commerce and Industries, Mbeki also disclosed that he was recently summoned to a meeting by Finance Minister Derek Keys and told foreign banks were now discussing rescheduling South Africa's debt and the ANC had to play its part.

Mbeki said next month would see the introduction of a transitional executive council (280)

For the first time members of disenfranchised communities would become part of government and that placed a heavy responsibility on them. (418)

Mbeki said businessmen, especially those with capital and expertise should remain in South Africa after next April's elections and help make the new order work efficiently.

He said the lifting of sanctions was a challenge to local investors in particular. "Because, when all is said and done, no foreign investor will readily take the plunge when local investors stay out," he said.

The ANC had looked around when Keys asked for help with the rescheduling of debt and it had to admit that there were no people to send to foreign banks to help in the negotiations, Mbeki said.

News in brief

Sowetan 28/7/93

Mbeki slated over sanctions

ANC international affairs director Thabo Mbeki has been severely criticised by the PAC and Azapo following his announcement that sanctions could be lifted in just more than two weeks. (119) (280)

Azapo publicity secretary Dr Gomolemo Mokae said yesterday that weapons of the anti-apartheid struggle, such as sanctions and cultural boycotts, should only be abandoned on "the day of liberation".

Cops in bid to fight violence

Sowetan 28/7/93

ABOUT 2 000 former policemen are to be re-employed to improve security and combat crime and violence, Law and Order Ministry spokesman Captain Craig Kotze said yesterday. In addition, 4 000 civilians are to replace trained policemen in administrative posts. (265)

4 Cape Times, Wed

ANC to discuss lifting sanctions

(280) (cr 28/7/93)

By ANTHONY JOHNSON
Political Correspondent

THE ANC's national working committee (NWC) is expected to discuss a formula for the lifting of remaining sanctions when it meets in Johannesburg today.

ANC spokesman Mr Carl Niehaus said yesterday the topic could be dealt with at today's regular meeting of the NWC.

ANC secretary-general Mr Cyril Ramaphosa said earlier this month that the NWC had been mandated to examine ways in which sanctions might be lifted even before the installation of a multi-party Transitional Executive Council — expected after the September session of Parliament.

But, Sapa reports, PAC political affairs secretary Mr Jakie Seroke said sanctions should only be lifted when an election for a constituent assembly had been held.

Black woman shot dead by white gunmen

The Argus Correspondent

JOHANNESBURG. — A black woman waiting for a taxi was shot dead by three white men in a white bakkie near the Xavier Street off-ramp in Robertsham, Johannesburg, today.

Witwatersrand police spokesman Lieutenant-Colonel Dave Bruce said the bakkie carrying the three men pulled up near seven women waiting for a taxi about 3am.

One of the men fired three shots at the women, killing one. The truck then sped off, police said.

None of the other women were injured in the shooting.

Police, who believe the attack was racially motivated, are offering a R75 000 reward for any information leading to the arrest and conviction of the killers.

ANC accused of hypocrisy

Sowetan 4/8/93

By Tom Cohen
Sapa-AP

■ SURPRISING DEAL *Sanctions for some but not for others:*

WHILE AFRICAN NATIONAL Congress leader Nelson Mandela was in the United States last month insisting that sanctions must remain, a United States computer company was setting up shop here with the ANC's blessing.

Digital Equipment Corp, the world's third largest computer firm, opened a South African subsidiary last month in a deal with a black investment company linked to the ANC.

The deal might seem surprising given the ANC's long-standing opposition to foreign investment in white-ruled South Africa

The ANC has said the economic sanctions against South Africa should not be lifted until blacks join the Government

That could happen soon, if black and white negotiators agree on forming a joint panel that will help govern the country in preparation for multiracial elections planned for April

Educate blacks

But Digital has already arrived, with the ANC's support. One reason is Digital's commitment to helping employ and educate blacks. Another is the involvement of the Thebe Investment Corp

Thebe was set up with money from ANC leaders Mandela and Walter Sisulu Its 11-member executive management includes ANC regional chairman Tokyo Sexwale, Vusi Khanyile, the former ANC finance director, and Enos Mabuza, former head of the KaNgwane homeland who is aligned with the ANC.

Thebe formed Bhekisizwe Computer Systems, one of two South African companies with contracts to sell Digital products locally.

Sexwale said ANC policy allows foreign companies to open offices and "study the situation" until sanctions were lifted. He said Digital had yet to begin conducting business.

"It's not really a breaking of sanctions," he said.

But Vikkee Love, manager of marketing and business development for Digital's South African subsidiary, said full operations began on July 1

"You're not welcome in this country unless you come in through the ANC"

"We're very pleased from a business perspective," she said. "It has surpassed our expectations."

Some analysts see the Digital-Thebe deal as an example of ANC hypocrisy on the sanctions issue.

"You're not welcome in this country unless you come in through the ANC," said Eugene Nyati, an economist for the Centre for African Studies.

Nyati said Thebe was positioned to attract investors by promising influence with the ANC, which is expected to win the first elections including the black majority. That could result in an ANC-led government awarding contracts to businesses with close ANC ties, he said

"This whole thing lends itself to corruption," Nyati said.

He noted that Thebe is exploring an arrangement with US publishing giant Macmillan Inc through its subsidiary in Swaziland, Macmillan Boleswa, to create a joint publishing company in South Africa.

With lucrative contracts for school textbooks to be awarded by a post-apartheid government, news reports have speculated the Macmillan-Thebe talks are aimed at creating a "favourite son" candidate

Nonsense, exclaimed ANC and Thebe officials

"Thebe is an independent organisation," said ANC spokesman Carl Niehaus

He said Mandela and Sisulu helped set it up to "facilitate economic empowerment" of blacks denied equal opportunity under apartheid.

"People want to criminalise black economic empowerment"

Decades of apartheid have left whites in control of virtually the entire economy. Multiracial elections will bring little immediate change, although blacks have started to reach management positions and compete in some industries.

Sexwale said whites feared Thebe because it is involved in major projects in industries previously controlled by whites."People want to criminalise black economic empowerment," he said "It is because Thebe is going with Digital, with oil, with insurance, with banking that people now begin to have objections "

The Batho-Batho Trust, founded by Mandela, Sisulu and others, put up a reported R8 million to get Thebe going

Thebe has several holdings, including a property management company, a travel agency, a car rental agency and a marketing company for ANC products, such as T-shirts.

Redressing imbalances

According to a Thebe marketing brochure, the corporation's aim is to "redress the economic imbalances that exist in South Africa" due to apartheid. Sexwale said the Batho-Batho Trust decides what to do with Thebe profits and is committed to putting the money into the black community.

Many African nations have corrupt governments in which an elite gets rich at the expense of the masses. Some whites point to such corruption in opposing black rule, even though the apartheid government has itself been guilty of corruption.

The minority government and business leaders wanted the ANC to call for the lifting of all remaining sanctions last month when negotiators set the date for elections.

Most sanctions are gone but a UN embargo on weapons technology and a ban on World Bank and International Monetary Fund loans remains

In addition, 27 states, 89 cities and 25 districts in the United States continue to impose their own economic sanctions, according to the South African department of trade and industry. — *Sapa-AP.*

No deals on sanctions — ANC

(280) CT 5/8/93

By BARRY STREEK
Political Staff

SANCTIONS should be maintained until the Transitional Executive Council (TEC) had been established and no special deals had been struck with the ANC-linked company Thebe Investments, the ANC said yesterday.

It said in a statement that while everything possible should be done to prepare the international community to return to South Africa, it had resolved that all sanctions, apart from the military sanctions, should only be lifted once the TEC was in place.

"We will strongly oppose any attempts to use the ANC to get special privileges or status, nor will we be party to any violations of our sanctions policy," it said.

The statement was issued in response to reports that the ANC had double standards on the sanctions issue and that Thebe had already signed a contract with a British publishing company, MacMillan, in connection with school books, and a foreign computer company, Digital.

Thebe Investment Corporation is owned by a fund controlled by ANC leaders.

The ANC said: "We have not identified any particular partners nor indicated any preferences."

Call to clarify computer deal

Own Correspondent

JOHANNESBURG. — The ANC wants Thebe Investment Corporation to clarify whether its deal with US computer firm Digital Equipment transgresses ANC sanctions policy, ANC deputy head of international affairs Mr Aziz Pahad said yesterday. (280) CTS 8/93

Thebe is headed by senior ANC figures and was set up with R8 million from a trust fund started by Mr Nelson Mandela. Its computer subsidiary Bhekisizwe Computer Systems recently concluded a deal with Digital to sell its products locally.

Thebe's managing director Mr Vusi Khanyile said the company's investment portfolios were in line with ANC policy and that there had been a misunderstanding of the ANC policy guidelines which did not prevent investors from doing feasibility studies.

However, an AP report quoted Digital's marketing manager Mr Vikkee Love as saying full operations, including sales, began on July 1 this year.

The ANC said it was encouraging investors to return to South Africa by making their preparations now in anticipation of the establishment of a Transitional Executive Council (TEC) but that no new investment was to take place until a TEC had been formed.

Star 6/8/93

ANC probes Thebe deal

Staff Reporter

The ANC is investigating claims that Thebe Investment Corporation contravened ANC policy on sanctions, international affairs deputy head Aziz Pahad confirmed yesterday.

Pahad said he was trying to discover whether the corporation had contravened policy guidelines.

Bhekisizwe Computer Systems, a subsidiary of Thebe, is reported to have signed a deal with the US corporation Digital Equipment to sell its computers from the beginning of last month. (280)

He said that while many corporations were discussing setting up local subsidiaries, it was important to ensure that no group used its political position to gain unfair advantage.

ANC policy is that sanctions cannot be lifted until a transitional executive council is in place.

Pakistan lifts SA sanctions — moves to forge air links

APG 11/8/93 280

☐ Import/export permits now issued to businessmen

The Argus Correspondent

PRETORIA. — Pakistan has lifted trade and other sanctions, which have been in force for years against South Africa.

The possibility of exchanging diplomatic representatives is also under discussion, it was disclosed yesterday.

The trade decision follows a ground-breaking visit to Islamabad, which ended yesterday, by Foreign Affairs director-general L H "Rusty" Evans.

Mr Evans said it had been indicated to him that the Pakistanis were "keen to promote trade with South Africa and that all remaining sanctions had been lifted".

Import/export permits were now being issued to businessmen and South Africa and Pakistan expected that this would pave the way for "substantial trade between the two countries".

It was also revealed that talks had already started on the possibility of an air link.

The talks with Pakistan are part of the South African government's policy to normalise relations with the international community, and in particular with Asian countries, Mr Evans said.

Pakistan has been targeted by South Africa as one of the remaining countries with which diplomatic relations should be forged.

Other Asian states with which "channels of dialogue" have been opened include India, Indonesia and Malaysia.

Star 1/8/93

Pakistan lifts all sanctions on SA

Pakistan has lifted trade and other sanctions that have been imposed on South Africa for years, it has been disclosed.

The possibility of exchanging diplomatic representatives is under discussion. (280)

The trade decision follows a ground-breaking visit to Islamabad, which ended yesterday, by Foreign Affairs director-general Rusty Evans.

He said it had been indicated to him that the Pakistanis were "keen to promote trade with South Africa and that all remaining sanctions had been lifted".

Import/export permits were being issued to businessmen — and it was expected that this move would pave the way for "substantial" trade. — Pretoria Bureau.

Los Angeles lifts sanctions on firm with S Africa links

(280) ARG 12/8/93

PETER FABRICIUS
The Argus Foreign Service

WASHINGTON. — Los Angeles city council has voted to grant an exemption to its sanctions against South Africa, allowing a company with links in the country to bid for a $3 million contract to restore the city hall.

It is understood that the company, Lehrer, McGovern, Bovis (LMB), had written support from the African National Congress to back its application for exemption.

LMB's parent company is Peninsular and Oriental Steam Navigation (P&O), which has stakes in a container cargo operation in South Africa.

The council yesterday overturned an earlier decision by its governmental efficiency committee, which voted 2 to 1 to deny the exemption and enforce the sanctions ordinance — in spite of the ANC letter.

The only person who voted in favour of granting the exemption was the only black on the committee.

South African embassy sources said last night that the decision was being interpreted in some quarters in Los Angeles as a sign of a more general relaxation of sanctions by a city that has enforced them strictly in the past.

However, Mr Bill Moses, senior analyst of the Investor Responsibility Research Centre, a sanctions-monitoring organisation, cautioned against over-interpreting the decision.

He said it could indicate a change of heart or simply the granting of an exemption to the policy. He pointed out that the Los Angeles sanctions ordinances had many exemption clauses that could be invoked.

"Remember, these measures were not designed to make life difficult or expensive for Los Angeles," he said.

IT'S A FUNNY

The tune of Australia's unofficial national anthem, Waltzing Ma-

It's time for a change

US city rejects letter by ANC

B'Day 12/8/93

SIMON BARBER

WASHINGTON — A Los Angeles city council committee has rejected a letter from the ANC urging that the country's second-largest international construction management firm be exempted from the city's sanctions code.

The panel voted 2-1 to deny the exemption, which was sought by Lehrer McGovern Bovis, the company which managed the construction of Euro Disney in Paris and the recent restoration of the Statue of Liberty.

The dissenting vote came from the committee's one black member, Mark Ridley Thomas.

The episode illustrates the difficulties a new SA government is going to have persuading state and local authorities to terminate their sanctions.

Lehrer McGovern Bovis was recommended by the city's board of public works to manage renovations of Los Angeles' city hall.

"The quality of their work has been demonstrated," said chief engineer Bill Holland.

However, the firm was blocked from bidding on the $3m contract after competitors alerted the council that it had ties with Pacific and Orient Steam Navigation, which had a stake in an SA container facility.

Even city officials responsible for administering the sanctions admit Lehrer's ties with Pacific and Orient are slender.

According to one official, Gary Wolfberg, the companines are separated by "nine layers" of corporate structure. (280)

Wolfberg also conceded that when Lehrer submitted an affidavit declaring it had no business connections with SA, it was probably unaware of the Pacific and Orient link.

"I don't believe they knew," he said.

With the backing of the board of public works, Lehrer appealed to the city council's government efficiency committee for an exemption, brandishing a letter from the ANC.

The panel rejected the appeal on Tuesday.

Its decision was to be reviewed by the full council late yesterday.

Lehrer's case is complicated by the fact that it is under investigation by the FBI for double billing on a range of other public contracts in California. However, this did not appear to be a factor in the committee's ruling.

Leading US legislators hope to recommend speedy lifting of curbs

Sanctions team coming

Star 18/8/93

■ BY PETER FABRICIUS
STAR BUREAU

Washington — A high-powered delegation of American state legislators is due to arrive in South Africa tomorrow on a fact-finding mission aimed at preparing for the lifting of state sanctions and the start of new investment.

The legislators are members of the Eastern Regional Conference of the Council of State Governments (ERC-CSG), which represents state legislatures of eastern states.

Alan Sokolow, director of the ERC-CSG, is leading the delegation to South Africa.

He said if the delegation liked what it found it would return to the United States and use its influence to persuade state legislatures to speed up the repeal of sanctions. Some members of the delegation might also have enough influence to persuade investors to go into South Africa, he said.

Leaders

The delegation members will be guests of the Southern African Forum and will meet a wide range of leaders over the next two weeks.

RENEWED US investment at stake as state legislators arrive to assess situation.

280

The delegation, mostly Democrats, includes New York Assembly Speaker Saul Weprin; New York State assembly man Robert Wertz; Massachusetts senator W Paul White, chairman of the Senate Banks and Banking Committee; Massachusetts representative Stephen J Karol; and Connecticut state representative Barbara Ireland.

Sanctions are still on the statute books of 166 American states, counties and cities.

But the process of repealing them is expected to begin as soon as a Transitional Executive Council (TEC) is in place in South Africa. That depends upon the pace of negotiations.

Predictions were that a TEC would be in place next month, although ANC secretary for foreign affairs Thabo Mbeki seems to believe it might happen only in October.

In a recent letter to the Los Angeles city council, urging it to grant an exemption to its sanctions legislation for a company with South African links, Mbeki said the ANC would officially call for the lifting of remaining sanctions when a TEC was established in "September-October".

Sanctions monitors say it could take a while for sanctions to be removed from the statute books once the go-ahead is given.

Some state legislatures meet only every two years. Many legislatures with sanctions in place have begun to investigate lifting them, but the process does not seem to be far advanced.

Boom needed

Sokolow said that the delegation would be meeting leaders in politics, government, business and religion in all the main centres to try to get a sense of how the process of democratisation was going and what Americans could do to help it.

He said for South Africa to become a successful society it would need an economic boom — and that would require the involvement of America and other industrial countries.



'Bankers tapped phones'

■ BY CHERYL HUNTER

Banking group Absa paid more than R54 000 to private investigators for tapping the telephones of personnel, the Johannesburg Magistrate's Court heard yesterday.

Wim Trengove, defending former Allied managing director Kevin de Villiers, said Absa chief executive Danie Cronje, his predecessor Piet Badenhorst and other executives were involved in a surveillance operation during the Absa takeover of Allied in 1991.

De Villiers (45) and his former assistant Patrick Ronan (31) have been charged with fraud or attempted theft and perjury following their alleged attempt to develop a scheme under which Ronan would be entitled to a 12-month period of notice.

Trengove said the home and business phones of both men

Neething had supplied poison for the murders.

REPORTS Own Correspondent, Sapa

use its banking licence, was placed under curatorship. Also, between March and end-July, additional mortgage bonds of R50m

the general public.

Snyman agreed that the scheme was a critical rescue operation.

Peace bodies 'ignored LHR input'

PATRICK BULGER

LAWYERS for Human Rights (LHR) has accused peace structures of ignoring its suggestions on ways to curb political violence.

LHR national director Brian Currin said yesterday the Goldstone commission and the national peace accord had ignored the proposals which provide for the establishment of a national witness protection programme under multiparty control.

He said SA's present system of witness protection was inadequate and was discouraging witnesses in potential political violence cases from coming forward. He said LHR was currently providing protection for 30 witnesses to township violence.

"Soon after we submitted our proposals to the Goldstone commission, the judge phoned me to say he supported the idea and felt that it should be implemented. He then seems to have assumed that the national peace accord would take the ball and run with it. It seems to have got lost there," Currin said.

He said witness protection in terms of the Criminal Procedure Act and regulations in terms of the Prevention of Public Violence and Intimidation Act were inadequate.

Currin said LHR regarded the national peace accord as the "most appropriate forum to initiate and manage" a witness protection programme. He said LHR envisaged the appointment of a directorate accountable to the national peace secretariat. The directorate would establish the infrastructure. It would be funded by the state and the international community and would be responsible for protecting witnesses to violence before, during and after criminal prosecutions.

Green light for US sanctions tour

PATRICK BULGER

THE ANC had given a team of US state legislators the go-ahead to visit SA to investigate lifting sanctions, the tour's organiser said yesterday.

The group of eastern state legislators, headed by Eastern Regional Conference of the Council of State Governments director Alan Sokolow, arrives in Johannesburg tomorrow.

Arrangements for the visit — which could trigger the end of US sanctions still in place in 166 US states, counties and cities — began a year ago, said Southern African Forum director Helga Liebenberg, who is arranging the visit.

The ANC has long welcomed fact-finding tours to SA, but the timing of this visit is considered significant given the imminent establishment of a transitional executive council which the ANC says will be sufficient for it to call for an end to sanctions.

The group will meet representatives of government, ANC deputy president Walter Sisulu, the NP, the PAC, the Inkatha Freedom Party and a wide range of businessmen.

The visiting legislators are New York's Saul Weprin and Robert Wertz, Paul White and Stephen Karol of Massachusetts and Barbara Ireland of Connecticut.

PEANUTS By Charles Schulz



US team to influence when sanctions lifted

Star 20/8/93

■ BY KAIZER NYATSUMBA
POLITICAL CORRESPONDENT

What a high-powered group of US state legislators hears and sees during its two-week visit to South Africa will go a long way towards influencing the timing of the lifting of sanctions by some US states, according to group members. (280)

The five-member delegation, which arrived yesterday, will hold talks with a wide range of South African political and business leaders.

It will then report to the Eastern Regional Conference of the Council of State Governments, according to delegation leader Alan Sokolow.

The delegation will meet representatives of the NP, the ANC, the PAC, the CP and the IFP, said Xoliswa Ngema of the Southern African Forum, which hosts the trip.

At least 166 US states, counties and cities have imposed sanctions on Pretoria.

Sokolow said the group was happy to come to SA "to see how democratisation is working".

New York State Assembly member Robert Wertz said both New York State Assembly controller Carl McCall and New York City mayor David Dinkins were getting ready to lift sanctions as soon as they received word to this effect.

The other members of the delegation are New York State Assembly speaker Saul Weprin, Massachusetts senator and chairman of the Senate Banks and Banking Committee Paul White, and Connecticut state representative Barbara Ireland.

Meanwhile, a team of eight Commonwealth observers arrived yesterday to take over the third phase of the Commonwealth's involvement in monitoring violence in South Africa.

US companies lobby for more investment in SA

BIDay

SIMON BARBER

WASHINGTON — A coalition of leading US multinationals has established a Washington-based "advocacy organisation" to press for expanded US investment in SA.

Formation of the US-SA Business Council, chaired by Johnson and Johnson vice-president Al Cooper, was announced on Friday, and immediately hailed by ambassador Harry Schwarz as "a major step in the trade and investment relationship between SA and the US".

Members include such SA veterans as Dresser Industries, Caltex Petroleum, Colgate-Palmolive and Deere & Co, newcomer Digital Equipment Corp, plus a number of companies, among them banks and investment firms, which are preparing to re-enter the market but have asked to remain unnamed. 2318193

The new group will operate under the aegis of the National Foreign Trade Council (NFTC), which represents more than 500 of the largest US companies that operate internationally. (448) (280)

US business would have an important role when "job-creating investment replaces sanctions as the priority of the ANC and its allies", said NFTC vice-president Dan O'Flaherty.

The group will stress "the contribution which expanded bilateral commerce can make to stable democracy and sustainable economic growth in SA".

Member companies have agreed to use their own lobbying resources to press for the repeal of federal, state and local sanctions when the ANC gives the go-ahead. O'Flaherty estimated that up to a quarter of the 150 jurisidictions with anti-apartheid laws would ignore the ANC's call.

Another priority will be the quick repeal of the federal fair employment code for US companies in SA. The council will oppose any attempt to establish such codes at the state of local levels.

"This is the signal that US business is prepared to expand its presence in SA," said Michael Christie, Washington director of the SA Foundation.

He noted that the NFTC carried a lot of weight in Washington and had "solid experience" with the SA issue. "It is particularly well placed to advocate US government policies and programmes that will facilitate investment in SA and to present a coherent US private sector perspective to the new SA."

The NFTC is hosting a conference on SA investment in New York next month to coincide with the IMF/World Bank annual meetings.

We're doing our best to remove sanctions says Mandela

(280) ARG 28/8/93

JOHANNESBURG. — The African National Congress was exploring ways of dealing with the sanctions question even though legislation to set up a Transitional Executive Council had not been passed, ANC president Nelson Mandela said yesterday.

He briefly met German Economic Co-operation and Development Minister Carl-Dieter Spranger in Johannesburg.

"One of the problems concerning the lifting of sanctions is the question of legislation setting up the TEC and other interim structures," said Mr Mandela.

"We expected it to be passed during the last session of parliament. It now appears there is difficulty in getting the legislation ready for the special parliamentary sitting on September 13.

"Thus, we are now exploring a formula whereby we can address the issue of sanctions before any legislation is passed," said Mr Mandela.

Pointing out that about 50 percent of the population was unemployed, the ANC president said it was important that the international community support South Africa financially once democracy was achieved.

Briefing Mr Spranger on constitutional negotiations, Mr Mandela said it was vital that peace and stability was restored.

"Our feeling is one of optimism about the progress of negotiations. We are, however, aware of the problems from various quarters regarding the elections.

"That is why we are going out of our way to assure them of a five percent threshold for each party to gain representation in parliament.

"Even if those parties don't make the threshold, we don't exclude the possibility of drawing some individuals from those parties into a government of national unity.

"To remove any fears of domination, I will recommend this personally to the ANC to adopt," said the ANC president.

In his reply, Mr Spranger welcomed the five percent threshold, saying his country also believed in such a system of representation.

Germany furthermore supported the peace process in South Africa and hoped the current impasse involving other political players, such as the Inkatha Freedom Party, would be resolved.

Mr Spranger is to meet other political parties, including the IFP, at the weekend. — Sapa

Call to lift sanctions soon?

By BARRY STREEK

THE ANC may call for the lifting of sanctions before final agreement on the Transitional Executive Council is reached, ANC leader Mr Nelson Mandela has indicated.

Mr Mandela said the ANC was exploring ways of dealing with the sanctions question even though legislation to set up a TEC had not been passed.

At a meeting with Germany's economic minister, Mr Mandela publicly voiced doubts that the World Trade Centre negotiators will be able to complete their discussions by Tuesday night.

(280) CT 28/8/93

The negotiators are to meet on Monday and Tuesday to finalise proposed legislation on elections, the TEC and broadcasting.

The Minister of Constitutional Development, Mr Roelf Meyer, said this week that the Negotiations Council had to complete their deliberations by Tuesday if the draft legislation was going to be ready for Parliament.

Parliament is also to reconvene in October and November when it is due to adopt a new constitution for the transitional process.

● Talks cost SA plenty — Page 2

Shell set to pump R1bn into capital projects in SA

By MAGGIE ROWLEY
Deputy Business Editor



John Kilroe

SHELL SA was optimistic about the future of the country and would continue to pump more than R1bn into capital projects over the next five years, chairman and CE John Kilroe said.

Kilroe, who leaves to take up the challenge of growing Shell into mainland China from November, has been in his present post since 1989 and is adamant that the multinational's decision not to disinvest during the sanctions era in spite of pressure to do so (particularly when Mobil disinvested) was the right one.

"I said so then that Mobil's disinvestment was badly timed as we could see apartheid disappearing and were certain that it was only a matter of time before we had a new state president.

"Our platform for staying was really protection of human rights. We believed that the role of business included making a contribution to its environment."

During recent years, Shell has put its money where its mouth is and ploughed millions into education, both on a tertiary level through the Universities of the Western Cape and Cape Town and within its own organisation which employs 2 700 people.

In fact Kilroe has been closely linked with both universities serving as a trustee of the former and on the council of the latter.

"Education has been important thrust for us as one cannot have a democatic country without it."

Back in the 1970s, Shell was one of the first companies to embark on an affirmative action programme which has gathered momentum in more recent years. In 1986 a target of 20% black management by the year 1992 was set and reached.

"While this target was reached we have failed in achieving our aim of 10% black Africans and 10% coloured/Asian Africans due to the educational disadvantages black Africans have experienced and the high level of poaching of our black management staff.

"While it is annoying that we have trained people up only for someone else to come along and head hunt them, we try to be philosophical about it and see the training not as being wasted but to the benefit of the country as a whole."

Next month, Shell and BP's joint upgraded refinery in Durban, Safref, comes on stream symbolising a capital investment of R450m.

Capital projects

The company has spent about R270m annually on capital projects in this country and Kilroe leaves for London next week to present Shell SA's five year plan which would see a further R270m or so annually invested in new projects.

"It is a long term plan. When we push the buttons on these projects will be dependent on the political climate."

The ongoing development of its retail network was continuing, he said. Currently 20% of Shell's 800-odd service sites are in black areas with 50% of all new service sites coming on stream being in these areas.

Because of its greater exposure in these than any of the other oil companies, Shell was more affected in times of violence, he said.

Kilroe reiterated earlier warnings that deregulation of the oil industry, while it had its merits, could see about 50 000 pump attendants out of work.

"We are not worried about competing in a deregulated market as we have been doing so successfully in many other countries.

"However, there is clear evidence that self service outlets is a pillar of deregulation in order for operators to cut overheads.

In addition deregulation could result in many smaller rural concerns being forced to close down.

"In these instances it will be the emerging entrepreneurs who will be hardest hit and with unemployment already a crucial issue, the matter should receive serious attention."

"While deregulation has its merits I don't believe this is the time to go this route in SA."

Kilroe is to be succeeded by John Drake, currently based in London who has been Shell International's area co-ordinator for the Far East.

Japan seeks balance in aiding SA region

BALANCED relations between Japan and southern Africa were needed to overcome centralisation of economic power and infrastructure in South Africa, Japanese economist Prof Ken Sasaki said yesterday.

Addressing a conference on Japanese-southern African relations at the University of the Western Cape, he said economic relations between his country and southern Africa had to be adjusted in a rational and balanced manner to ensure equitable development in the region.

Economic dependency on SA and disparities between SA and its neighbours would continue beyond the political liberation of SA.

Prof Sasaki said Japan had a historic responsibility to support balanced regional co-operation through development of national resources, construction of infrastructure and technology transfers in the region.

He said the removal of remaining economic sanctions would bring about a rapid expansion of trade between Japan and SA.

Japanese exports of industrial goods would increase rapidly as markets in the black community expanded. — Sapa

ANC plans major events in Natal

Sowetan 6/9/93

By Ismail Lagardien
Political Correspondent

THE African National Congress is to host two major events in Natal on September 24 and October 24.

The movement plans to formally invite King Goodwill Zwelithini as the traditional leader of the Zulus to the October event scheduled for King's Park Stadium.

The September meeting will be a cultural event which will attract indigenous people from across Natal, the ANC's Mr Robert Haswell confirmed yesterday.

He said that the September meeting - at KwaXimba near Cato Ridge - will be a traditional Zulu event while the October gathering will be a "Natal celebration", where everyone will be invited, including the king, Indians and whites.

"The September 11 event will be a major cultural event where we hope the message will come across that Zulus do not have to relinquish their traditional values to be part of the ANC. It will become clear that the ANC and traditional values are not inseparable.

"These are two major events coming up in Natal that will clearly underline that," Haswell said.

The invitation to the king could become a bigger political issue than expected.

The southern Natal secretary of the ANC, Mr Sbu Ndebele, told a Sunday newspaper that the October event was not an attempt to woo the king or to use him as a cultural weapon against the Inkatha Freedom Party - which claims that it commands the support of all the Zulus in the province.

"We do not want to say who has got more Zulus than the other," he said..

Sanctions Sowetan 'to go soon'

AFRICAN National Congress deputy president Mr Walter Sisulu said yesterday remaining sanctions against South Africa should be lifted soon. 6/9/93

Sisulu, representing the ANC at the annual summit of the Southern African Development Community (SADC) in Mbabane, Swaziland, told the opening ceremony that agreement was near on the creation of a Transitional Executive Council (TEC) - which will give blacks a powerful say in government for the first time. (280)

"Within the next two or three days the TEC will be agreed on," Sisulu said. Parliament is due to meet on September 13 to enact draft TEC legislation drawn up by the ANC, the Government and other groups taking part in

- *Sapa-Reuter*



Swoop on flea market

India to resume ties with SA

Political Staff

DURBAN.— With a million people of Indian origin living in South Africa, the resumption of relations between India and South Africa was appropriate and essential, said chairman of the Ministers' Council in the House of Delegates Bhadra Ranchod.

Dr Ranchod was responding to a statement by Indian deputy foreign minister Salman Khursheed that India would establish diplomatic relations with South Africa soon after lifting economic sanctions later this month.

India lifted cultural sanctions, including visa and consular restrictions, against Pretoria in 1991.

Air India flights would begin operating between Bombay and Johannesburg from October 2, said Mr Khursheed.

'Sanctions to go by month end'

CT8/9/93 (280)

JOHANNESBURG. — The green light for sanctions to be lifted before the end of the month was signalled last night by ANC chairman and head of foreign affairs Mr Thabo Mbeki.

And ANC secretary-general Mr Cyril Ramaphosa said yesterday the ANC expected to announce a final deadline for the lifting of sanctions today.

Last night multi-party negotiators agreed to a Transitional Executive Council.

"This means we have taken another step closer to the lifting of sanctions," Mr Mbeki said, addressing the opening of a "Made in the USA" trade exhibition at the World Trade Centre.

Sanctions would be lifted before the end of the month, he said.

Mr Mbeki said the US had played an important role in imposing sanctions against South Africa in the 1980s.

Black empowerment

He urged American firms exhibiting at the trade fair to use the opportunity to establish ties with the country.

He said US firms could play an important role in achieving black economic empowerment.

"What will be very difficult here will be the rebuilding and reconstruction of this economy," he said. "We look forward to your help."

The ANC also announced it would give special tax advances to companies investing in South Africa after the elections, provided they helped uplift and train the local population.

Addressing a packed Livingston Leandy corporate presentation at the Durban Country Club last night, ANC media liaison officer Mr Carl Niehaus said the organisation would also guarantee that investors would not be prevented from taking profits out of the country. He said South Africa needed a growing economy.

Go-ahead



SANCTIONS TO GO ...
Thabo Mbeki

Accord reached on interim govt

CT8/9/93

JOHANNESBURG. — Negotiators last night approved the Transitional Executive Council Bill, after dramatic last-minute meetings between the government and the ANC averted a breakdown in talks.

The adoption by sufficient consensus of the draft TEC Bill was greeted with a standing ovation by negotiators. The bill will now be sent to Parliament.

Asked later when he thought the TEC would be up and running, the government's senior negotiator, Mr Roelf Meyer, said "a fair guess would be the middle to end of October".

The government and the ANC reached a compromise after six hours of negotiations.

Earlier there was concern that negotiators might not achieve agreement. The talks were adjourned for several hours yesterday afternoon after the government and the ANC asked for time behind closed doors to try to resolve two outstanding issues between them.

Only two of the 23 delegations, Ciskei and Bophuthatswana, opposed the adoption. The Pan-Africanist Congress and the Afrikaner Volksunie reserved their positions.

The chairman of the day's proceedings, National Party negotiator Dr Dawie de Villiers, described the adoption of the draft bill as "an important achievement for the negotiating council".

"We have sufficient consensus," he ruled.

The TEC and its seven sub-councils will oversee the run-up to the April 27 election.

The State President's powers to declare a state of emergency have been separated so that he now has to consult the law and order sub-council. The TEC can revise the decision and overturn it with 80% support.

In the required TEC majority, a 75% consensus, rather than the initial 80%, is needed for decisions.

A 75% consensus is also required in the law and order, and defence and intelligence sub-councils, if they are limited to eight members.

Other sub-councils with six members — finance, foreign affairs, regional and local government, and the status of women — require a two-thirds majority.

Therefore it would require three sub-council members to prevent a decision, effectively making a 50% consensus in the smaller sub-councils.

The draft TEC Bill joins three other pieces of draft legislation for the interim period to be dealt with at a special sitting of Parliament next Monday.

These are the draft Independent Electoral Commission Bill, the draft Independent Media Commission Bill and the draft Independent Broadcasting Authority Bill.

Mr Meyer told a press conference afterthe consensus that the adoption of the draft TEC Bill "is a major achievement for this negotiating process".

He said that on the one side the government's clear objective was "to ensure that the TEC will not be an alternative government or replace the executive of the country, and from the perspective of other participants to create a mechanism that will ensure free and fair elections".

"We (the government) are satisfied that this bill does not provide for a substitute of the government in any way whatsoever, or joint control of the security forces," Mr Meyer said.

ANC secretary-general Mr Cyril Ramaphosa said: "It is a historic moment for those who have struggled against apartheid, because the adoption of the draft TEC Bill is one of the final steps in bringing down the apartheid edifice".

Senior negotiators envisage holding the plenary session of leaders after the September special session of Parliament, but before a second special session planned for the end of October — Sapa

● Buthelezi: SA in civil war now — Page 2

Indian link to SA welcomed

Political Staff

DURBAN. — The decision by India to establish diplomatic relations with South Africa as soon as economic sanctions are lifted later this month has been widely welcomed.

India's deputy foreign minister Mr Salman Khursheed announced the decision in New Delhi yesterday shortly after returning from a visit to South Africa.

Natal Indian Congress secretary-general Dr Farook Meer said last night it was fitting that India, which had applied pressure on South Africa for many years, was now establishing diplomatic links.

Deputy foreign affairs minister Mr Renier Schoeman said from Tokyo last night the move was "historic", and the DP's Mr Mahmoud Rajab said it was "wonderful news".

The move paves the way for Air India flights between Bombay and Johannesburg from October 2.

Mandela trip could spell end of US curbs



SANCTIONS: Nelson Mandela addresses a crowd before the opening of a US exhibition near Johannesburg yesterday. He said he would call for the lifting of sanctions once negotiators had agreed on a draft constitution.

PETER FABRICIUS ARG 8/9/93
The Argus Foreign Service

WASHINGTON. — African National Congress president Nelson Mandela has changed plans and will visit here to address at least two major investment congresses in a few weeks' time — adding weight to speculation the ANC will call for the lifting of sanctions before that.

Mr Mandela will be here during a period of intense concentration on South African investment. Several conferences have been planned for this time, both to coincide with the annual meetings of the International Monetary Fund (IMF) and the World Bank and also to take advantage of the expected call by the ANC for remaining sanctions here to be lifted.

According to ANC sources, Mandela will attend the annual meetings of the IMF and the World Bank during the last week of September and will address the Global Investment Access investment conference organised by former US ambassador to the US Herman Nickel and the World Economic Development Congress where President De Klerk is to be one of the keynote speakers.

Sanctions' end will be slow

ROBYN CHALMERS

US SANCTIONS against SA cannot be lifted before January next year, even if ANC president Nelson Mandela gives the nod for their removal tomorrow, says the architect of US divestment laws, Dumisani Kumalo. B1 Day

Kumalo, who is on the American Committee on Africa, said yesterday it had taken months for divestment legislature to be passed and they could not be lifted overnight. 9/9/93

The sanctions debate began in earnest on Tuesday after negotiators at the World Trade Centre approved the Transitional Executive Council (TEC) Bill, which has long been one of the benchmarks for the lifting of US sanctions.

Kumalo said the US states would convene only in January to formally decide on the lifting of sanctions against SA.

"We now have to educate American companies and pension funds that they can do business before April next year, which will not be easy because organisations are loathe to tarnish their image by dealing with an SA that is not yet free of apartheid," said Kumalo.

Major US pension funds had already announced that they would not be investing before April. Kumalo said he was working behind the scenes and examining the removal of state divestment laws, particularly in California, which has pension fund holdings of $18bn.

Sapa-AP reports from Canberra that Commonwealth nations could lift sanctions soon. An Australian official said an announcement could be made within 24 hours. New Zealand Foreign Minister Don McKinnon confirmed there were consultations among foreign ministers.

Commonwealth spokesman Patsy Robertson said in London yesterday economic sanctions would most likely be lifted before the Commonwealth summit on October 21-25. (280)

Sapa-Reuter reports from Stockholm that Prime Minister Carl Bildt said Sweden might be able to drop sanctions within days. Sweden just needed confirmation from SA.

However SA Foreign Minister Pik Botha said that the ANC's advocacy of sanctions had cost many jobs. The ANC's call for their lifting would have no effect because foreigners would invest only once the fighting stopped.

In London, a Foreign Office spokesman said military and nuclear energy co-operation sanctions would remain in force "until a fully democratic government is in place".

Investors will wait and see - Mandela

Sowetan 9/9/93

Sapa and Ismail Lagardien

■ CONTINUING CARNAGE Credibility key to peace says leader:

THE formal lifting of sanctions against South Africa would remain a symbolic step over the next few months as many investors will wait to see whether the violence in the country abates, ANC president Mr Nelson Mandela said yesterday.

Addressing a packed Cape Chamber of Commerce luncheon on the first day of a hectic five-day tour of the Western Cape and the Karoo, the ANC leader confirmed a statement by the organisation's national chairman, Mr Thabo Mbeki, that they would campaign for the lifting of all sanctions from the end of this month.

Mbeki's statement followed Tuesday night's agreement at the Kempton Park negotiating forum on a Transitional Executive Council (280)

He said violence would continue to rack South Africa's black society for as long as the ruling National Party was in government. Only a democratically elected government could deal incisively and effectively with the continued carnage in the country.

He accepted that while the violence was black-on-black, it originated in "the ranks of the Government". The State and Government were not legitimate and had, therefore, no desire nor the credibility, to bring the violence to an end.

World ready to drop sanctions

Star 9/9/93

280

■ BY CHRIS WHITFIELD
POLITICAL CORRESPONDENT

Nations around the world are preparing to drop sanctions against South Africa following agreement on the creation of a transitional executive council (TEC) and the ANC announcement it would call for an end to the punitive measures.

ANC president Nelson Mandela confirmed in Cape Town yesterday that the ANC would back the lifting of sanctions, but added that this would remain a symbolic step as potential investors waited to see whether violence abated.

It is expected that the TEC could be in place by the second half of October.

The ANC's national working committee met on the sanctions issue yesterday. The organisation's chairman, Thabo Mbeki, will issue a statement today.

From Canberra it was reported that Commonwealth nations might soon lift sanctions. An official said an announcement on the future of Commonwealth sanctions could be made within 24 hours.

He said Australian Foreign Minister Gareth Evans was consulting his Commonwealth counterparts by telephone.

European Community Commissioner for Foreign Relations, Hans van den Broek said in Brussels that the TEC agreement was a real breakthrough, reports **Sapa**.

The EC has said it would restore normal relations once the TEC was in place. The only EC sanctions still remaining are those imposed by the United Nations.

In Stockholm, Swedish Prime Minister Carl Bildt said his government would drop sanctions as soon as possible following the moves towards multiparty rule.

Mandela, addressing a Cape Town Chamber of Commerce lunch, said investors were interested in both economic and political stability.

However, Afrikaner Volksfront organising secretary Joseph Chiole said the TEC would give effective governmental power to the "communist forces" of the ANC and SA Communist Party.

Conservative Party leader Dr Ferdi Hartzenberg said the CP was launching an information campaign about the implications of the TEC.

■ Afrikaner Volksfront leader-General Constand Viljoen said last night he still had great hopes for the future and would not at this stage tell Afrikaners to make war.

Speaking on *Agenda*, he said after having failed to achieve its goals at multiparty talks, the AVF was now trying to sell its ideal of a "volkstaat" through bilateral meetings with various leaders.

■ Peter Fabricius reports from Washington that President Clinton telephoned President de Klerk yesterday to offer his congratulations to all the parties who had agreed to the TEC. The White House welcomed the agreement as "historic" and has promised Clinton's full support to the TEC in facilitating a smooth transition to democracy.

'Club' sanctions going soon

(280) ARG 9/9/93

Trade curbs likely to be lifted within two weeks

CANBERRA. — The Commonwealth may lift its trade sanctions against South Africa within two weeks and could accelerate the removal of financial sanctions, Australian Foreign Minister Gareth Evans said today.

Consultations among Commonwealth ministers had produced a consensus that South Africa's passage of legislation through parliament to establish an interim power-sharing mechanism would be enough to have the sanctions lifted, Mr Evans added.

In London, Commonwealth secretary-general Chief Emeka Anyaoku, a Nigerian, started consultations with several member countries — including Australia, Canada and Zimbabwe — after South African negotiators agreed on Tuesday on the ceding of key white powers.

Chief Anyaoku's spokesman, Patsy Robertson, said economic sanctions would most likely be lifted before the Commonwealth held its biennial summit in Cyprus from October 21 to 25.

The Commonwealth, a mainly Third World organisation, is an association of Britain and its former colonies.

Commonwealth economic sanctions include a ban on trade and investment, but they have been patchily enforced.

Britain's Conservative government refused to impose embargoes and South Africa's black-ruled neighbours, which depend economically on South Africa, also took little action.

The only other remaining embargo by the Commonwealth — financial sanctions covering loans and banking — would be lifted once a new constitution was agreed or if there was a joint request by all parties in South Africa, said Ms Robertson.

"The chief is delighted to hear what has happened in South Africa," she added.

On Tuesday the African National Congress, President De Klerk and other negotiators agreed on a Bill to set up a Transitional Executive Council.

The multiparty body would control some government functions — among them restricting Mr De Klerk's right to declare a state of emergency — even before multiracial elections in April. — Sapa-Reuter-AP.

US ready to help if ANC gives the word

CT 10/9/93 (459) (280)

WASHINGTON. — President Bill Clinton telephoned Mr F W de Klerk and Mr Nelson Mandela on Wednesday to assure them that the United States will promote economic development in South Africa following Tuesday's agreement on a multiracial Transitional Executive Council.

Mr Mandela is scheduled to visit Washington next month and address a conference aimed at spurring institutional investment in post-apartheid South Africa, conference organisers said on Wednesday.

A State Department spokesman said that only "when the ANC itself calls for the lifting of sanctions" could US prohibitions on International Monetary Fund loans to South Africa be explored.

Although most US federal sanctions against South Africa have been lifted, trade is seriously hampered by barriers at local level. — Sapa-Reuter

Slow exit ahead for sanctions

STOCKHOLM. — While Sweden has delayed its decision to lift sanctions against South Africa, indications are that the Commonwealth could lift sanctions within two weeks.

However, Australian Foreign Minister Mr Gareth Evans said in Canberra yesterday that the Commonwealth had not made a firm decision.

A UN spokesman said sanctions on South Africa would be lifted when democracy was firmly established.

Canadian officials said they wanted to be sure the agreement for a transition would stick, before lifting sanctions. — Sapa-Reuter-AFP

India to lift sanctions and restore ties

B/Day 13/9/93

NEW DELHI — India, a founder of the international movement against apartheid, will lift trade sanctions against SA this month, a government minister said yesterday.

Minister of State for External Affairs Salman Khursheed, who made a rare private visit to SA this month, also said New Delhi was prepared to establish diplomatic ties with Pretoria within six weeks.

"We will first lift the trade sanctions this month and follow that up with diplomatic ties," he said.

India will set up air links with SA on October 2, the birthday of Indian leader Mahatma Gandhi, who led a peaceful campaign against racism in SA before leading India to independence from Britain.

India withdrew its ambassador from Pretoria in 1948, a year after independence, in protest against the imposition of segregation laws, the first country in the world to do so.

Following a recent Commonwealth decision, it established a consular office in SA.

Khursheed said his talks with ANC leader Nelson Mandela and Foreign Minister Pik Botha enabled him to decide to lift sanctions and to establish diplomatic ties soon. "My meeting with these leaders convinced me that there was no going back on the elections proposed for April."

New Delhi, however, is worried about the future of SA's million-strong Indian community.

SA Indians say they are in a crisis of allegiance, dithering over whether to back the ANC as fellow sufferers under apartheid or to throw in their lot with the newly nonracial NP.

Many Indians would seek security with other minorities against burgeoning black power, their leaders say. (280)

They remember vicious anti-Indian riots by blacks in Durban in 1949 when 200 people were killed because an Indian trader assaulted a black youth. They witness at close hand the horrors of wars between supporters of the ANC and the Inkatha Freedom Party that have cost more than 5 000 lives since 1984.

Khursheed said the ANC expected the Indian community's vote to tilt the balance in its favour in the power-sharing arrangement proposed so far. — Sapa Reuter.

New Jersey to repeal sanctions against SA

Star 13/9/93

BY PETER FABRICIUS
STAR BUREAU

280

Washington — The state of New Jersey is to introduce legislation this week to repeal its sanctions against South Africa after a fact-finding mission to the country discovered "significant and profound changes".

New Jersey assemblyman Willie Brown, who has just returned from a visit to SA, said he would introduce a repeal Bill today with a request that it be passed without delay.

New Jersey was the first US state to totally divest from SA in 1984.

"Three years ago when Nelson Mandela paid his first visit to the US he asked to have disivestment legislation kept in place until black South Africans were allowed to fully participate in government," he said.

"Next year, elections will allow all South Africans to elect a new government."

Brown's reference to Mandela and the fact that he introduced New Jersey's disinvestment law suggests that he is not jumping the gun by lifting sanctions before the ANC says so, but is merely preparing the groundwork.

This follows indications from the ANC that it would issue the call for the lifting of sanctions later this month.

SA facing Asian competiton for funds

Violence deters foreign investors

Star 13/9/93

AN end to sanctions would not in itself attract much-needed foreign capital

■ BY NEIL BEHRMANN

London — The lifting of sanctions and renewed access to the IMF, World Bank and other institutions will not in themselves be sufficient to attract large amounts of foreign capital to South Africa.

Businessmen say international investors would place funds in long-term SA projects only if violence abated and prospects of growth improved.

John Montgomery, London representative of the South Africa Foundation, says: "Foreign businessmen are concerned about the degree of violence.

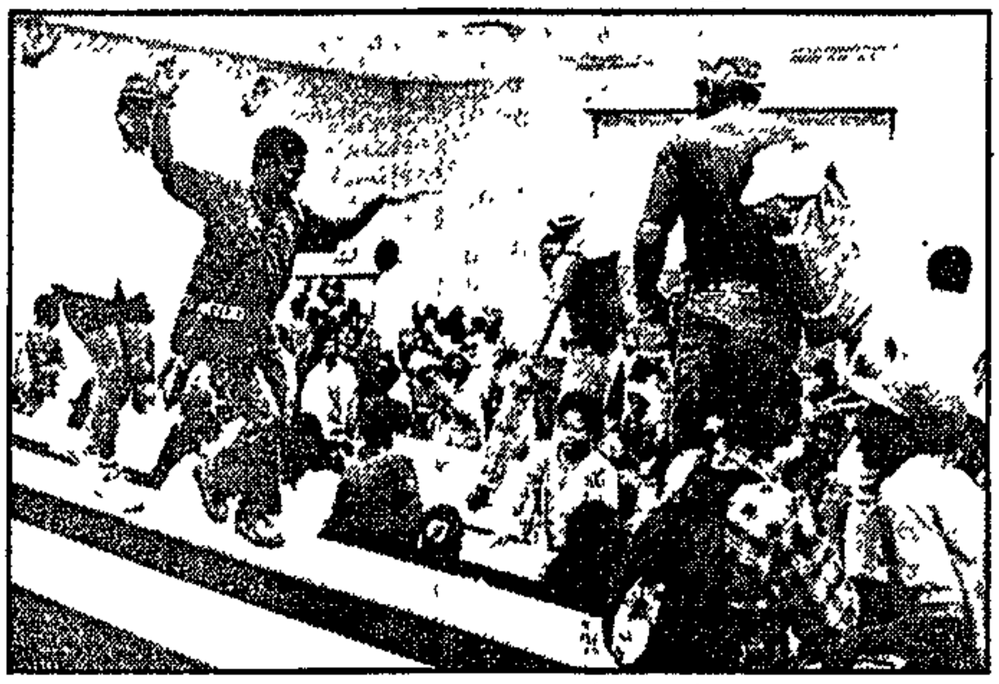
"There remains plenty of interest in SA, but businessmen are unlikely to risk long-term capital unless it becomes more peaceful."

Foreign capital would be forthcoming only if the international community had economic guarantees, notably repatriation of dividends and capital.

Moreover, foreign businessmen still require good returns on investment. Besides violence, they are concerned that profitability will not be hindered by strikes, low productivity, excessive tax, inflation and recession.

So a new government must not only be democratic, but believe in free enterprise.

If it fails to do so, foreign businessmen will regard SA as yet another "African country with a dismal economic future," Montgomery says.



Causing concern ... the sort of action taken by black students at Wits university.

Among emerging regions, Asia is attracting the bulk of foreign capital.

According to the World Bank, annual growth in East Asia averaged 7,7 percent a year between 1980 and 1991. Sub-Saharan Africa's annual growth was 2,1 percent.

Investment as a percentage of gross national product (GNP) was 35 percent in East Asia in 1991, against only 16 percent in Sub-Saharan Africa.

Population growth in Africa was twice that of Asia, while inflation was three times the level.

The economic gap between the two regions has widened in the past two years.

Thus international companies would avoid South Africa if it perceived any shift to lower standards.

With this in mind, the killing of American student Amy Elizabeth Biehl, appeals for Africanisation regardless of skills, and the destruction of Wits University property are being viewed with concern.

The murder of Biehl received considerable media attention in the US, Europe and elsewhere and could easily discourage investment — both human and capital — particularly if there were other examples in the future.

Reports that black supporters of the ANC are concerned that the movement's leadership is being dominated by whites received prominence in the London Sunday Times.

Understandably, many blacks believe capable black thinkers are not in power because of apartheid.

On the other hand, foreign investors believe the movement desperately needs skills and know-how for government and economic management, regardless of race colour or creed.

Foreigners sympathise with blacks who have received a poor education.

Nevertheless, there is great concern that black university students have wilfully destroyed vital property of their own academic institutions.

Lower university standards would symbolise decline elsewhere.

India poised to abandon sanctions

Star 12/9/93

New Delhi — India, a founder of the international movement against apartheid, will lift trade sanctions on South Africa this month, a government minister said yesterday. (129)

And the European Community may be only weeks away from lifting its last sanctions against South Africa, officials said in Belgium yesterday. (280)

They said the 12-nation EC could remove a ban on investments and other remaining sanctions at a meeting of foreign ministers in Luxembourg on October 5-6.

India's Minister of State for External Affairs Salman Khursheed, who made a rare private visit to South Africa this month, also said New Delhi was prepared to establish diplomatic ties with Pretoria within six weeks.

Air links

India will also set up direct air links with South Africa on October 2.

India withdrew its ambassador from Pretoria in 1948.

Khursheed said his talks with ANC leader Nelson Mandela and Foreign Minister Pik Botha had enabled him to decide to lift sanctions and establish diplomatic ties soon.

"My meeting with these leaders convinced me that there was no going back on the elections proposed for April," he said.

New Delhi, however, was worried about the future of the million-strong Indian community in South Africa, Khursheed said.

He said South African Indians were deeply divided over who to vote for in the election.

"As I see it, the Indian community is not a monolith. They have leadership contacts with all the parties. Of course the ANC remains their predominant choice." — Sapa-Reuter.

ANC will move to lift sanctions

Political Staff (280) ANC 14/9/93

THE African National Congress will take the final step to have sanctions lifted as soon as parliament passes a bill defining the powers of a transitional executive council.

ANC president Nelson Mandela said this in response to a question about the significance of the short parliamentary session which began yesterday.

The council was very important because it would take over certain functions of government, he said.

Passing the bill would enable the democratic movement, led by the ANC, "to announce the lifting of sanctions because we are concerned about our economy".

The ANC wanted the economy to develop, grow, generate wealth and offer job opportunities.

"As soon as that bill has been passed by parliament we'll take that step. That is the significance of this parliament."

Sweden lifts SA trade sanctions

280

CT 14/9/93

Staff Reporter

SWEDEN has lifted its six-year-old trade embargo against South Africa — coinciding with Mr Nelson Mandela's announcement that the ANC would call for the lifting of the world's remaining sanctions as soon as Parliament passes the Transitional Executive Council Bill.

Sweden's other sanction, an investment ban, is linked to an interim government being established in South Africa.

Mr Mandela, speaking in Mitchells Plain yesterday, said legislation to establish a TEC would enable the "democratic movement led by the ANC" to announce the lifting of sanctions. "We are very concerned about our economy and we want to see growth."

● Mandela wants feud to end — Page 2

Meyer warns IFP of referendum option

CT 14/9/93

Political Staff

A REFERENDUM could be held on an interim constitution if the Inkatha Freedom Party did not return to talks within six weeks, Constitutional Development Minister Mr Roelf Meyer suggested yesterday.

Addressing the Cape Town press club, Mr Meyer said the government was looking at "various options" to resolve the negotiations impasse caused by the IFP and CP's boycott of negotiations.

The government was considering a mechanism to "legitimise the process", he said. This is interpreted as a warning to IFP negotiators prior to discussions between them and the government on Thursday.

IFP spokesman Mr Ziba Giyane rejected the suggestion of a referendum, saying it could never be a panacea to resolve a volatile political process.

A referendum should only be held after consensus was reached by all key players on a constitution, he said.

"We are not making a constitution for the majority of the people, but for all the people. The fact that the majority supports a particular constitution would prove nothing," he said.

Mr Meyer said that it was still "technically possible" to ensure that the election takes place on April 27.

BUSINESS BRIEF

Commonwealth waiting

From CHRIS BATEMAN

LONDON. — Commonwealth secretary-general Chief Emeka Anyaoko yesterday gave the most positive signal yet that the Commonwealth would lift economic sanctions against South Africa once TEC legislation is passed.

He said the Commonwealth was "keenly awaiting" the adoption of the legislation and he was continuing consultations with foreign ministers and would make a statement when TEC agreement was reached.

Reliable sources inside the Commonwealth secretariat said Chief Anyaoka was also consulting with heads of government — a strong indication he wanted to "clear the decks" to lift sanctions once the TEC bill is passed.

All eyes had been on the Commonwealth Heads of Government meeting in Cyprus on October 22 for the expected sanctions-lifting, but this now seems increasingly unlikely — although South Africa will remain firmly on the agenda.

Sept 29 - the day sanctions will end

(280)

ARG 18/9/93

MIKE LITTLEJOHN
Weekend Argus Correspondent

NEW YORK. — ANC leader Nelson Mandela is expected to use his United Nations address — now tentatively scheduled for September 29 — as the occasion to call for a worldwide end to sanctions against South Africa.

If so, it appears certain to make a dramatic impact on financial markets, although the effect may have been discounted to a great extent by strong hints about the ANC leader's intentions.

Mr Mandela will be at the UN shortly after US President Bill Clinton and other leaders have addressed the General Assembly during what is known as the general debate.

Mr Mandela, who has visited the UN often enough not to be regarded any more as a novelty, unlike the PLO's Yasser Arafat who managed only his second UN appearance in 19 years this week, may have to settle for a smaller audience than the standing-room-only crowd he has been accustomed to in the past.

Although the international membership is the same, he is expected to be invited to address a committee of the whole rather than the plenary body, but probably in the Assembly Hall.

Any announcement he may make about sanctions is bound to have a universal impact.

Business interests in the United States have been waiting for it for months almost with bated breath, which is a reason why Mr Mandela may have decided to make an announcement at the UN in New York.

However, several US state laws bar trade with or investments in South Africa and it will take time to revoke them, regardless of Mr Mandela's change of heart.

Delegations friendly to South Africa still believe that President FW de Klerk, who will be visiting the United States again, should seize the opportunity also to address the UN.

But South Africa's permanent mission has advised against it, fearing that Mr de Klerk might be embarrassed by either a low turnout or even an effort to disrupt the proceedings. Furthermore, South Africa owes the UN $88 million (about R264 million) in unpaid dues at a time when the organisation needs every cent it can get.

When the delegation is permitted to resume normal work in the General Assembly, a substantial part of those arrears will have to be paid before it may reclaim voting rights.

Sanctions lifted if Bill passed

Star 21/9/93

Ottawa — Canada and other Commonwealth nations will lift trade and investment sanctions on South Africa as soon as it legislates the transition from white domination to democracy, officials said.

Ottawa expects legislation for a transitional executive council (TEC) to be passed by the South African Parliament by Friday and the sanctions will be lifted the same day.

"There is growing consensus (in the Commonwealth) that trade and investment sanctions should be lifted when the TEC Bill has been passed and that is likely to take place by the 24th," said foreign ministry spokesman Rodney Moore. — Sapa-Reuter.

(280)

Light rain with gale force winds at times

☐ 'Growing consensus that trade bars on SA should end'

Pledge by Commonwealth on the lifting of sanctions

ARG 21/9/93 (280)

OTTAWA. — Canada and other Commonwealth nations will lift trade and investment sanctions against South Africa as soon as it legislates the transition from white domination to democracy, officials have said.

Ottawa expects legislation to establish a Transitional Executive Council to be passed by Friday — and sanctions will be lifted the same day.

"There is growing consensus in the Commonwealth that trade and investment sanctions should be lifted when the TEC bill has been passed and that is likely to take place by the 24th," said foreign ministry spokesman Rodney Moore.

He said Commonwealth Secretary-General Chief Anyaoku of Nigeria would then issue a statement saying South Africa had met conditions for lifting the second phase of sanctions.

The trade sanctions bar imports of South African steel, iron, coal and uranium. Sanctions restricting travel and direct flights to South Africa were lifted in 1991.

Financial sanctions covering loans and credit facilities will remain in force until all parties involved in the South African transition request their removal.

"We are waiting to see if there is a call by the parties for the lifting of all economic sanctions and we expect that to happen before the end of this month," said Mr Moore.

That would still leave in place a voluntary embargo on oil supplies to South Africa and a ban on weapons sales which was enforced by the United Nations. The arms embargo will remain until a post-apartheid government is firmly established.

Canada chairs the Commonwealth Committee of Foreign Ministers on Southern Africa. External Affairs Minister Perrin Beatty has written to his colleagues advising them of Canada's intentions, Mr Moore said. — Sapa-Reuter.

SA group in top US aid talks

RAMSAY MILNE, The Argus Foreign Service

NEW YORK.— An influential group of South Africans has held talks with top New York businessmen that could raise millions of dollars for development programmes among urban and rural black communities in South Africa.

The group — described as "development entrepreneurs" — is in effect spearheading visits to the United States next week by President De Klerk and African National Congress leader Nelson Mandela.

It is led by Professor Wiseman Nkuhlu, chairman of the Development Bank of Southern Africa and director of the Independent Development Trust.

He is accompanied by three associates involved in South Africa's political-economic transformation — Enos Mabuza, director of a Johannesburg consultancy organisation; Eric Molobi, director of the Kagiso Trust; and Colin Coleman, a 30-year-old Johannesburg businessman who is acting executive director of the Consultative Business Movement.

After meeting senior officials at the United Nations, the group held key discussions with Peter Goldmark, president of the Rockefeller Foundation, and with the heads of 10 other major foundations and donor agencies.

The group will meet other senior UN officials today, including Ambassador Ibrahim Gambari of the UN Special Committee Against Apartheid, which Mr Mandela will address next week and where he is expected to call formally for an end to sanctions.

ARG 21/9/93

He will then leave for Washington.

10/9/93 Made in South Africa

Mandela may call for end to sanctions

ARG 23/9/93 280

... but all depends on the TEC Bill vote

PETER FABRICIUS
The Argus Foreign Service

WASHINGTON. — For the second time in the last few months, ANC president Nelson Mandela is coming to America and is expected to announce that the time is ripe for the end of sanctions.

Mr Mandela and President De Klerk are scheduled to arrive in New York today on separate missions to try to drum up foreign investment

Mr De Klerk meets UN secretary-general Boutros Boutros-Ghali today to inform him about developments in South Africa

Tomorrow, Mr Mandela will address a specially-convened meeting of the UN special committee on apartheid, at which he is widely expected to announce that the ANC believes all sanctions but the arms embargo can now be lifted.

But the organisation has made it clear that Mr Mandela will not do so unless legislation to establish a transitional executive council has been enacted

That legislation is supposed to be passed either today or tomorrow in parliament

The ANC has not confirmed officially that Mr Mandela will make the announcement

On July 2 — the day he and President De Klerk met President Clinton here — the negotiating council in Kempton Park was expected to reach firm agreement on a TEC and a date for elections, allowing Mr Mandela to inform President Clinton that sanctions could now go.

But broad agreement was not reached and so no announcement was made.

President De Klerk will have a more sedate visit, taking tea with former President Ronald Reagan at the Waldorf-Astoria in New York tomorrow and having lunch with top businessmen.

From New York he will go to Washington to deliver a keynote address to the World Economic Development Congress on Saturday.

'Cautious optimism' for SA

The Argus Foreign Service

WASHINGTON. — The International Monetary Fund has offered cautious good news for the South African economy, forecasting in its annual World Economic Outlook that growth among SA's main industrial trading partners will increase slightly in 1994.

But the IMF's optimism is indeed cautious. The outlook noted that 1993 marked the fourth consecutive year of subpar growth for the world economy and that indications of stronger growth in 1994 were "tentative."

It scaled down its May forecast of growth in the industrial countries and predicted they would grow only 2,2 percent, picking up to 3,2 percent in 1994.

The IMF's estimate of growth in the SA economy in 1993 was 0,5 percent, with inflation of 10,5 percent.

Sanctions go but US cash won't flood in

WM 24-30/9/93 (280)

Nelson Mandela is expected to call for an end to sanctions when he addresses the UN general assembly later today. But this is unlikely to open the floodgates of investment, argues Anton Harber

NEW YORK activist Jennifer Davis worked for many years to encourage the US government, state and city legislatures to implement sanctions against apartheid South Africa. Now she is preparing for a new campaign: the long, hard struggle to get rid of these measures and promote investment.

It will not be an easy task — mainly because of the success of the earlier work of her American Committee on Africa and its allies, such as TransAfrica, the churches and the US labour movement.

So strong was the anti-apartheid feeling in the mid-1980s, and so extensive the network of activists who made it their cause, that sanctions legislation was implemented not just at the federal level, but at every possible stratum of a very decentralised society. So although the Bush administration repealed the Comprehensive Anti-Apartheid Act (CAAA) in 1991, there are scores of state, city, county and regional authorities that still have their own restrictive and punitive sanctions laws.

This web is so complex that nobody seems to know exactly how many laws have to be changed or where they are. Davis refers to 100 cities and 27 states. The US Embassy and *The Washington Post* put it vaguely at "more than 150". The Investor Responsibility Research Centre (IRRC) in Washington lists 179 local entities — 30 states, 109 cities, 39 counties, uncounted regional authorities and the Virgin Islands.

Federal law should be the easiest to deal with. On standby already is the Simon Bill, drawn up by Senator Paul Simon to get rid of the Gramm Amendment that prevents International Monetary Fund and World Bank loans to South Africa. If African National Congress president Nelson Mandela gives the word, this should pass quickly into law.

It is different at a regional and local level. Each legislature will have to draft a new Bill, lobby support and meet to pass it. Most of the state legislatures are not even due to meet again until January 1994 and one large one, Texas, does not meet again until 1995. Many of them are bound by waiting and commentary periods.

Even within a city, there is a labyrinth. Apart from what New York's city hall does, the City Health and Hospitals corporation and the local Board of Education have, for example, their own internal restrictions that must be changed.

Many will be tempted to let the matter lie dormant. Namibian sanctions remained largely untouched for years after independence and there are still at least two local statute books that ban trade with that country because nobody has bothered to change them.

There could also be opposition. Some of the congressional black caucus members argued against the lifting of the CAAA, saying sanctions should be lifted when democracy is delivered rather than when it is promised. The Pan Africanist Congress is mobilising to argue that it is too early to lift anti-apartheid measures.

The slightest whiff of controversy and many politicians are likely to avoid the issue rather than risk political capital on a complex foreign policy matter. "Many local officials worry that lifting sanctions may open up acrimonious old political wounds," the IRRC says in a special study released this week.*

Davis says, however, that Mandela's word will hold sway. The major organisations that fought for sanctions are ready to support him when he calls for investment. Influential figures, such as New York mayor David Dinkins and Governor Mario Cuomo and Virginia's governor, L Douglas Wilder, will get the ball rolling with strong statements and phone calls to legislators around the country. She and her allies are gearing up to promote "socially responsible investment".



Yankee doodle ... Nelson Mandela is likely to call for the end of sanctions today

The Namibia parallel may also not hold ground. A huge number of Americans who have never heard of Namibia know and care about South Africa.

Davis says that at least two states — New Jersey and California — are already drafting new Bills.

But changing the law is a complex and time-consuming task that will ensure there is no immediate rush of US investors back to South Africa.

Weighing heavily on their minds will be the unfortunate experience of the Boston-based Digital Equipment Corporation. When Digital announced in May that it was opening a susidiary in South Africa, it emphasised its political correctness.

It had worked with the ANC on the deal, and with the ANC-linked Thebe Investments would set up a black-owned partner. It was also starting a branch of a youth leadership programme called Project Reach. They even released a statement from Mandela saying the move was cause for "celebration".

That did not help them deal with the law. Massachusetts has a 1990 executive order that says the state must add a 10 percent penalty to any bid submitted by a company that operates in South Africa, and the large state pension funds have to immediately dump stock in any such company.

Digital asked the state to waive the rules, but there was no provision to do so.

That case resonated in many corporate headquarters. Who is going to break the mould to invest in South Africa when the pile of state and city laws that they will have to deal with could fill the average boardroom and tie up whole teams of lawyers for months?

It did not help that US aid worker and Fulbright Scholar Amy Biehl was brutally murdered in Cape Town last month. That was a story that dominated the front pages of all the major US newspapers and brought home to Americans the arbitrary nature and horrifying extent of South Africa's violence in a way that huge local death tolls could not.

All of this adds up to a cautious approach. "South Africans should not expect a major inflow of direct investment," says the IRRC. Those that are coming in are setting up marketing and sales arms. "They are holding off investing large amounts of capital in new capacity and job creation while they keep a wary eye on South Africa's political situation."

The IRRC, however, outlines some positive developments. South Africa has lost less investment to Eastern Europe and the former Soviet Union than expected. "In South Africa, the highly developed economy counterbalances the instability risk," they quote one executive as saying.

Secondly, many US executives have met ANC leaders and "are impressed with the ANC's progress".

*"Reconsidering South Africa: The Prospects for US Investment" and "A Guide to American State and Local Laws on South Africa" are published by the IRRC in Washington

Canada set to lift sanctions today

280 ARG 24/9/93

OTTAWA. — Canadian External Affairs Minister Perrin Beatty will announce the lifting of Canadian sanctions against South Africa in Toronto today, a foreign ministry spokesman said.

This follows South African parliamentary approval of the Transitional Executive Council.

He said Mr Beatty, who chaired the Commonwealth Commitee on South Africa, had contacted other Commonwealth foreign ministers about lifting anti-apartheid sanctions.

Mr Beatty said the United Nations arms embargo would remain in force until the UN decided to end it, which was not expected until a post-apartheid government took office.

The trade sanctions barred imports of South African steel, iron, coal and uranium by Commonwealth nations. Financial sanctions covering loans and credit facilities were expected to be lifted simultaneously.

Sanctions restricting travel and direct flights to South Africa were lifted in 1991. — Sapa-Reuter.

US to help restore growth in SA

From SIMON BARBER

NEW YORK. — President Bill Clinton yesterday hailed Parliament's approval of the Transitional Executive Council Bill as a "historic step" and announced that the US would launch "new intiatives to help restore economic growth" to South Africa.

He vowed to work with Congress for "measures to engage the resources of the American private sector and the international financial and donor community to assist South Africa".

Mr Clinton's pledge to help mobilise international finance came on the eve of the IMF and World Bank AGMs and was significant in that he did not wait for ANC president Mr Nelson Mandela to announce the end of sanctions.

Mr Mandela is expected to call off remaining economic restrictions today in an address to the UN special committee against apartheid.

President F W de Klerk hailed the American statement, and the similar announcement by Canada that it would lift sanctions after Mr Mandela's speech.

He said that as a result of Mr Clinton's decision to support renewed South African access to the IMF and World Bank, the government could now remove "the restrictions we were forced to impose to safeguard our economy".

On the question of South Africa resuming its seat in the UN General Assembly and paying its arrears, Mr De Klerk said this would be best dealt with once the government of national unity was in place.

FW admits to 'success' (280) of foreign pressure

ARG 24/9/93

PETER FABRICIUS
The Argus Foreign Service

NEW YORK. — As ANC President Nelson Mandela prepared to signal the end of sanctions here today, President de Klerk acknowledged at the United Nations that international pressure had played a part in bringing about change in South Africa.

Replying to a question at the UN headquarters after an hour-long "constructive and friendly" meeting with UN Secretary-General Boutros Boutros-Ghali, Mr De Klerk said he was sure that international pressure "did have a marked effect on the internal debate".

However, he also said in reply to the same question that sanctions had distorted the economy and that South Africa would pay the price for a long time to come.

Mr De Klerk welcomed the passing of the TEC Bill yesterday and said it meant that "that the process has really become irreversible".

He said the positive reaction to the TEC Bill from the US government and others substantiated this view.

Observers believe that Mr De Klerk was trying to preempt Mr Mandela's speech and that the White House reaction coming today — instead of after Mr Mandela's highly publicised speech — had helped him do that.

Mr De Klerk welcomed the fact that "hopefully" Mr Mandela would make a "positive and constructive" speech to the UN Special Committee Against Apartheid today and would "come aboard" with all those parties, including Inkatha, that said the time for sanctions was past.

He did not expect a "sudden, tremendous influx" of investment when sanctions went.

Violence had affected the confidence of investors, who were also waiting for a clearer message that their investments would be safe under a new government.

He welcomed signs that the ANC, which had supported failed economic policies, was now realising the need for free enterprise.

Top bankers rebuff black entrepreneurs

ARG 24/9/93 280

RAMSAY MILNE, The Argus Foreign Service

NEW YORK. — A group of top-level South African "development entrepreneurs" seeking American support for education, health and rural development programmes for blacks has been rebuffed by three of the biggest banks in the United States — J P Morgan, Chase Manhattan and Citibank.

The rebuff to the group, led by Wiseman Nkuhlu, head of the Independent Development Trust and the Development Bank of Southern Africa, is regarded as a discouraging sign for South African businesses hoping that the lifting of sanctions will lead to the immediate funding of commercial enterprises vital to South Africa's economic recovery.

Professor Nkuhlu said of the banks: "They simply expressed very cynical views about the violence taking place in the country and said they did not consider this an opportune time for opening the doors to investment in South Africa."

Canada, C'wealth to lift sanctions

280
CT 24/9/93

From CHRIS BATEMAN

LONDON. — Canada and the Commonwealth will lift sanctions against South Africa today, following the passing into law yesterday of the Transitional Executive Council (TEC).

Speaking from the Bahamas where the annual Commonwealth finance ministers' meeting ended yesterday, Chief Emeka Anyaoku, the Commonwealth secretary-general, said late last night the successful passage of the TEC Bill "constituted a watershed in the history of South Africa and confirmed the irreversibility of the ending of apartheid".

He said it was "the clearest demonstration of the determination of South African leaders, both black and white, to rise to the challenges of the hour and to put the higher national interest first.

"I am now concluding urgent consultations with Mr Perrin Beattie, Canada's Secretary of State for External Affairs and Chairman of the Commonwealth Committee of Foreign Ministers on Southern Africa, and other members of the committee on this matter (the lifting of sanctions) and will be in a position to make an announcement early today.".

All sanctions

Canada's foreign ministry said External Affairs Minister Mr Perrin Beatty will announce the lifting of Canadian sanctions against South Africa in Toronto.

He said Mr Beatty, who chairs the Commonwealth Committee on South Africa, had contacted other Commonwealth foreign ministers about lifting all their anti-apartheid sanctions.

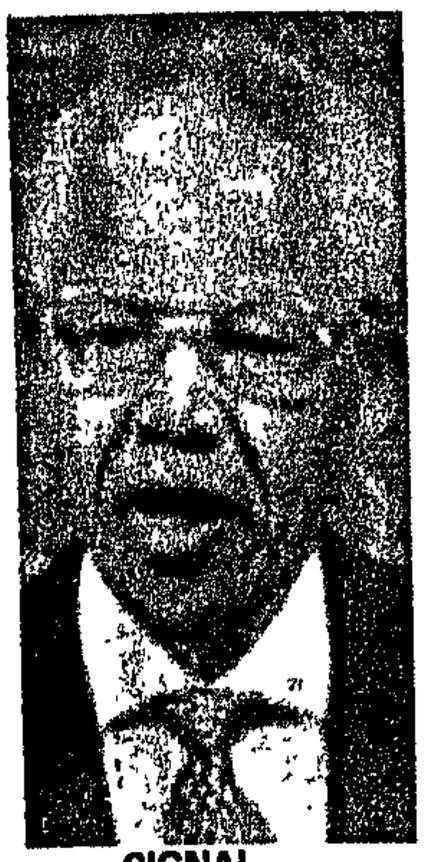
The passing of the TEC bill meets the Commonwealth's condition for the lifting of trade and investment sanctions.

Thriving South East Asian countries such as Malaysia and Singapore are hungry for new markets and may now formalise and expand their hidden but growing links with South Africa.

An aide of Chief Anyaoko said he would try to meet both Mr Nelson Mandela and President FW de Klerk in New York today.

Mr De Klerk is in the city for a private meeting with UN secretary-general Dr Boutros Boutros-Ghali and Mr Mandela for his UN address.

Sanctions tumble as Mandela gives sign



SIGNAL ... Mr Nelson Mandela

NEW YORK. — The US Senate last night unanimously lifted sanctions against South Africa — immediately after ANC president Mr Nelson Mandela told the United Nations it was time for non-military sanctions to go.

The Senate approved legislation lifting economic sanctions imposed by more than 160 local and state governments. The bill was approved without debate.

The Commonwealth said it would begin lifting sanctions immediately. Australian Foreign Minister Mr Gareth Evans announced the immediate lifting of all trade, investment and financial embargoes. The European Community (EC) has also indicated that its sanctions would go but is to address the question in eight days.

President Bill Clinton yesterday called for the removal of remaining economic sanctions against South Africa and said Commerce Secretary Mr Ron Brown would lead a trade mission to South Africa.

He also said Washington would remove remaining federal sanctions by "taking steps necessary to permit lending to South Africa from the International Monetary Fund".

In a written statement announcing the actions, Mr Clinton said that Americans must be as committed to helping build non-racial market democracy in South Africa as they were to breaking down barriers of apartheid.

The president said he would also offer incentives for investment in South Africa and consider sending Peace Corps volunteers.

Addressing the UN committee on apartheid, Mr Mandela said the international community should take notice of the decisive advances that had been made in the cause of democracy in South Africa, and that these advances had "become enshrined in the laws of our country".

"We are therefore ready to address such matters as the security of investments, repatriation of profits and dividends, competitive rates of taxation and stable and predictable public policies."

However, Mr Mandela said arms, nuclear and oil embargoes should be maintained until the new government had been formed.

Ovation

The question of the oil embargo would be left to the discretion of the UN General Assembly.

He assured them an ANC-led government would create the conditions for investor confidence.

"Giving an undertaking on violence, Mr Mandela said: 'We will leave no stone unturned in the struggle to ensure that both political and criminal violence are addressed effectively."

Delegates gave Mr Mandela a standing ovation at the end of his address.

● Wall St homes in on SA — Page 5

To page 2

From page 1

After his UN address, Mr Mandela spoke to the World Economic Development Congress, a body of more than 300 international companies and investors, urging business leaders to seize the moment and invest in South Africa.

President F W de Klerk also urged investors to focus on South Africa.

Speaking live on a nationwide American breakfast show, Mr De Klerk said: "South Africa has a tremendous future. We have not nearly fully unlocked our potential.

"Yes, there are risks (to investors), but the risks will be diminishing almost week by week as from now."

First reactions at home and abroad welcomed the leaders' calls, although the PAC appealed to the United Nations and United States to ignore them.

PAC secretary-general Mr Benny Alexander said it was wrong for Western countries to engage in programmes of economically propping up the "current aggressive ruling class".

● New York mayor David Dinkins called for a repeal of a New York City anti-apartheid law he said could free as much as $40 billion (about R136bn) in city pension funds for investment in South Africa.

● In Boston, the governor of Massachusetts signed a legal measure to lift economic sanctions against South Africa. — Sapa-Reuter

American computer firms poised to blaze the trail back

ARG 24/9/93 (280)

PETER FABRICIUS
The Argus Foreign Service

WASHINGTON — United States computer and consumer-goods companies will lead the way back into South Africa if African National Congress leader Nelson Mandela signals the end of sanctions at the UN today

This is forecast in a new report, *Reconsidering South Africa; The Prospects for US Investment*, about to be published in Washington by the Investor Responsibility Research Centre (IRRC), which closely monitors US sanctions against South Africa.

But the IRRC warned that South Africa should not expect a "flood" of direct investment or new jobs. US businesses in South Africa would mostly set up branch sales and marketing offices, or assume direct control of distributorships.

"They are holding off investing large amounts of capital in new manufacturing capacity and job creation while they keep a wary eye on South Africa's political situation," a spokesman said.

The IRRC also warned that the scores of US sanctions measures below federal level would not fall away immediately, and most companies would continue to respect them while they lasted.

The study found that although Mr Mandela's call for an end to sanctions would not produce an "investment bonanza", in two important ways US corporate executives were better disposed towards South Africa than they were two years ago

South Africa had not lost out in the competition for foreign investment to Eastern Europe and the former Soviet Union.

An executive at a software company that recently opened a subsidiary in South Africa told IRRC. "We're making money right away in South Africa," whereas in Eastern Europe the company was "having a tough time getting established".

In the past two years US executives had been impressed by the ANC's progress in transforming long-held political positions into a feasible and relatively moderate economic policy

End SA sanctions says Mandela, but free Namibia still has them

(280) (22m)

ARG 25/9/93

WINDHOEK. — Namibia still struggles with sanctions, more than three years since independence — a cautionary lesson for South Africa as it emerges from its own sanctions era with expectations of renewed trade and investment.

"We are campaigning actively to have these sanctions lifted, but it takes a long time. We still have some sanctions against us," said a Namibian foreign affairs official.

The sanctions legacy applies particularly to various states and counties in the United States, but also to others internationally.

The world community was asked to impose sanctions against Namibia during its liberation struggle in a bid to force South Africa to leave the country. Most of the sanctions against South Africa also applied in Namibia.

The process went into reverse at independence in March 1990, but Namibia found it a slow process, especially in regard to US counties and towns.

"We have to physically go to the states and counties to convince them things have changed," said the official.

"It then takes a long time as states and counties vote on the lifting of sanctions and pursue the same legal process they did when they were imposed.

"Some were lifted immediately after independence, but some are taking longer because of the nature of the bureaucratic process."

The US Embassy in Windhoek had pushed since independence to remove remaining sanctions against Namibia, said a spokesman, and there were few left.

The US ambassador to Namibia had written to state governors and municipalities explaining that Namibia was independent and asking that the sanctions be lifted. However, the problem was that some of the councils met rarely and had large agendas.

"It is ignorance, rather than any wish to continue sanctions against Namibia," he said.
— Sapa.

A relentless campaign spanning three decades

(280) RRG 25/9/93

Weekend Argus Correspondent

THE sanctions screw against apartheid South Africa was turned systematically over three decades until the country was virtually on its knees.

This is how the world campaign to end apartheid unfolded:

1962: The first attempt by the United Nations to implement an arms embargo against South Africa was made by way of a General Assembly resolution calling for measures to bring about the abandonment of apartheid. The measures included boycotting all South African goods and refraining from exports to South Africa, including all arms and ammunition.

1963: South Africa's membership of the Economic Commission for Africa was suspended. The UN Security Council called for an embargo on the sale and shipment to South Africa of arms, ammunition, military vehicles and related equipment. The resolution was of a non-mandatory nature.

1974: A British parliamentary committee called for a "code of practice", pressing for African job advancement, to be implemented by British companies operating in South Africa.

1976: The British move was followed by the Sullivan Code, initiated in the United States by American civil rights worker the Rev Leon Sullivan, who had earlier urged US companies to withdraw from South Africa.

1977: The UN Security Council unanimously adopted Resolution 418, providing for a mandatory arms embargo against South Africa. A committee was appointed to monitor the implementation of the resolution.

1985: Total isolation of South Africa in sport was set in motion by the adoption of a United Nations convention against apartheid in sports. The convention prohibited direct sporting contacts with South Africa and urged "third parties" not to compete against sportsmen and women who had competed against South Africans.

In the same year the European Community member states adopted a limited oil embargo which restricted exports of crude oil produced or brought into free circulation in EC countries.

The Commonwealth adopted sanctions against South Africa, including an embargo on oil, at its heads of governments meeting in Nassau (Bahamas) in 1985.

1986: The UN Security Council further strengthened the mandatory arms embargo against South Africa.

A UN inter-governmental group was established to monitor oil shipments to South Africa, following the adoption of UN oil embargo resolutions almost every year since 1979.

1984-87: Washington-based Investor Responsibility Research Centre revealed that 162 US companies and 115 others had divested from South Africa in three years.

1987: International pressure mounted for the severance of diplomatic and economic ties with South Africa. Trust Bank managing director Chris van Wyk estimated South Africa had experienced a capital outflow of R20-billion within three years as a result of sanctions and disinvestment.

By November 1987, the UN convention against apartheid in sports had been ratified by 22 of its 71 signatories. It was opposed by many Western countries, notably Britain and the United States.

1988: A Commonwealth study group reported in Toronto that the refusal of banks to lend new money to South Africa had severely stunted its economic growth. The report said South Africa was not yet stretched to its financial limits, but its margin for manoeuvre was small.

Meanwhile, World Bank figures showed South Africa's economic growth in recent years had been among the worst in the world. It was also reported that the economic recession of the mid-1980s had been the most savage slump for South Africa since World War 2.

1990: A summit meeting of the European Community, held in Dublin, decided all sanctions against South Africa, including the oil embargo, would remain in force.

1992: The ANC said sanctions needed to be kept in place until the South African government had set in motion all the machinery for a transitional government.

Future after sanctions

☐ Not much till violence ends

■ The end of the sanctions era is at hand after Nelson Mandela's call at the United Nations yesterday. However, experts warn that expectations of more jobs and houses, floods of investment and a booming economy are unrealistic.

FRANS ESTERHUYSE
Weekend Argus Political Correspondent

EXPERTS estimate that South Africa's three decades of isolation from the world community during the sanctions era cost the country R92 billion in trade and investment — not to mention the countless billions wasted through artificially inflated prices and sanctions-busting manoeuvres by successive apartheid governments.

A hard reality which a future government will have to face is that the road out of the sanctions maze is far more difficult than the one into it. And, the wave of violence is making the country's economic recovery all the more difficult, if not impossible.

Potential investors, who want to weigh the risks and prospects in the promised new South Africa, come up against the grim spectacle of rising political violence, massacres, destruction of property, war talk — all in addition to an unprecedented wave of serious crime like murder, rape and armed robbery.

Beyond all that is little more than the spectre of an economic wasteland if peace initiatives during South Africa's transition to nonracial democratic rule should fail.

Conditions wholly or partly related to sanctions include the long recession, a shrinking economy, and an unemployment rate close to 50 percent, according to some analysts.

Professor Geert de Wet, head of the department of economics at the University of Pretoria, said this week that political players and future South African rulers did not seem to realise just how tough the road back from sanctions was going to be for this country.

"They seem to think capital will start flooding in as soon as a political settlement has been achieved. A political settlement is certainly an important starting point, but much more will be needed for an economic recovery," Professor De Wet told Weekend Argus.

He and other economists believe the harm done by sanctions over decades will take a long time to undo and a future government will carry a heavy burden of economic ills from the sanctions era.

Professor De Wet said that before the economy could recover there had to be an end to violence, substantial economic growth, an adequate and sustained capital inflow and an ability by manufacturing industry to compete successfully on world markets.

"The hard truth is that unless we can compete adequately in world markets, we are not going to overcome our problems."

Democratic Party leader Dr Zac de Beer, commenting on Mr Mandela's call on the United Nations to lift all sanctions against South Africa, said: "This is fine. It is only a great pity that the ANC did not take this action long ago. However, one must not look a gift horse in the mouth."

He addded: "We need effective action by the leadership of the ANC, Inkatha and other organisations involved, to check the conflicts and bring them under control."

Dr Ockie Stuart, director of Stellenbosch University's bureau for economic research, said the present level of violence was such that South African businessmen — let alone foreign investors — simply did not have confidence to make any large investments.

Economic surveys showed South African businesses were not expanding their capacity and the general feeling was that violence would increase between now and the April 27 election.

280
ARG 25/4/93

SA loans boost as sanctions go

SI Times 26/9/93

By SIMON BARBER and CHERILYN IRETON: Washington

A 150-STRONG joint delegation of government, ANC and business officials meets leaders of the World Bank in Washington today for discussions on the reconstruction of the South African economy.

The high-powered meeting is a follow-up to ANC president Nelson Mandela's speech at the United Nations this week, in which he called for the lifting of all non-military sanctions against South Africa.

His long-awaited announcement has sparked a wave of renewed interest in SA by foreign investors and powerful international lending agencies such as the World Bank and the International Monetary Fund.

And on Friday, Mr Mandela will make a pitch for a share of the billions of dollars held by United States pension funds and other institutional investors at a conference sponsored by several of Wall Street's biggest investment firms.

The ANC's hope is that, having shunned SA-related investments for the past decade, these funds will become "proactive" in channelling investment to SA.

Immediately in sight is a $850-million (R2,8-billion) loan from the IMF for drought relief. Down the road is the possibility of millions more.

Although investors and donors warn that political stability is essential before serious money will start flowing into the country, this week will see major steps towards securing fresh flows of foreign capital.

On its way to today's meeting, the SA delegation — led by Finance Minister Derek Keys — stopped off in Zurich, where it is believed to have wrapped up a deal with its 14 creditor banks to reschedule $5-billion (R17-billion) in debts frozen by the Reserve Bank in 1985 in a bid to stem capital flight from South Africa.

Today's meeting, which is crucial for the re-establishment of foreign financing links, will focus on ways in which the World Bank can help SA reconstruct its economy. Central to the success of the meeting will be the question of "conditionality" — what financial and administrative strings the bank attaches to its loans.

The head of the World Bank Southern Africa Department, Mr Isaac Sam, said yesterday that no funds had yet been made available to South Africa because "no one has asked us to".

But the bank is expected to move quickly to open up financial channels to SA's private sector companies through its International Finance Corporation. However, leading economists have warned that it takes at least six months for IMF loans to be arranged — so SA is unlikely to receive any boost before the April 27 elections.

Late on Friday, IMF managing director Michel Camdessus promised the fund would do its best to help SA through its political transition. He held out the prospect of early financial support to offset the impact of the recent drought and poor export prices.

Again, conditionality is critical. Reserve Bank governor Dr Chris Stals is understood to favour con-

FOUR YEARS OF FW: P20

ANC opposes the idea.

ANC economics head Trevor Manuel said yesterday the ANC had fought too long for its sovereignty to sacrifice control over economic affairs.

The ANC gathered in force for this week's IMF/-World Bank meeting, but fell short of declaring itself a zealous convert to private sector-led growth to reduce the 50 percent unemployment rate.

In the ANC's first concerted drive to attract investors, Mr Mandela and Mr Manuel unveiled in detail the ANC's blueprint to set South Africa "on the

□ To Page 2

Loans boost as sanctions go

□ From Page 1

path of growth and development".

Mr Mandela acknowledged that the high level of violence and "ordinary" crime could deter investors, and said curtailing the unrest was the ANC's "first priority".

This would be followed by creating "economic and political stability", he told the World Economic Development Congress.

However, Mr Mandela and Mr Manuel sent mixed signals about the degree to which an ANC government would intervene in the marketplace.

On the one hand, Mr Manuel espoused market "efficiency". On the other, he made it clear that this was code for government efforts to break up "oligopolies".

Mr Mandela's statements to the UN and the WEDC also contained a number of potentially troubling inconsistencies.

He said he had been convinced by foreign investors at the 1991 Davos conference that the ANC had to drop its nationalisation policies, but he made it clear that this shift was less than wholehearted.

The ANC's current position was "not different" to that of the Federal Republic of Germany, whose constitution retained the nationalisation option, but which "has not used it", he said.

And, while the ANC would strive to be investor-friendly by offering guarantees against expropriation and allowing foreign companies to repatriate profits, Mr Mandela indicated the government would hold investors to high social responsibility, environmental and affirmative action standards.

Later, Mr de Klerk told leading international businessmen and finance officials in Washington that the NP's economic policies had "failed" South Africa's people.

But, in an upbeat speech that contrasted with Mr Mandela's warning that SA was edging towards Somali-style chaos, Mr de Klerk told the World Economic Development Congress that SA's parties were now "finding each other" on economic policy.

As a result, Mr Keys would be able to announce tomorrow a final agreement to repay foreign debt blocked since 1985.

Earlier, in another breakthrough after the ANC's decision to end sanctions, Mozambique became the first of SA's major neighbours to extend Pretoria full diplomatic recognition.

● *Additional reporting by Sapa and AFP*

Promises of trade as world heeds call to end sanctions

B/Day 27/9/93

MARCIA KLEIN

ANC president Nelson Mandela's call for the lifting of sanctions has been met with the immediate relaxation of sanctions by a number of countries, and numerous promises to promote trade.

At the weekend, Canada, Australia and India announced they would lift sanctions. US president Bill Clinton called for Congress to lift all economic sanctions and called for investment in SA.

(280)

Canada's External Affairs Minister Perrin Beatty announced Canada was lifting sanctions. The Canadian government would also "undertake a series of initiatives to encourage business ties between Canada and the new SA", These would include the opening of a trade office and the posting of trade commissisoners to SA.

Australian Foreign Affairs Minister Gareth Evans also announced the immediate lifting of sanctions following agreement to establish the Transitional Executive Council.

Sapa-Reuter-AFP reports Australian trade officials said they expected a significant boost in exports to SA following the removal of Australia's remaining economic sanctions.

They said exports to SA could rise by 50% over the next few years.

Australian Trade Minister Peter Cook said there would be a business mission to SA within a month, and a trade office would soon be opened in Johannesburg.

The EC — SA's largest trade partner — said it had already lifted economic sanctions in recent years. But it "will shortly consider further steps" to improve relations.

Reuter reported that ANC chief representative in New Delhi Mtutuzeli Mphele said Indian businessmen had already proposed links with SA's diamond and hotel industries.

India said it would lift trade sanctions by the end of the week.

But some organisations expressed reservations. Reuters said laws condemning apartheid, passed by dozens of US cities and states, could delay a return to SA by major US firms.

Ford, Xerox and Eastman Kodak said they had reservations because of state and local restrictions. Various US cities said they were looking at repealing anti-apartheid ordinances.

Companies which have shown an interest include software manufacturer Microsoft, which opened a sales office in SA in January. US food processor CPC International said it had renewed its interest in SA.

Some SA economists were also wary. They said the call to lift sanctions "has come too late to have anything more than a psychological impact". They said the effects of sanctions on the flagging economy would be felt for some years to come. In addition, violence was likely to deter long-term foreign investment.

The PAC called on the UN and US to ignore Mandela's call. It said it was wrong for Western countries to engage in programmes of economically propping up the "current aggressive ruling class".

NEWS FEATURE *Trading partners welcome move but Azapo, PAC are unhappy*

Investment doors thrown wide open

Sowetan 27/9/93

By Themba Molefe
Political Correspondent

SWIFT REACTION *Bill Clinton keen to send trade mission to SA:*

INTERNATIONAL INVESTMENT doors to South Africa are beginning to open — and really fast, it seems.

Reaction from Pretoria's trading partners came within hours after news of Parliament's approval of the Transitional Executive Bill hit world headlines last Thursday

Therefore African National Congress president Mr Nelson Mandela's subsequent address to the United Nations calling for the lifting of remaining sanctions, was a mere formality.

On the other hand, the Pan Africanist Congress and Azanian People's Organisation have reacted by warning that lifting of sanctions was premature.

PAC secretary-general Mr Benny Alexander said the UN and United States should ignore Mandela's calls, saying they "should not economically prop up an agressive government".

In spite of this objection reaction has been swift. US President Bill Clinton is to send Commerce Secretary Ron Brown on a trade mission to South Africa as major states in the country lift sanctions, unlocking billions of dollars in potential investment. Canada will remove its trade investment and financial sanctions immediately, External Affairs Minister Perrin Beatty said on Saturday.

In London Commonwealth secretary-general Chief Emeka Anyaoku said all remaining sanctions against South Africa would be lifted immediately.

The lifting of economic sanctions comes at a time when South Africa had lost almost R5 billion in investment since 1985 when the US introduced its sanctions. Almost 500 000 jobs had been lost and the Gross National Product dropped by R24 billion.

Unemployment is at the 46 percent level and living standards *per capita* have dropped.

The successful struggle to isolate South Africa dates back to 1962.

This is the countdown to the demise — almost — of National Party rule through economic, cultural and financial sanctions:



Bill Clinton wants to send Commerce Secretary Ron Brown to South African on a trade mission.

"Sanctions have to be kept in place until SA has set in motion the machinery for a transitional government."
African National Congress

"All remaining sanctions should be lifted immediately."
Chief Emeka Anyaoku

280

1962: The first attempt by the United Nations to impose sanctions against South Africa was made when the General Assembly called on member states to break diplomatic relations with South Africa, to boycott South African goods and to refuse the export of goods to South Africa.

1963: The UN Security Council called for an arms embargo against South Africa.

1964: The Commonwealth suspended South Africa from its meetings.

1969: The Reverend Leon Sullivan who had earlier urged US companies to withdraw from South Africa.

1977: The UN Security Council unanimously adopted Resolution 418, providing for a mandatory arms embargo against South Africa. A committee was appointed to monitor the implementation of the resolution.

1985: Total isolation of South Africa in sport was set in motion by the adoption of a United Nations convention against apartheid in sports. The convention prohibited direct sporting

industrialised democracies had imposed various economic sanctions on South Africa to urge the SA government to abandon apartheid.

Common sanctions imposed by South Africa's trading partners included:

A ban on new investment in South Africa by 20 countries;

A ban on imports of gold coins (Krugerrands) by 18 countries;

A ban on imports of South African steel by 17 countries; and

A ban on new loans to South Africa

Prodigal SA welcomed back

(280) CT 27/9/93

Own Correspondent

LONDON. — An upbeat President FW de Klerk arrived in London yesterday for talks with British Prime Minister Mr John Major who welcomed South Africa back into the international community and said he hoped to see SA's return to the Commonwealth.

The president, who is on a private visit to Britain, spent more than an hour-and-a-half with Mr Major and Overseas Aid Minister Baroness Lynda Chalker at Downing Street last night, briefing them on developments in South Africa.

Mr De Klerk said he was looking for investment, not hand-outs. "We need jobs, and for that we need investment, and we need positive support with regard to creating a climate for investment," he said.

His visit follows last week's passing of the TEC Bill in parliament and the lifting of worldwide economic sanctions against South Africa backed by a pledge of R2,73 billion development aid from the International Monetary Fund.

For his part, Mr Major warmly welcomed the lifting of international sanctions and said it was now time to assist and invest in South Africa.

He told Mr De Klerk that South Africa should now have access to the international financial institutions and that Britain would support lending by the World Bank and the IMF.

ment, Naidoo said.

fearing a political backlash or be- — AP-DJ.

Lifting of trade curbs to boost exports

B1Day 27/9/93

KELVIN BROWN

THE lifting of remaining sanctions would benefit SA's export growth this year while access to new loan facilities could give the authorities the scope to stimulate the economy, economists said yesterday.

Afrikaanse Handelsinstituut senior economist Nick Barnardt said the main benefit to the economy would come from the lifting of investment and financial sanctions. "It will open the doors for some capital inflow to compensate for the huge capital outflows in the last few months."

SA should think twice before refusing foreign loan finance, Barnardt said. Access to new loan facilities would give the authorities the scope to adopt a more realistic monetary policy.

The main effect of the lifting of remaining trade sanctions would be on business attitudes. Now that all markets were open to SA, business would approach the export market in a different way, Barnardt said. (280)

The depreciating rand would act as a further stimulant to SA trade.

Among the items affected by trade sanctions had been Krugerrands, coal, iron and steel. SA had been unable to import crude oil, petroleum, petroleum products and computer hardware from Commonwealth nations.

SA Foreign Trade Organisation economist Carlos Teixeira said the lifting of trade sanctions would have a positive influence on export growth this year. Base metals and mineral products like coal were the largest export catagories after gold and platinum.

However, Teixeira said export bias in the SA economy and sluggish growth in the world economy would restrict growth.

Pam Golding Properties Transvaal MD Ronald Ennik said the final lifting of sanctions would give a welcome and immediate boost to the residential property market. It would boost the confidence levels of property owners and people buying property.

"Confidence is one of the most important factors determining the state of the property market," he said.

Unravelling sanctions web could take years

AEG 28/9/93

PETER FABRICIUS of The Argus Foreign Service reports from Washington

THE US state and local sanctions which are beginning to crumble at Nelson Mandela's behest, were surely the most elaborate system of economic restrictions ever devised.

There were (in fact still technically ARE, since they have not yet been repealed) at least 179 separate sanctions measures below federal level.

Probably no-one will ever know the precise number. If anyone should know it is Bill Moses, senior analyst of the Investor Responsibility Research Centre in Washington DC, who has dedicated himself to monitoring sanctions.

In his latest report — A Guide to American State and Local Laws on South Africa, 1993 — Mr Moses counted 179 measures, 13 more than the last count a year ago.

The reason was not that more laws had been written but that he had missed a few in the earlier count.

Moses says "at least" 30 states 109 cities, 39 counties and regional authorities and the Virgin Islands maintain some kind of punitive economic measure against South Africa.

Dividing them by type, he says 114 have divestment policies, 71 have selective contracting laws restricting purchase of goods and services from companies with South African business ties and 49 authorities may not buy products produced, manufactured or grown in South Africa.

Another 108 authorities may not use banks with financial ties to South Africa.

United States sanctions began at the lowest level in 1976 when the city council of Madison, Wisconsin, passed a resolution to forbid purchasing contracts with companies that had economic interests in South Africa.

In 1978 Colati, California, became the first US jurisdiction to prohibit the investment of its funds in corporations with business ties to South Africa.

And in May 1979 Berkeley and the Oakland, California Unified School District became the first authorities to adopt restrictions on their relationships with banks with ties to South Africa.

Those were the foundations of the three main legs of US sanctions — selective contracting, disinvestment and bank restrictions.

The three small trickles in Madison, Colati and Berkeley swelled to a mighty flood. At present eight of America's 10 most populous cities and eight of its 10 most populous states are among those with South African sanctions.

Mr Moses believes that this groundswell put the pressure on national legislators to adopt the controversial US Comprehensive Anti-Apartheid Act (CAAA) of 1986 over President Reagan's veto.

Determining the precise effect that sanctions had is impossible as the picture is clouded by other factors such as violence and general economic decline.

But last week at the United Nations, President De Klerk acknowledged — perhaps for the first time — that they had had an impact on the National Party's decision to change course.

Certainly the US state and local restrictions were among the most effective, leading to an exodus of companies and cutting off life-giving funds to the South African economy.

In 1986 there were nearly 300 US companies in South Africa. By March 1991 this had dropped to just 106. Since President Bush lifted the restrictions of the CAAA, 28 firms have returned.

The lifting of state and local sanctions in response to the changes in South Africa has been even slower.

Mr Moses knows of only four jurisdictions which have done so — the same Colati, California; Highland Park, New Jersey; the state of Oregon; and Fairfax County, Virginia.

Mr Moses says that in theory state and local sanctions could fall away quickly now that Mr Mandela has given the signal — he quotes a Massachusetts official who predicts a "dam burst".

And certainly the reaction to Mr Mandela's call has been swift. David Dinkins, Mayor of New York — which spearheaded US city sanctions — was at Mr Mandela's side immediately after he made the announcement at the UN, to pledge legislation to lift his city's sanctions and to urge other cities to follow.

But Mr Moses cites several stumbling blocks — some state legislatures have adjourned for the year and some, like Texas, will not meet until 1995; some areas have un-co-ordinated policies, and some disagree whether or not to retain sanctions with exceptions for those companies which observe codes of conduct in South Africa to benefit blacks.

He quotes the example of US sanctions against Namibia many of which remained on statute books long after the country became independent — and five of which are still in force.

But he notes that South Africa has a much higher profile than Namibia and several organisations — including the South African embassy in Washington — have aggressive plans to hasten the end of sanctions.

However he believes that for as long as the sanctions remain on statute books, they will be effective.

quate reserves, there was no reason why it would not be able to service claims.

He said that policyholders with annual premiums should therefore be covered.

As to the threat of liquidation, Nestadt said that this was unlikely if the business was run properly.

According to a statement by the FSB, the short-term insurance industry has experienced "fierce competition" over the past three years which resulted in many insurers making underproach the Supreme Court for a provisional order for curatorship.

Guardian National Insurance Company last night announced that its offices would remain open all day today, as well as tomorrow, to provide cover for people fearing that IGI would not be in a position to meet its financial commitments in the event of claims.

If IGI is liquidated, policyholders with claims against IGI would be treated as normal creditors and could wait several years to get their capital back.

Quake

● FROM PAGE 1.

which United Nations sources said could be on the spot within 12 hours of an invitation.

Chavan told reporters in New Delhi that India was grateful for the offers, but added: "We have yet to consider and assess all this."

India has, as a matter of long-standing principle in its philosophy of self-reliance, declined outside help to deal with the earthquakes and floods that regularly ravage the country of 880 million people.

Chavan said the immediate problem was to shelter the homeless, feed them and provide them with clean drinking water.

He said the rural development ministry had been asked to send a team immediately to find ways to provide drinking water, which is in short supply. The government decided to supply essential commodities free to the victims for a month.

Some survivors, huddled around fires in open fields during the cool of the night, were numb with devastation.

"I don't need any help, because I have no one to live for," said one woman who lost her entire family.

Prime Minister P V Narasimha Rao, who will visit the stricken area today, appealed to the public to help the victims. Cabinet ministers have donated one month's pay.

The Cabinet met yesterday and decided to suspend all state ceremonies and banquets for a week in mourning for the victims.

Rescuers said whole families had been wiped out as houses made of stone, mud and corrugated iron roofing collapsed. In some places, the debris lay between 3 and 4,5 m high.

Maharashtra Health Secretary K S Sidhu said some villages had only one or two homes left. — Sapa-Reuter.

Star 2/10/93

Plot foiled

● FROM PAGE 1.

going constitutional negotiations and which was invaded by the AWB in June — with "long-distance explosive devices", most probably either mortars or other missiles such as RPG-5 rockets.

Other sensitive targets had also been earmarked for attacks in the plot, but police will not reveal them as they say that to do so could hinder the ongoing investigation. (314)

However, indications are that the plot may have stretched nationwide and be tied to right-wing expectations of the breakout of widespread violence if and when a Transitional Executive Council is installed.

Left living in a time warp

Star 2/10/93

NELSON Mandela's call for the lifting of sanctions has been widely praised — except by AZAPO and the PAC. Political Correspondent KAIZER NYATSUMBA examines their strategies.

IT HAS become obvious for the umpteenth time that some organisations enjoying pride of place on the ultra-Left are living in a time warp.

ANC president Nelson Mandela's call last week to the international community to lift all remaining economic sanctions against South Africa, excluding the oil and arms embargo, was greeted with immense relief by many in South Africa and abroad. (280)

But AZAPO and the PAC opposed the move — with the latter even sending its secretary-general Benny Alexander to the UN to lobby for sanctions to stay.

For an organisation which is cash strapped and will need the money for next year's election, the cash used to fly Alexander to New York could have been put to better use.

Pressure

AZAPO and the PAC struggle to be taken seriously both at home and abroad. Not even the Organisation of African Organisation recognises AZAPO or its now self-exiled sister-organisation, the Black Consciousness Movement of Azania, as liberation movements.

Both the OAU and the UN, however, have over the years given such recognition to the ANC and the PAC, but clearly attach more weight to the ANC's views than to the PAC's.

Both the OAU and the UN have put pressure on the liberation movements to enter into dialogue with Pretoria following their unbanning on February 2 1990, and when the PAC first hesitated, the OAU and the Frontline states urged the organisation to negotiate.

But even as it half-heartedly rejoined multiparty talks at the World Trade Centre in April this year — it had participated in, and later pulled out of, the multiparty preparatory conference in December 1991 — the PAC remained sceptical of the Government and ANC, against whom it continued to level accusations of collusion and secret deals, and maintained that all punitive sanctions should remain.

Forever ideologically pure and big on theory, but short on action, AZAPO, on the other hand, has doggedly remained outside the process, constantly throwing brickbats at those inside the talks and calling them stooges, puppets, lackeys and even sellouts.

For this group of mostly black intellectuals, nothing much has changed in South Africa in the past three years, and they see a grave danger of the ANC allowing itself to be *co-opted* into government.

However, neither the PAC's nor AZAPO's somewhat antediluvian view of the world and often breathtaking failure to grasp the new reality in South African politics appear to be based on any real strategic thinking.

If there is any strategy behind this political myopia, it would be difficult to put it down to anything other than these organisations' wish to present themselves as the real custodians of the (formerly) oppressed black majority's aspirations and to clearly establish themselves as alternatives to the bigger and more high-profile ANC.

Since its unbanning in 1990, the PAC has a track record of evincing a missionary zeal for unattainable ideals — such as forming a united patriotic front with the ANC.

Significantly, the organisation has now refused to be part of the Transitional Executive Council and to second APLA cadres into the proposed national peacekeeping force. Here it has serious reservations: the powers given to the sub-councils on defence and foreign affairs do not go far enough.

What the PAC now desperately needs is the serenity to accept the things it cannot change, courage to change those it can — such as the powers of the abovementioned sub-councils — and the wisdom to know the difference.



SHADOWY GROUP EMERGES: The revolutionary "Watchdogs", aligned to the PAC, are making their influence felt. They endorse APLA's actions, and oppose scrapping the armed struggle. ● Photograph: MYKEL NICOLAOU

PAC youths rebel against 'sellouts'

JOE LOUW

A MILITANT youth faction within the Pan Africanist Congress, opposed to what they call "a total sellout of the African people" at the World Trade Centre, is threatening to split the organisation.

The self-styled "Watchdogs of the Revolution" were, until recently, an ideological faction with a different political orientation than that of the "captured" PAC leadership now sitting at the negotiation table in Kempton Park. They see the current negotiations as collaboration with the regime.

The "Watchdogs" began to bite when a group of youths affiliated to them demonstrated near the Daveyton home of PAC president Clarence Makwetu — leading to an exchange of gunfire between his bodyguards and the youths.

PAC national organiser Maxwell Nemadzivhanani said the youths posed a threat to the president's family when they shouted "One Makwetu, one bullet".

Two weeks ago they issued a statement suggesting that "every black politician at the World Trade Centre deserves a bullet, including the so-called PAC leadership. Every negotiator there who claims to represent the Africans is a betrayer of our struggle."

Although nobody knows the extent of the following the "Watchdogs" have within the PAC, Victor Peto, publicity secretary and spokesman for the group, claimed that in 1991 they had counted 64 branches.

The "Watchdogs" claim a large following among the militant youth within the PAC, he said.

Sources inside the mainstream PAC said the group was confined mainly to East Rand townships.

The PAC leadership is nevertheless taking the threat of a split very seriously, said Jaki Seroke, the PAC's national education secretary, who has been appointed to mediate the dispute.

"Given the history of splits within the PAC," Seroke said, "the PAC leadership felt it necessary to attempt to reconcile and educate these cadres. We decided not to opt for confrontation and conflict, but to try arguing with the facts.

"Many of the young people who joined the PAC did not really understand what it was all about — especially after they observed APLA's actions. They rushed to join, not realising that the PAC puts politics before the bullet."

Seroke also raised the possibility that groups such as the "Watchdogs" might have been "used by the SAP and Military Intelligence to destabilise the organisation". It was "known" that R64 million had been set aside by the regime to destabilise the liberation movements.

A spokesman for the "Watchdogs" explained that the group was not a separatist movement.

"We model ourselves on, and take our name from, the ANC Youth League's aims and objectives formulated in 1959 under the leadership of Anton Lembede. It was there that the struggle of the African people was changed from appeasement, petitions and demonstrations to a militantly radical focus on our usurped land — when it was identified as the item of the struggle of the dispossessed.

"We do not accept recognition of any settler regime or state, and the issue of land is non-negotiable."

Economic 'wasteland' warning

280

CT 2/10/93

NEW YORK. — Mr Nelson Mandela has warned that South Africa might be reduced to a "wasteland" unless economic sanctions are quickly lifted and new investment pours in.

The ANC president appealed to New York governor Mr Mario Cuomo this week for help in encouraging investment in South Africa, a nation he called "the most violent society in the world today".

Mr Mandela said the deterioration of the South African economy had resulted in an outburst of crime in addition to politically motivated violence.

"There is no atmosphere to attract investors," he said.

Mr Cuomo pledged the support of New York state. "South Africa has to be given a chance to rise up to the level of full partner of the rest of the nations."

EC plans

Last week, Mr Mandela told the United Nations that the international community should lift economic sanctions against South Africa, except for an oil embargo that should remain in place until a democratically elected government takes power.

The United States has agreed to lift its remaining sanctions, and the 12-nation European Community has announced plans to do the same on Monday.

Mr Mandela said some companies were ready to invest in his country after being invited several years ago to research potential markets in SA.

Mr Mandela said he understood the reluctance some companies might have toward entering a country where democratic government had not yet been set up.

"We hope in due course to be able to tell the world that the stability required by investors is secured and the violence has been stopped," Mr Mandela said.

But "there can be no permanent political settlement if we don't face the economic question", he added. — Sapa-Reuter

Windows of opportunity thrown open

S Times [Buss]

3/10/93

280

By ZILLA EFRAT

THE formal lifting of sanctions against South Africa this week opens many doors — from Finland and Ireland, to West Africa and Canada.

It has also gone some way to boost local business morale and its effect is likely to be seen when Sacob announces its Business Confidence Index on Tuesday.

Safto senior GM Africa Paul Runge says OAU sanctions hampered development of high-potential markets — like Tanzania, and especially those in West Africa.

West Africa has a population of 200-million, but has accounted for only 2% of South Africa's official exports to Africa, he says.

The two most promising markets where South African trade development has been made difficult by OAU sanctions are Nigeria and Ghana.

Nigeria, a market of 90-million, has traditionally sourced a wide range of commodities from Europe, while Ghana offers opportunities for South African mining technology.

Mr Runge adds that the demise of OAU sanctions makes SA membership of the African Development Bank far more likely.

This week's developments could pave the way for South Africa's integration into the PTA system where members benefit from reduced cross-border tariffs.

"OAU membership is also possible," adds Mr Runge.

The lifting of OAU sanctions will benefit the 60 South African companies set to exhibit at Contact West Africa in Abidjan, Ivory Coast, in November. Following Canada's lifting of trade, investment and financial sanctions last week, the Canadian government is set to launch a series of initiatives to encourage business ties.

These include the opening of a trade office and the posting of trade commissioners to SA.

The Canadian government has announced that a series of trade seminars will be held across Canada and International Trade Minister Tom Hockin will lead a trade mission to South Africa later this year.

Finland's Foreign Trade Minister Pertti Salolainen will head a trade mission to South Africa this month to meet government and Reserve Bank officials.

The visit will coincide with the South African International Trade Exhibition (Saitex), where 14 Finnish companies will exhibit goods.

Timo Haikonen, trade commissioner at the Finnish trade office in Pretoria, says Finnish trade with South Africa has grown dramatically since sanctions were dropped in June 1991.

Finland's exports jumped from R10-million in 1991 to R190-million last year. Its imports from SA grew from R1,5-million to R100-million in the same period.

IAN HOBBS reports from London that the first Ireland-South Africa Trade Association was opened in Dublin this week amid hopes that bilateral trade will rapidly increase. Irish Trade Minister Charlie McCreevy and South African Ambassador Kent Durr officiated.

The opening of the association, which will be headed by Mr Sean McCool, is expected to be followed by establishment of formal diplomatic relations between South Africa and Ireland.

Mr Durr says the trade association marks a significant and historic step in the progress to a new relationship between Ireland and South Africa.

UN likely to lift sanctions this week

Star 5/10/93

BY MIKE LITTLEJOHN

New York — The UN General Assembly is expected to lift most sanctions against South Africa this week because "the transition to democracy has now been enshrined" in new laws.

However, the oil embargo would not be cancelled until the Transitional Executive Council becomes operational.

African diplomats said they would propose that the two-week general debate, in which presidents and other delegation leaders are making their policy statements, be interrupted to permit the introduction of the resolution, which Zimbabwe prepared as the current chairman of the African group (280)

At his request, Nathan Shamuyarira, the Zimbabwe Foreign Minister, had a meeting with Pik Botha shortly before Nelson Mandela called for the lifting of most sanctions in his UN address last month. A diplomat who was present said each promised the other good co-operation.

Zimbabwe is expected to move to establish diplomatic relations with South Africa even before the April elections.

Action by the General Assembly is bound to help Mandela, who had problems with US business leaders during his tour to drum up investment in the "new SA".

SA businessmen hail move

Argus Correspondent MICHAEL CHESTER reports from Johannesburg

ARG 30/9/93

BUSINESS leaders broke into warm applause when the lifting of sanctions by the Organisation of African Unity was confirmed at the annual banquet of the South African Chamber of Business in Johannesburg.

The news was given to African National Congress national chairman Thabo Mbeki, who was the main guest speaker at the banquet, in a telephone call from ANC president Nelson Mandela in New York.

Sacob deputy director-general Ron Haywood said the OAU move would now allow far faster progress towards economic union in the sub-continent.

Not only would imports and exports be unfettered, but a more significant role could now be played by the African Development Bank in the establishment of more joint business ventures in the region.

Mr Mbeki said the removal of sanctions marked the moment when business should join in the elimination not only of political apartheid but also of economic apartheid.

Among issues that needed serious attention was the continuing flight of capital that was draining millions of rands out of the economy — "in many cases through extra-legal means".

The Reserve Bank should plug the numerous loopholes used to violate exchange control regulations for the illegal transfer of capital out of the country.

Mr Mbeki told the businessmen: "It would not be correct that the attitude you assume is that all you seek is en enabling environment to continue business as usual.

"Rather, we want you to join in defining the objectives and the parameters of the common effort directed at ensuring that we end apartheid not only in politics but also in the way in which our country functions and operates."

Turning to the withdrawal of the Afrikaner Volksfront from talks with the government and the ANC, he said: "We are committed to continue the dialogu with them in search of agree ments that will both ensure a peaceful a transition to democ racy as possible and make th Afrikaner, like all other Soutl Africans, feel that the chang that must come is not a threa but the guarantee of a bette future.

"We are equally determine to continue our bilateral dis cussions with the Inkatha Free dom Party and address th matters that have been agreec should be on our common agen da — the issue of violence an the new political and constitu tional order."

The remarks applied equally to other members of the Con cerned South Africans Group.

SANCTIONS

OAU decision shows dilemma it is facing

GERALD L'ANGE, Argus Africa News Service

IN lifting economic sanctions against South Africa but maintaining a ban on diplomatic ties, the Organisation of African Unity has demonstrated the dillemma it faces over these issues.

The OAU has been caught between the conflicting demands of the African National Congress and the Pan Africanist Congress on the issues.

The economic sanctions imposed in 1976 were lifted by the OAU's ad hoc committee on Southern Africa yesterday at the request of the ANC. The committee in effect rejected the PAC's position that the sanctions should remain in place.

However, the committee supported the PAC stance in resolving that diplomatic sanctions remain in place until after the April 27 election.

The ANC, through Nelson Mandela's UN address last week, had called for the lifting of all sanctions, diplomatic as well as economic, except for the oil and arms embargoes.

Thus the OAU appears to have tried to resolve its dilemma by giving each side something of what it demanded but not all.

The decision to lift economic sanctions was almost certainly made in recognition of the ANC's view that it is necessary to swiftly remove the trade and loan embargoes that have been strangling the South African economy so that it can begin to get back on its feet even before the present government is put out of office.

The decision may, however, have more symbolic than practical significance since most of the major African countries have begun trading openly with South Africa regardless of sanctions since the De Klerk reforms were instituted.

Last year, according to Department of Trade figures, trade between South Africa and Africa amounted to R7,2-billion, of which R6,1-billion were South African exports to the continent.

The formal lifting of sanctions is nevertheless likely to open the trade doors even wider, making possible the removal of formal bars such as Egypt's refusal to allow South African merchant ships to enter its ports.

South Africa is believed to be anxious to cement formal ties with Egypt, including diplomatic links, as that country is seen as one of the most prosperous and stable in Africa and potentially a major trading partner.

Cairo may now decide in view of the ad hoc committee's resolution to withold full diplomatic recognition until after the April election.

Since it holds the current chairmanship of the OAU, it cannot openly flout OAU resolutions. But the way is now open for free trading with the Republic and Cairo will undoubtedly find ways to get round the obstacle of not having a mission in the country.

Other African countries will probably feel themselves less bound to observe OAU formalities and may open trade offices in South Africa — which usually function as consulates anyway.

The whole issue of trade between South Africa and the rest of the continent will continue to be overshadowed, however, by the fact that most countries simply cannot afford to buy South African goods and cannot offer much for sale to this country.

Major opportunities will nevertheless still be found in the large amounts of foreign aid that are being given to African countries and which require the buying of goods and services that South Africa is well placed to provide.

China lifts all sanctions against SA

ST 1/10/93

BEIJING. As ANC vice-president Mr Walter Sisulu was feted as a guest-of-honour at China's National Day ceremony yesterday, China announced the lifting of all trade and economic sanctions against South Africa, ending a 33-year embargo. 280

A spokesman for the semi-official China Council for the Promotion of International Trade said it would quickly step up long-broken ties after receiving the go-ahead from the government last Saturday, the official Xinhua news agency reported.

China broke all relations with Pretoria in 1960. — UPI, Sapa

ANC warns of pitfalls in ending US curbs

Star 1/10/93

■ BY PETER FABRICIUS
STAR BUREAU

Washington — US congressmen are moving to pass legislaton to override US state and local sanctions amid concern that these measures will continue to damage the South African economy even after a new government comes to power.

There is growing concern too about states and cities imposing a host of different codes of conduct for US business going into South Africa.

New Jersey representative, Robert Torricelli told a hearing of the congressional sub-commitee on Africa yesterday that it would be ironic if America — which was the last country to impose sanctions on SA — became the last to withdraw once the ANC was in power.

Torricelli said he was sure that Mandela had called for the lifting of sanctions now to feel the economic benefits of the move when he came to power.

Assistant Secretary of State George Moose, who testified before the committee, agreed with Torricelli that it was unlikely that the effects of lifting sanctions would be felt before the April 27 elections next year.

Torricelli indicated that preemptive legislation to override state and city sanctions was being considered.

But other congress representatives predicted it would turn into problems on constitutional grounds.

The State of Massachusetts has just repealed its South African sanctions — but replaced them with an order which obliges US businessmen to obey the Sullivan Code. (280)

In Washington yesterday, the head of the ANC's economics department, Trevor Manuel, came out against the move.

Manuel told a seminar in congress that although the ANC fully understood the intentions, a problem could arise if a myriad of different codes popped up in every separate state and city.

"The danger is this could create a set of obstacles which could make it difficult to attract investment."

Manuel pointed out that the different South African interest groups — business, labour and government — had worked out a common investment policy in the National Economic Forum and it was important for them to relate to the anti-apartheid movement in unison.

At the congress hearing yesterday, the fear was expressed that if other jurisdictions followed Massacusetts's example, it would create a confusing jumble of red-tape which would discourage investment.

Africa's SA dilemma

BY ending economic curbs while retaining the diplomatic boycott, the OAU gave the ANC and the PAC something of what they demanded but not all, reports Gerald L'Ange of Star Africa Service

In ending economic sanctions relating to South Africa but maintaining a ban on diplomatic ties, the Organisation of African Unity has demonstrated the dilemma it faces.

The OAU has been caught between the conflicting demands of the African National Congress and the Pan Africanist Congress.

The economic sanctions imposed in 1976 were lifted by the OAU's ad hoc committee on southern Africa at the request of the ANC. The committee in effect rejected the PAC's position that the sanctions should remain in place.

However, the committee supported the PAC stance in resolving that diplomatic sanctions remain in place until after the April 27 election.

The ANC, through Nelson Mandela's United Nations address, had called for the lifting of all sanctions, diplomatic as well as economic, except for the oil and arms embargoes.

Thus the OAU appears to have tried to resolve its dilemma by giving each side something of what it demanded, but not all.

The decision to lift economic sanctions was almost certainly made in recognition of the ANC's view that it is necessary to swiftly remove the trade and loan embargoes that have been strangling the South African economy so that it can begin to get back on its feet even before the present government is put out of office.

It may, however, have more symbolic than practical significance since most of the major African countries have begun trading openly with South Africa regardless of sanctions since the De Klerk reforms were instituted.

Last year, according to Government figures, trade between South Africa and Africa amounted to R7,2-billion, of which R6,1-billion was South African exports to the continent.

The formal lifting of sanctions is nevertheless likely to open the trade doors even wider, making possible the removal of formal bars such as Egypt's refusal to allow South African merchant ships to enter its ports.

But Cairo may decide, in view of the ad hoc committee's resolution, to withhold full diplomatic recognition until after the April election.

Since it holds the current chairmanship of the OAU, it cannot openly flout OAU resolutions.

Other African countries will probably feel less bound to observe OAU formalities and may open trade offices in South Africa — which usually function as consulates, anyway.

The whole issue of trade between South Africa and the rest of the continent will continue to be overshadowed, however, by the fact that most African countries simply cannot afford to buy South African goods and cannot offer much for sale to this country.

Major opportunities will nevertheless still be found in the large amounts of foreign aid that are being given to African countries and which require the buying of goods and services that South Africa is well placed to provide.

□ Codes of conduct being imposed by states

US fears lingering sanctions against SA

(280) ARGTI 10/93

PETER FABRICIUS
The Argus Foreign Service

WASHINGTON. — United States congressmen are moving to pass legislation to end US state and local sanctions amid concern that lingering measures will continue to damage the South African economy even after a new government is in power.

There is growing concern here too, not only about a delay in lifting the state and local sanctions, but also about states and cities imposing a host of different and confusing codes of conduct for US business going into South Africa.

New Jersey Representative Robert Torricelli told a hearing of the sub-committee on Africa that it would be ironic if America — the last country to impose sanctions on South Africa — became the last country to lift them.

Mr Torricelli said he was sure Mr Mandela had called for the lifting of sanctions now in order to feel the economic benefits of the move when his party came to power.

Assistant-secretary of State George Moose, who testified before the committee, agreed it was unlikely the effects of lifting sanctions would be felt before the April 27 elections.

He said the World Bank had estimated it would take up to 18 months for a project to come on stream.

Mr Torricelli indicated that pre-emptive legislation to override state and city sanctions was being considered, but other congress representatives predicted it would cause constitutional problems.

The first sign that state and local sanctions will be replaced with many codes of conduct has emerged. Massachusetts has repealed sanctions — but has replaced them with an order obliging US businessmen to obey the Sullivan Code.

African National Congress economics department head Trevor Manuel came out against the move by Massachusetts. He told a seminar in Congress that although the ANC fully understood the intentions behind the Massachusetts move, a problem could arise if a myriad different codes popped up in every separate state and city.

"This could create a set of obstacles that could make it difficult to attract investment."

Mr Manuel pointed out that the different South African interest groups — business, labour and government — had worked out a common investment policy in the National Economic Forum and it was important for them to relate to the anti-apartheid movement in unison.

The governor of Massachusetts last week repealed sanctions but replaced them with a ruling that any investment should abide by the Sullivan Code.

The code, created by the Rev Leon Sullivan, obliges US companies in South Africa to follow guidelines aimed at empowering black businessman and ensuring fair treatment of workers.

Mandela urges US to invest, warns of wasteland

NEW YORK — Nelson Mandela has warned that South Africa might be reduced to a "wasteland" unless economic sanctions are quickly lifted and new investments poured in.

The African National Congress president appealed to New York Governor Mario Cuomo for help in encouraging investment in South Africa, a nation he called "the most violent society in the world today."

Mr Mandela said most of South Africa's black population lacked decent housing, running water, sanitation, electricity, schools and medical facilities.

Illiteracy had reached unacceptable levels even in urban areas and there was 50 percent unemployment.

Any delay in lifting sanctions "might reduce our country to a wasteland," Mr Mandela said after talks with Mr Cuomo at the governor's World Trade Centre office.

Mr Mandela said the deterioration of the South African economy had resulted in an outburst of crime in addition to politically motivated violence.

"There is no atmosphere to attract investors," he said.

Mr Cuomo pledged the support of New York state, which he said was statistically "the 10th largest economy in the world".

"South Africa has to be given a chance to rise up to the level of full partner of the rest of the nations."

Last week, Mr Mandela told the United Nations that the international community should lift economic sanctions against South Africa, except for an oil embargo that should remain in place until a democratically elected government took power.

The United States has agreed to lift its remaining sanctions, and the European Community announced plans to do the same on Monday.

Mr Mandela said: "We hope in due course, to be able to tell the world that the stability required by investors is secured and the violence has been stopped."

"There can be no permanent political settlement if we don't face the economic question." — Sapa-AP.

OAU lifts anti-SA economic sanctions

NEW YORK. — The Organisation of African Unity (OAU) decided yesterday to lift economic sanctions against South Africa with immediate effect.

"A resolution has been passed by the (OAU) ad-hoc committee (on Southern Africa) supporting the appeal we (ANC) have made for the lifting of (economic) sanctions," ANC president Mr Nelson Mandela said after the meeting at the OAU headquarters here.

"We have asked for the immediate lifting of sanctions and they have supported that," he said.

The OAU decision came as the European Community yesterday signalled the full restoration of relations with South Africa.

And the first Ireland-South Africa Trade Association was opened in Dublin amid hope that bilateral trade would increase rapidly.

The establishment of formal diplomatic relations is expected to follow soon.

● Cyprus said yesterday it was lifting economic and trade sanctions against South Africa.

● Yesterday a US consulate commerical officer, Ms Vicky Eicher, said although US companies had shown an interest in South Africa as a possible market since the lifting of sanctions, few have taken positive steps to invest.

● The British consulate's commercial vice-consul, Mr Edward McEvoy, said in Cape Town yesterday that British companies had shown very little reaction to the lifting of sanctions. — Sapa

Blacks in Congress back down on bill

ARG 7/19/93 (280)

PETER FABRICIUS, The Argus Foreign Service

WASHINGTON. — After a direct appeal from the African National Congress, the United States Congressional black caucus yesterday withdrew its demand for US businesses operating in South Africa to be subject to a controversial code of conduct even after sanctions were lifted and a new government was in place.

The retraction prevented a time-consuming clash in Congress over legislation aimed at repealing remaining federal sanctions and encouraging US aid to South Africa.

As a result, the House of Representatives Subcommittee on Africa yesterday approved the same version of the legislation which the Senate had approved two weeks ago.

The bill — the South African Democratic Transition Support Act — now seems likely to move through the House without major hitches.

The code would have obliged US businesses to treat black workers fairly and to take affirmative action to help black business.

New Jersey Democrat Donald Payne, the black caucus's representative on the Africa sub-committee, said the caucus reluctantly withdrew its proposed amendment after a direct appeal from the ANC.

Business confidence surges as sanctions go

CT 6/10/93 (280)

By MAGGIE ROWLEY
Deputy Business Editor

The South African Chamber of Business (Sacob) confidence index rose sharply in September, jumping a further 2,1% points to 99,3, its highest level since November 1990 underscoring the fact that "the recession is finally over".

According to Sacob chief economist Ben van Rensburg business sentiment was boosted in particular by the symbolic and psychological impact of the lifting of the remaining economic sanctions against SA and definitive evidence that the economy had bottomed-out.

Other important factors contributing to September's large rise in the BCI, following four consecutive months of improving business confidence, were the progress on the political front with the acceptance of a Transitional Executive Council and the rescheduling of SA's foreign debt repayments.

Recent widespread rains had raised hopes that the agricultural sector would experience a relatively "normal" season and there had been improvements in profitability in the mining sector.

While production levels had been rising steadily in the manufacturing sector since the disruptions earlier this year, the vulnerability of the recovery in this sector was again emphasised in the findings of the latest Sacob survey.

The construction industry, had shown some improvement in activity levels in recent months, but anecdotal indications were this made little impact on profits

Sacob points out that improvements in the primary and secondary sectors of the economy did not appear to have extended to the retail level where sales volumes continued to mark time due to consumer spending power still being under pressure and likely to remain so for some time to come.

While a number of developments had conspired to significantly reduce the balance of payments constraints, violence was "the biggest remaining economic sanction".

"The understandable euphoria which surrounds the lifting of remaining sanctions should, therefore, be tempered by the knowledge that while there might be an increase in lower-risk trade with SA, higher risk investment will continue to shy away from this country until the environment is investor-friendly

"This will include aspects such as security of investment, consistency and acceptability of the economic policies adopted by a new government, the international competitiveness of those aspects which determine profitability and possible incentives."

Van Rensburg points out that important implications for the SA economy arising from the normalisation of international relations included renewed access to the IMF and other facilities which would strengthen the balance of payments, making lower interest rates and higher economic growth possible.

Secondly, improved confidence by both local and foreign business in the country's future could help stem the capital haemorrhage. This would result in more funds available for investment within SA, a more stable rand and improved prospects for a further decline in inflationary pressures.

Opec embargo 'will go soon'

ST 20/10/93

ABU DHABI — Opec is likely to lift a long-standing oil embargo against South Africa by the end of this year, a top South African trade official said in the Gulf press yesterday (280)

Mr Gyfford Fitchat, a director of the South African Foreign Trade Organisation, said the ban would go once a Transitional Executive Committee is installed in South Africa. — Sapa-AFP

EC lifts military ban on SA

280
CTG 10/93

Own Correspondent

JOHANNESBURG. — Foreign Affairs welcomed yesterday's EC decision to lift its ban on military contacts with South Africa, but said there were no immediate plans to appoint military attachés to the 12 EC nations.

EC foreign ministers meeting in Luxembourg lifted their ban on the exchange of military attachés and other international defence and security contacts.

However, they postponed lifting sanctions on the exchange of civilian nuclear technology and a ban on sales of sensitive material to the SAP and armed forces, although these could be lifted next month.

● The UN General Assembly is to vote on Friday on a draft resolution lifting economic sanctions against South Africa, UN spokeswoman Ms Cynthia Henry said yesterday.

And now for the economic good news

(280) wsm 1-7/10/93

The end of most sanctions, access to IMF credit, and a final debt agreement are important psychological moves for South Africa. Reg Rumney reports

A NUMBER of developments on the economic front this week have been heartening for South Africa, proving that the country is finally coming in from the cold.

Psychologically, they are cheering, especially at what may be the hard end of a four-and-a-half year recession. And their effects are more than emotional.

Trade sanctions never became as effective as they were hyped to be but they made life uncomfortable for South African exporters, forcing them to suffer "sanctions discounts" or seek new, less profitable markets, or incur costs in disguising the origin of South African goods. Most of these sanctions in Europe had already been lifted as were US federal sanctions. Yet officially ending them gives the signal to even the most die-hard anti-apartheid opponents that it is now OK to buy South African goods.

Financial sanctions, including a ban on International Monetary Fund (IMF) and World Bank loans, have been the much bigger problem.

Now South African is likely to receive an IMF drought-related loan of around $850-million, without the fiscal conditionality that may apply to other IMF loans.

It must be remembered that this is not a loan for development, but will have to be used to prop up the balance of payments, South Africa's account with the rest of the world.

The Reserve Bank keeps the balance of payments (BoP) in mind as well as the money supply in deciding whether to raise or lower interest rates. Hence it may seem the IMF loan gives latitude for a cut to stimulate the economy.

Nedcor chief economist Edward Osborn believes Reserve Bank governor Chris Stals will not want to cut interest rates for fear of encouraging imports which in turn would put the BoP under further pressure.

The BoP will already come under pressure because of the need to repay foreign debt.

The 1994 debt arrangements as the final repayment deal is known signals the end of the successive agreements on how to repay foreign banks the $14-billion they attempted to withdraw in 1985 and which was unilaterally frozen by South Africa, in the "debt standstill". That "affected" debt now stands at $5-billion. A final agreement means it will be paid back with a little latitude over eight, rather than say five, years.

The arrangement does not mean any new money will flow into South Africa, or that any loans will be rolled over. In one sense the mass withdrawal by foreign banks in 1985 had less to do with considered financial sanctions than funk at the growing political violence. So ending financial sanctions will not necessarily reverse the flow.

The money still has to be repaid. And it is only part of the around $17-billion — when lasted surveyed in 1992 — of foreign debt which has to be repaid over the coming years.

Osborn reckons that beginning this year and continuing next year South Africa will have to finance a capital account payment of at least $1,4-billion and up to $1,95-billion.

So the IMF's $850-million compensatory and contingency financing facility will then be sorely needed, particularly if economic recovery causes a surge in imports and an outflow of foreign exchange.

Remaining sanctions are the oil and arms embargoes. Their going will be more symbolic than anything else, though the end of the oil embargo will clear away the last skeins of the once-pervasive secrecy that has surrounded the petrol price.

Political uncertainty and violence, as the South African Chamber of Business has pointed out, remain the real internal sanction, keeping out foreign investment.

Investment in South African equities has already revived. From September last year right into this year net purchases of South African shares were positive.

Will **foreign direct investment** now flow into South Africa? As the Washington-based Investor Responsibility Research Centre has pointed out this is not on the cards. But the ending of sanctions has made entry easier for some groups.

Giant $14-billion Pillsbury food group moved fast after the ending of sanctions to announce it would undertake a joint venture with Foodcorp in South Africa. Foodcorp and Pillsbury will each have a 50 percent stake in a new company Pillsbury Brands Africa, with Pillsbury paying R90-million for its stake.

That may sound cheap for Pillsbury's entry into a new market. But Fordcorp group chief executive Dirk Jacobs reckons the deal benefits both parties. Foodcorp gets access to Pillsbury's marketing expertise and technology. Also, Foodcorp has gained access for its products to Pillsbury's offices around the world.

Joint ventures have been typical of the way foreign companies have cautiously entered the South African market. But they are meaningful devices for South African companies to gain access to overseas expertise and break out of isolation.

Other flies in the ointment?

State and local laws in the United States that bar investment in South Africa have yet to be lifted.

Although Pillsbury's home Minneapolis has not yet lifted local sanctions, Pillsbury made its move anyway. Jacobs reckons the speech made by President Bill Clinton encouraged the immediate lifting of all existing sanctions and made them a mere technicality, although Pillsbury would probably have consulted interested groups about investing.

Caucus blocks sanctions lifting

(280) CT 7/10/93

From SIMON BARBER

WASHINGTON. — A bid to kill all remaining state and local sanctions immediately by Congressional fiat — and help speed new US investment in South Africa — was defeated last night because of intense opposition by the Congressional black caucus.

The plan was being pushed behind the scenes by Goldman Sachs, the Wall Street investment firm, which has strong ties to top levels of the Clinton administration and was a sponsor of last week's Washington conference to attract US institutional investment in South Africa.

Offered by New York Congressman Mr Robert Torricelli as an amendment to the Senate-passed sanctions-lifting bill now working its way through the House of Representatives, the pre-emption effort was defeated in the House Africa sub-committee on a 4 to 3 vote.

The black caucus had earlier voted 34 to 1 to oppose the measure.

Congressman Mr Don Payne said the black caucus had already compromised enough in agreeing to the Senate's sanctions-lifting legislation, even though many members thought ANC president Mr Nelson Mandela had acted "prematurely" in asking for an end to international boycotts.

● Foreigners buy SA gilts — Page 10

US mutuals will trade with SA-linked firms

280

GT 7/10/93

From SIMON BARBER

WASHINGTON. — US mutual funds specialising in "socially responsible" investments have announced they will resume buying the stocks and bonds of companies that do business in South Africa, but only if the companies abide by an ANC-approved code of conduct.

The funds include the Calvert Group, with $1,4 billion (about R4,76bn) in seven portfolios; the Dreyfus Third Century Fund, with $530 million (about R1,8bn); Working Assets Common Holdings, with $238m (about R809m) and the Parnassus Funds, with $80m (about R272m).

In a statement, the funds declared: "Our challenge is now to indentify South African ventures that will generate profits and stimulate economic growth in South Africa."

It was unclear how the funds will monitor compliance with the code, which requires firms to recognise workers' collective bargaining rights, provide worker training and education and promote black business.

At present, all US firms with more than 25 employees in South Africa are required by federal law to demonstrate that they are meeting social responsibility standards considerably more stringent than those set by the SACC, the ANC and Cosatu.

UN to scrap most sanctions today

CT 8/10/93 (280)

NEW YORK — The General Assembly is to adopt a resolution today immediately ending most of its non-mandatory economic sanctions against South Africa and lifting its non-mandatory oil embargo once the TEC becomes operational.

The assembly resolution dealing with the sanctions — sponsored by Nigeria and circulated yesterday — is certain of adoption, UN officials said.

This follows Mr Nelson Mandela's appeal to the assembly on September 24 to end economic sanctions.

In London, the Commonwealth's secretary-general Chief Emeka Anyaoku said its post-sanctions task would be to convince all South Africans of how invaluable "this association of nations really is".

Speaking ahead of this month's Commonwealth Heads of Government meeting in Cyprus on October 21, Chief Anyaoku said his association saw the successful transition from apartheid to democracy as one its major world challenges.

In another development, deputy foreign minister Mr Renier Schoeman said yesterday the government had agreed to set up a committee of ministers to promote trade links with India.

And India is to send a high-powered delegation to South Africa "to talk trade" — which it says could be worth nearly R2 billion a year. — Sapa-Reuter, Own Correspondent

ANC opposes new US code of conduct

Star 7/10/93

■ BY PETER FABRICIUS
STAR BUREAU

Washington — After an appeal from the ANC, the United States congressional black caucus yesterday withdrew its demand for US businesses in South Africa to be subject to a controversial code of conduct, even after sanctions were lifted and a new government was in place.

The retraction by the black caucus prevented a time-consuming clash in Congress over legislation aimed at repealing remaining federal sanctions and encouraging US aid to South Africa.

The South African Democratic Transition Support Act now seems likely to move through the house without any major hitches. (280)

Democrat Donald Payne, the black caucus representative on the Africa sub-committee, had earlier proposed to amend the Bill by introducing a more far-reaching code of conduct. It would have obliged US businessmen to give fair treatment to black workers and to take affirmative action to help black business.

It would have lapsed only when a democratic South African government had introduced its own laws to govern the conduct of business and ensure equitable treatment of black workers.

US votes to end all sanctions

280
ARG 20/11/93

Argus Foreign Service and AP

WASHINGTON. — The House of Representatives has voted to lift all remaining United States economic sanctions against South Africa.

The legislation also lays the groundwork for future US aid to South Africa to support the transition to democracy once an interim government is in place as a result of free, nonracial elections.

The Bill, the South African Democratic Transition Act, was approved by voice vote and sent to the Senate after a brief debate.

"We have witnessed dramatic events in South Africa since Nelson Mandela's release from prison just 3½ years ago," said Harry Johnston, chairman of the House of Foreign Affairs subcommittee on Africa.

"Black South Africans will be granted human and civil rights, including the right to vote," said Mr Johnston.

Representative Donald Payne, a member of the Congressional Black Caucus, said the move to a nonracial democracy in South Africa was proof that economic sanctions do work when enough time is allowed to permit them to work".

But the time for the end to US sanctions had

■ To page 3

US to lift remaining sanctions

280
ARG 20/11/93

■ From page 1

come, said Mr Payne, because "Mandela and the ANC have made it clear that the transition to democracy will not work unless the economy is given a boost".

Mr Mandela, president of the ANC, urged the lifting of sanctions in a speech before the United Nations on September 24.

During a debate in the Foreign Affairs Committee, the Bill was amended to bar future aid to any organisation in South Africa engaging in violence.

Republican Dan Burton said he supported the lifting of sanctions but wanted to make sure that no aid went to the SA Communist Party or to other groups that may have endorsed violence.

Among the sanctions that would be lifted by the Bill are the ban on direct airline flights between the US and South Africa.

Snag in sanctions repeal could affect IMF loan

280 ARG 5/11/73 156

The Argus Foreign Service

WASHINGTON. — Legislation to lift the last United States federal sanctions against South Africa has hit a snag which could delay approval until next year and jeopardise an $850 million (R2 856 million) IMF loan.

The South African Democratic Transition Support Bill will repeal all remaining federal sanctions, including the Gramm Amendment which denies access to International Monetary Fund loans.

The bill was launched by the US Senate and approved on September 24 but has been become bogged down in the House of Representatives.

Now there is a chance that the House might send it back to the Senate to begin the whole process again, according to Dan O'Flaherty, head of the US/SA Business Council.

If that happened it could introduce delays which might cause the bill not to be approved during this year's congressional session, which is expected to end on November 23.

The IMF loan has to be finalised by December 31.

UK 'violating arms embargo'

JOHANNESBURG. — Anti-Apartheid Movement president Archbishop Trevor Huddleston yesterday slammed what he termed Britain's "violation" of the UN arms embargo against South Africa.

Delivering the first Oliver Tambo Memorial Lecture at the University of the Witwatersrand, Archbishop Huddleston said countries like Britain were encouraging South Africa to become a major exporter of weapons of war.

He condemned the testing by the British government of South African-manufactured armoured vehicles, which he said were intended for use in Somalia by the British contingent of the UN peacekeeping force in that country.

"But the UN Security Council arms embargo is still in place."

At the same conference Mr Nelson Mandela said there was no denying that ANC members were involved in violence in South Africa.

He said the government had failed in its duty to protect innocent people and the ANC's appeals to its members for peace had become unrealistic.

Nonetheless he called for people to "preach peace". — Sapa

IMF loan hits a new snag

☐ Repeal Bill would also lift tariffs on SA exports to US

ARG 8/11/93

JOHANNESBURG. — South Africa's controversial $850 million International Monetary Fund loan has hit another snag — this time in the United States.

While South Africa's Economic Technical Committee is still battling to get the consent of all the political parties in order to beat the IMF's December 31 deadline — reports from Washington indicate legislation to lift the last of US federal sanctions against South Africa has run into difficulties.

This implies that approval of the loan, vital to South Africa's reserves in order to allow it to meet its foreign debt obligations, might be delayed until next year.

The South African Democratic Transition Support Bill, which repeals all remaining federal sanctions against South Africa, including the Gramm Amendment, which denies South African access to IMF loans, has become bogged down in the House of Representatives.

There is a chance the Bill might now be sent back to the Senate to begin the whole process again, according to Dan O'Flaherty, head of the US/SA Business Council — an affiliate of the National Foreign Trade Council.

Mr O'Flaherty said that under the US Constitution, only the House of Representatives could introduce a revenue bill. Because the South African b was technically a reven measure — it lifts the ban the US giving South Afri preferential trade status, wh could mean a loss in tariffs the US — the powerful Wa and Means Committee in House of Representatives contemplating rejecting bill.

A new loan could in the be negotiated, but would most certainly be for a smaller amount.

US sanctions close to repeal

WASHINGTON — Legislation to lift remaining United States federal sanctions against South Africa passed the final committee stage in Congress and now only remains to be approved by both full houses.

It is not clear yet whether the Bill will make it before Congress rises for the year next week.

The urgency of the Bill is that one of its sections lifts restrictions on South Africa applying for loans from the International Monetary Fund.

If the Bill is not passed this year it could jeopardise an R850 million IMF loan.

Solarz: Repeal sanctions

(280)

FORMER Congressman Stephen Solarz, who headed the US anti-apartheid lobby in the 1970s, called yesterday for the urgent repeal of remaining American sanctions against South Africa.

Speaking in Cape Town, he said it could take time to persuade all the roughly 160 US states and bodies involved to repeal sanctions. "I think the case for repealing sanctions is even more compelling in the light of what has happened here than the case for imposing them in the first place," he said. — Sapa-Reuter

CT 19/11/93

Sanctions-lifting meets US inertia

CT 19/11/93 (280)

By AUDREY D'ANGELO
Business Editor

LEADING business people from the US, UK, Europe and African countries met in an atmosphere of euphoria at a conference at the Cape Sun yesterday, after the ratification of SA's interim constitution.

Many said they had waited up on Wednesday night to hear the news.

Former US Congressman Stephen Solarz, an arch opponent of apartheid who introduced the Sanctions Bill, said that in view of the changes that had taken place "the case for repealing sanctions is even more urgent than it was for imposing them".

US ambassador Princeton Lyman said there was a campaign to have sanctions removed. But it was encountering inertia and "some people wonder if Mandela spoke too soon".

However, Lyman said, New York, Chicago, San Francisco and a number of other places had already voted to lift sanctions.

The conference, to look at SA as an emerging market, was organised by the US-based CEO Institute.

Discussion ranged from the need for affirmative action to SA's potential as a gateway to the rest of Africa and its advantages as a place for direct investment.

Princeton Lyman said he was "glad to see Americans here".

Congratulating the Kempton Park negotiators on achieving "a negotiated revoution, which is the most difficult kind", he said it opened the door to "normalcy in relations with this country".

The US consular staff would now promote trade and investment, which would be good for both countries. He liked suggestions that much of this would be directed at the empowerment of the majority population.

Bilateral trade with the US was growing and had already reached $5bn again.

"We anticipate income and consumption opportunities for the majority will grow. This will give a wealth of opportunity."

Wendy Luhabe, founder and MD of the Bridging the Gap international consultancy — and the only woman to speak at the conference — advised companies wanting to advance blacks to "grow their own timber" through training, instead of competing for a small pool of experinced executives.

She praised Eskom as an example of an organisation committed to expanding the black skills base.

Danie du Toit, MD of Telkom, said it had been hoped to train 1 000 new technicians. Unfortunately standards of mathematics and science had been too low for this but 100 people were currently being put through a "post-matric" course whih it was hoped would enable them to commence training.

It was hoped to increase the number to 1 000.

US to drop rest of sanctions

WASHINGTON. — With strong bipartisan support, the House of Representatives voted yesterday to lift all remaining US economic sanctions against South Africa. (280)

The legislation also lays the groundwork for US aid to South Africa once an interim government is in place. ST 20/11/93

The bill, the South African Democratic Transition Act, was approved by voice vote and sent to the Senate after a brief debate. — Sapa-AP

US repeals last SA sanctions

Star 22/11/93

Washington — A Bill repealing remaining US economic sanctions on South Africa was approved by the Senate on Saturday and sent to President Clinton for signature.

The Bill also gives US states and localities until October 1 1995 to repeal anti-apartheid laws against South Africa or else lose their government highway funds.

ANC leader Nelson Mandela appealed for the lifting of sanctions in a September 24 speech to the United Nations.

Under the legislation, UN-mandated restrictions on arms sales and nuclear co-operation with South Africa would continue in effect.

The measure calls for international financial institutions to expand programmes in South Africa which train individuals in government management techniques (280)

It authorises US aid to promote South Africa's transition to democracy after an interim government is in place and encourages the US government to expand trade and investment in SA.

Congress imposed sanctions on South Africa in 1986. Most were lifted by former President George Bush in 1990 as the country's apartheid system was eased, but the sanctions' law remained on the statute books. — Sapa-Reuter.

US sanctions formally over

Own Correspondent

WASHINGTON. — With the words Nkosi Sikelel' iAfrika, President Bill Clinton yesterday signed the SA Democratic Transition Support Act, formally bringing to a close the era of federal US sanctions.

280 CT 24/11/93

At a brief, but highly symbolic, ceremony in the White House, Mr Clinton said he was "determined that our nation will stand by the people of South Africa as they face the difficult challenges ahead".

The legislation, enacted by Congress two months after Mr Nelson Mandela requested it, "will help South Africa expand the prosperity of its entire nation".

Clinton signs off US sanctions era

B1Day

SIMON BARBER

WASHINGTON — The era of federal US economic sanctions against SA came to a formal end yesterday as President Bill Clinton signed the SA Democratic Transition Support Act into law and urged the full resumption of US trade and investment.

At a brief White House ceremony, Clinton said the US private sector had a key role to play in SA's transition to a free-market democracy. 24/11/93

At the same time, Commerce Secretary Ron Brown announced that he would lead a group of "premier" US companies on a four-day trade mission to Johannesburg, Cape Town and Durban at the weekend. "The visit confirms a real interest in SA's potential as a viable trading partner and bulwark of economic strength and stability in the region and on the continent."

The 50-member delegation includes representatives of IBM, Apple, AT & T, Arco Chemical Co, Pratt & Whitney, Time Warner, as well as a number of smaller African-American-owned businesses. Several investment firms are involved, including Lehman Brothers, Merrill Lynch's Alliance Corporate Finance Group Inc and Barronnett Global Investors.

Clinton has instructed that the trip should focus on developing relationships with SA's black private sector. (280)

Many of the spaces on the trip will be taken by officials. Along for the ride will be functionaries from the White House, the

☐ To Page 2

Sanctions

B1Day 24/11/93

☐ From Page 1

National Security Council, the State Department, the Energy Department, the US Agency for International Development, the Office of the US Trade Representative and the Export-Import Bank. (280)

Congressman Charles Rangel, author of the 1987 law imposing double taxation on US firms in SA, will also be in the party.

There will be a team from the Overseas Private Investment Corporation, which hopes to sign a bilateral agreement enabling it to provide insurance cover and other services for US investors.

Less clear is the role to be played by representatives of the public sector labour union, the American Federation of State, County and Municipal Employees.

Sources familiar with the planning for the trip say fewer major US corporations are represented than had been hoped because the Commerce Department did not send out invitations until less than two weeks ago, even though the mission was first mooted in September.

Sweden lifts investment ban

(280) ST 28/11/93

STOCKHOLM. — The Swedish parliament yesterday gave the final go-ahead to end the country's ban on investment in South Africa on December 1.

"Economic sanctions against South Africa will be dropped," a brief statement from parliament said.

The government proposed the measure in late September after an appeal by ANC president Mr Nelson Mandela for the removal of all economic sanctions, a call prompted in part by the dire state of the South African economy.

Sweden, one of the strongest critics of apartheid, dropped its trade embargo on September 13 after progress at democracy talks in Johannesburg led to the formation of a Transitional Executive Council.

The investment ban has been in effect since 1979 and was meant to stop Swedish companies establishing or expanding businesses in the republic.

A Swedish embargo on arms trading with South Africa, a United Nations-backed ban, remains in place.

● The ANC yesterday welcomed the lifting of remaining sanctions by President Bill Clinton. — Sapa

Cheer as oil embargo goes

CT 11/12/93

JOHANNESBURG — South Africa welcomed yesterday the lifting of the UN oil embargo on Thursday.

"It's very good news, and it's what we expected from the TEC," said Mr Roelf Meyer, the government representative on the TEC.

His ANC counterpart, Mr Cyril Ramaphosa, also welcomed the news. "It was anticipated and this is in line with the progress we have made."

Welcoming the news, DP energy affairs spokesman Mr Roger Hulley called yesterday for the remaining secrecy laws on crude oil and the petrol market to be scrapped. — Sapa

SANCTIONS
1994-1995

Star 25/11/94

Japan lifts more trade restrictions

(280)

Tokyo — Japan decided today to lift nearly all restrictions on exports to South Africa.

Japan's foreign ministry said the move will become effective from Sunday and release for export a range of restricted products including computers and four-wheel drive vehicles for use by defence and police forces.

The decision eliminates all economic sanctions except a ban on the export of weapons, which is applicable to all of Japan's trading partners.

The ministry said the decision was made after the formation of the Transitional Executive Council and the adoption of a draft constitution by Parliament at the end of last year, leading to the "*de facto* end of apartheid".

The Japanese government "strongly hopes that this decision will contribute to both the development of the new South Africa and the further expansion of relations between the two countries". — Sapa-AFP.

California to lift sanctions against SA

SACRAMENTO. — The California state assembly has voted unanimously to lift economic sanctions against South Africa.

The Assembly voted 70-0 to repeal a 1986 measure barring the use of state government pension funds for investing in businesses operating in or doing business with South Africa because of its apartheid policies.

The measure repealing the sanctions was sent to the California Senate, where it is expected to be approved.

African National Congress leader Nelson Mandela urged American businesses and government bodies late last year to lift sanctions against South Africa because of moves to dismantle apartheid.

The repeal measure, authored by Assembly Speaker Willie Brown, a Democrat, allows the University of California Regents and the California Public Employees Retirement System and the state teachers retirement system, combined assets $150 million (R510 m), to once again invest in companies doing business with South Africa. — Sapa-Reuter.

ARG 28/1/94

(280)

US state lifts sanctions

Star 28/11/94

Sacramento (California) — The California state assembly voted unanimously yesterday to lift economic sanctions on South Africa. (280)

The assembly voted 70-0 to repeal a 1986 measure barring the use of state government pension funds for investing in businesses operating in or doing business with South Africa.

The 1986 measure also barred the state of California from doing business with financial institutions which made loans to South Africa.

The measure repealing the sanctions was sent to the California senate, where it is expected to be approved. — Sapa-Reuter.

Oslo lifts sanctions, but not arms boycott

(280) ARG 26/2/94

OSLO. — Norway has lifted its oil embargoes and economic sanctions against South Africa.

The government yesterday repealed the ban on oil exports and shipments — in force since 1986 — as well as economic sanctions imposed in 1987.

These measures were adopted in an effort to bring about the abolition of apartheid. Norway will, however, uphold the arms embargo.

Developments in South Africa and plans for democratic elections on April 27 have made sanctions obsolete, the government said.

Another contributing factor was the United Nations resolution, passed last October, in which member nations were urged to heed the request by ANC leader Nelson Mandela to end sanctions.

Norway was one of the first countries to impose sanctions on South Africa and to give aid to the ANC. — Sapa-AP.

UN 'to act soon' on arms embargo

(280) ARG 4/5/94

The Argus Foreign Service

NEW YORK. — The United Nations Security Council is expected to act fairly soon after the presidential inauguration of Nelson Mandela to lift the mandatory arms embargo against South Africa, according to Western diplomats.

Britain, a permanent member of the council, is especially eager to cancel the ban in hopes of securing a profitable contract for the sale of Corvettes for maritime protective duty.

These could be employed to scare off Japanese and Russian trawlers that have been regularly poaching inside South Africa's maritime economic exclusion zone.

Ibrahim Gambari, Nigeria's chief delegate, who has long been the main leader of anti-apartheid forces in the UN, is the current president of the Security Council. He is expected to begin consultations on a resolution to lift the arms embargo, the sole remaining sanctions order, within days of Mr Mandela's inaurguration.

Meanwhile the UN will be observing the day of the inauguration with a diplomatic reception in the delegates' main dining room hosted by Ambassador Jim Steward, the South African representative. Secretary-General Boutros Boutros-Ghali will be representing the UN in person at the inauguration.

NEWS

Mbeki to address UN Security Council

Last sanctions to go on Africa Day

Star 23/5/94

■ BY DALE LAUTENBACH
POLITICAL STAFF

SYMBOLIC day chosen by UN to lift sanctions, and SA's new flag will be raised in Addis Ababa on the same day 280

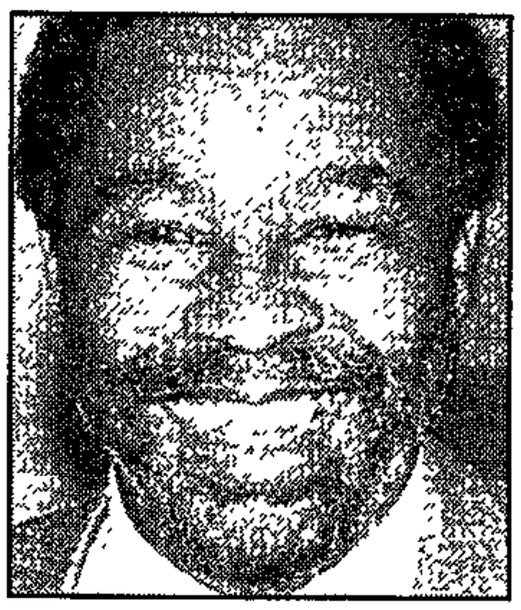
The United Nations Security Council has chosen Wednesday, Africa Day, to lift the arms embargo and related sanctions on South Africa, according to Deputy President Thabo Mbeki.

And in Addis Ababa, headquarters of the Organisation of African Unity, the new South African flag will be raised on the same symbolic day, which marks the founding of the OAU in 1962, in the presence of Foreign Minister Alfred Nzo.

While the OAU summit in Tunis next month and the fresh UN General Assembly season in September are expected to mark the official normalisation of South African relations with the continent and the international community respectively, Mbeki said he viewed Wednesday as the moment when the last real barriers would drop and readmission would take place at symbolic level.

Mbeki confirmed at the weekend that he would address the Security Council on Wednesday to present the formal request for the lifting of the arms embargo and sanctions relating to it.

These will be the last sanctions to go and also the toughest, being the only mandatory sanctions the UN had imposed, according to Mbeki. He noted too that Nigeria, at present in the chair of the Security Council, had chosen Africa Day to make this significant move.



Mbeki . . . "real barriers" to drop on Wednesday.

Asked whether he would make any statement with reference to the new pressures on South Africa to join the UN peacekeeping community, Mbeki said some mention of this could be expected.

"I think mine will be a general comment on our commitment to making a contribution to that process," said Mbeki. "It's a broader issue than merely peacekeeping."

There has been much speculation recently that South Africa might contribute to a blue-beret intervention in Rwanda, but the Government has yet to take a decision on this.

There is a fairly polarised debate in both Government and observer circles about the wisdom of such a move so shortly after the birth of the new SA National Defence Force.

While the Security Council is expected to lift its toughest censure of South Africa on Wednesday, the council itself never withdrew South Africa's credentials to this body.

It was the General Assembly that suspended the credentials; to restore these, the General Assembly's credentials committee must sit to review the case.

Mbeki was uncertain when this would take place but expected it to be imminent.

While a new UN member would have to wait for a fresh General Assembly season for admission, South Africa's case is one of readmission. As the assembly is in session now, it appears that the readmission could take place before the new session in September.

No UN spokesman was available for comment last night.

tep in
bbery

FINE

ed robbers got
ives yesterday
ngly comatose
Parktown pub-
ang to life and
n executing a

ce liaison offi-
)pperman said
formation that
at the Pieter
'idelity Guards

)dies scattered
the park, the
dled with two
evolvers and a
ir target.
ar approached
ed themselves
' leapt up with
lentified them-
he crime intel-

ios reigned in
oments as the
p their minds
at the detec-
ck anyway or

stopped dead
ie hobos fired
others were
ught down by
d raced to the

eight suspects
labbergasted"
e herded into
ed off to the

Call for an end to police killings

BIDay 25/5/94

JOHANNES NGCOBO

PWV safety and security MEC Jessie Duarte yesterday called for an end to the killing of police, who, she said, were no longer part of an apartheid apparatus.

Duarte's statement followed an SA Police Service report yesterday that about 94 policemen had been murdered in the past five months.

Police spokesman Maj Nina Barkhuizen said despite the fact that unrest incidents had declined drastically, the killing of policemen continued. Despite the attacks and difficult working circumstances, police "members remain dedicated to their task".

"It is the responsibility of the community to assist police and become involved in police-related matters so as to ensure a future for all South Africans," she said.

Duarte appealed to people to resolve their differences with the police amicably rather than kill them. "People should begin to know that the police service is theirs and that the policemen are now accountable to the people's President, Nelson Mandela."

She said she was aware that distrust remained between police and the community. It would take time for communities and police to accept one another.

Integrating members of self-defence units into the police service and establishing community policing structures were matters requiring urgent attention from communities.

Duarte added that her office would embark on a campaign of disarming people who had more than one firearm.

Our Cape Town correspondent reports that police commissioner Gen Johan van der Merwe said the SA Police Service was already changing into a nonracial structure.

Van der Merwe was reacting to Duarte's statement that the service would implement affirmative action within its ranks.

Duarte said all senior police officers were white males but this would change soon.

Van der Merwe said the integration of TBVC police forces — which were mostly staffed and run by blacks — into the newly-created SA Police Service meant that highly placed black officers were being brought into the force.

"A whole new police structure is being established," he said. "The integration of all (police) services creates a new structure."

All appointments had to be effected in such a way that nobody was prejudiced. Affirmative action within the police "should be on an objective and measurable basis".

UN set to lift arms embargo

BIDay 25/5/94

MARK ASHURST

THE lifting of the UN arms embargo tonight is viewed with excitement by the domestic arms industry, although continued government investment is vital to realise growth, says Jane's Defence Weekly analyst Helmoed Römer-Heitman.

Deputy President Thabo Mbeki left for New York yesterday to meet UN officials.

Denel spokesman Paul Holtzhausen said the speed with which the ban had been undone was an indication of the priority government attached to arms trade.

Despite sanctions, the state-owned manufacturer had sold R400m worth of hardware to foreign buyers "through the proverbial back door", said Römer-Heitman.

The end of sanctions would enable SA to exploit its superior technology in significant niche markets. "The SA industry was forced to reinvent the wheel, and in many cases made a better job of it."

MICK COLLINS reports that an analyst said with the official lifting of the UN oil embargo SA could now import crude on the open market "although this has been taking place unofficially all along".

He said there was no reason why the oil industry should retain its cloak of secrecy. All the restrictions had been removed so deregulation should be speeded up.

Transnet economist Mike Schussler said Sasol's Natref refinery had been receiving oil from Kuwait and therefore some of the coal-to-petrol processes had been switched to the cheaper oil-to-petrol method.

But the consumer was still paying a premium on petrol. "This should now fall away. The National Economic Forum's liquid fuels task force should be looking at the structure of the petrol price."

He said the end of the embargo could prompt international oil companies to consider expanding their investments in SA.

UN lifts arms ban

CT 27/5/94 (280)

Jobs for 20 000 likely

SOUTH AFRICAN arms exports are expected to more than double to R1,8 billion in the next year, creating about 20 000 jobs, following the lifting of the United Nations arms embargo.

This was said yesterday by Armscor's executive general manager, Mr Tielman de Waal

At a press conference in Pretoria he said. "We estimate that an increase of defence exports by more than R1bn for the current year is possible."

Welcoming the UN move, Defence Minister Mr Joe Modise said "Should South Africa's present 0,4% share in the world armaments market be increased to only one percent, this will result in 20 000 new job opportunities"

The arms industry is one of the largest exporters of manufactured goods in the country Armscor built up a sophisticated arms industry after mandatory and voluntary arms sanctions were imposed against South Africa 17 years ago because of apartheid

The United Nations Security Council scrapped the embargo on Wednesday.

The council's unanimous action was taken at a meeting held, symbolically, on Africa Day and addressed by Deputy President Mr Thabo Mkebi.

Mr De Waal said the move was "very significant" as it opened access to international suppliers and markets and measures would be announced that "will make it possible to have maximum openness and answerability on our export sales".

"Foreign procurement will no longer have to be conducted in secret and can be conducted in a more cost-effective manner," he said.

Because of South Africa's polecat status in the world, Armscor deals were conducted in the utmost secrecy. The corporation was entitled by law to refuse comment to newspapers on matters it did not wish to respond to — and could also insist that its "no comment" not be published.

Possible markets for arms exports were the Far East, Middle East, Europe and Africa, Mr De Waal said.

He said Africa would not be Armscor's main target market. SA products could be sold in Europe and the Far East as they were on on par with European and American weaponry. Mr De Waal stressed that all deals would depend on counter-trade agreements.

"The defence industry has a substantial range of top quality defence and security products to offer and we believe exports could increase substantially in the next few years"

Among weapons earmarked for export were artillery, including the long-range G5 and G6 guns, "frequency hopping radios", the Rooikat armoured vehicle and Rooikat helicopter, and mine-resistant and mine-clearing vehicles.

The British defence establishment recently expressed keen interest in Rooikat helicopters displayed there

Mr De Waal said SA defence exports had recently increased to more than R800m a year, but as a result of the arms embargo, SA had a very small share of the international market — less than 0,5% — estimated to be worth more than $40bn (about R144bn).

At present more than 15 000 jobs in the defence industry were dependent on exports, Mr De Waal said

He said that although he had not yet officially discussed the issue with President Nelson Mandela, talks with Mr Modise indicated the government supported arms exports by SA.

Mr Modise said that although the defence industry raised moral and political questions, in reality it could contribute significantly to reconstruction and development

There need be no fear that arms and equipment would fall into the wrong hands, he said. The trade had to be conducted in a responsible and accountable manner

Mr Modise said he was delighted that the embargo belonged to the past

— Staff Reporter, Sapa-Reuter

Last of EU's anti-SA bans is lifted

ST Times

By CHERILYN IRETON
London

THE sanctions-against-South Africa era drew to a close on Friday when the European Union removed a law that prohibited military co-operation with South Africa from its statute books.

This was the last remaining formal sanction against South Africa and had been in force since 1985. (280)

With all barriers now removed, the European Union is expected to signal this week that it may offer improved trading conditions to South Africa.

This will be achieved by including South Africa on the list of countries which enjoy favourable trading access to developing countries through its Generalised System of Preferences. 29/5/94

The GSP system, set up in 1971, is about to be overhauled as many of the countries — such as Singapore — originally deemed worthy of EU help have prospered.

"We need to review which countries enjoy GSP trading concessions, and in parallel we plan to invite South Africa on board," said an EU official.

"EU foreign ministers have asked us to look at how we can help South Africa and it will not be long before we can act."

Sanctions-busting fund to go

BY BRUCE CAMERON

Cape Town — One of the last economic-support structures of apartheid, the formerly secret National Supplies Procurement Fund, should be dismantled by early next year.

The fund was the channel for billions of rands used by the National Party government at the height of the international sanctions campaign to finance the stockpile of essential equipment and supplies, ranging from chemicals to high-technology equipment.

In a written submission to the parliamentary committee on public accounts, Zav Rustomjee, director general of trade and industry, said there was R12,6 million outstanding in loans owed to the fund while the fund owned 42 000 tons of contaminated sulphur.

The interest-free loans were for glass tubes, liquid seals, bearings and electronics.

With the exception of a loan of R449 000 to Kopp Electronics, all other loans would soon be repaid to wind down the fund.

(280) CT(BR) 13/11/95

Israel overturns arms embargo against SA

JERUSALEM. — Israel said yesterday it had lifted its arms embargo against South Africa.

"The cabinet has repealed the restrictions on signing contracts with South Africa following the UN Security Council's decision to cancel the military embargo and other restrictions it had imposed in the past," the cabinet secretary said in a statement.

The UN lifted its embargo after the election.

Until Israel decided in 1987 to stop signing new arms contracts with Pretoria, media reports said annual Israeli military exports to South Africa totalled hundreds of millions of dollars.

The two countries were widely reported to have been co-operating on nuclear weapons and ballistic missile research until the restrictions were imposed.

— Sapa-Reuter (280) (364) CT 20/6/94

US lifts arms embargo against SA — but not Armscor

ARGT 21/6/94 (280) (255)

PETER FABRICIUS
The Argus Foreign Service

WASHINGTON. — The Clinton administration has lifted its arms embargo against South Africa, permitting the import and export of arms, ammunition and military services between South Africa and the United States.

But the embargo remains in place against Armscor because of an indictment against several Armscor officials for allegedly breaking the law by buying military equipment from a US company.

The lifting of the arms embargo was published in the Federal Gazette yesterday and backdated to June 8.

It means that it will no longer be US policy automatically to deny licences for the import or export of military items and services.

In future the administration will consider, on a case-by-case basis, all requests for licences to export defence articles to South Africa on the US munitions list.

Last week the administration announced the lifting of the embargo against exporting dual-use items to the South Africa military or police.

The lifting of both embargoes implements the US Security Council's decision on May 25 to terminate its mandatory arms embargo against South Africa imposed in 1977.

The only remaining US federal sanction against South Africa is the 1986 ban on co-operation between US intelligence agencies and the South Africa government.

South Africa ambassador Harry Schwarz said last week that legislation to lift the ban had already been initiated.

A few state and city sanctions against South Africa remain, largely because legislative bodies have not been in session to repeal them.

US/Armscor ban still in place

(250) CT 22/6/94

From SIMON BARBER

WASHINGTON — Although the United States has officially followed the United Nations in lifting the UN arms embargo on South Africa, the ban effectively remains in force on Armscor, its commercial offshoot Denel and two other companies, Kentron and Fuchs.

This is because of the still pending indictment against Armscor, Kentron and Fuchs for their part in a major arms smuggling conspiracy with Pennsylvanian James Guerin.

While charges against seven South African employees were dropped in return for their co-operation with prosecutors, the Justice Department wants Armscor to pay a substantial fine.

US officials were yesterday unable to clarify whether these companies were barred for exporting goods to the US.

The Commerce and State Departments gazetted regulations permitting exports to the SA Police and military.

Congress is preparing legislation to permit the resumption of intelligence co-operation between both countries.

Swiss lift SA arms ban

BERNE — Switzerland announced yesterday it would lift its long-standing arms embargo against South Africa and Zimbabwe, enabling a deal supplying training planes to Pretoria to go ahead.

The Swiss banned arms exports to South Africa 31 years ago.

The move means a 1992 deal to supply 60 Pilatus PC-7 planes to Pretoria can go ahead. The contract was challenged by the ANC in 1993 because the training planes could be transformed into fighter aircraft.

The United Nations said in March 1993 that the sale violated the international arms embargo against Pretoria.

Switzerland's lifting of the embargo against Zimbabwe, on the grounds that it too "is no longer justified", is somewhat belated, given that President Robert Mugabe's majority rule government came to power 14 years ago. CT 22/12/94

Swiss sources said no military exports had been sought with Zimbabwe.
— Sapa-AFP (280)

Sanctions blamed for non-use of trademarks

(280)
Beatrix Payne
BD 19/9/95

A RECENT decision by the Canadian registrar of trademarks on the effect of sanctions on registering SA trademarks could set an international precedent, Carl Van Rooyen of patent attorneys and trade mark agents John & Kernick said yesterday.

The ruling earlier this month, in which Canada granted local sweet manufacturer Beacon the right to the Fizz-Pop trademark, could ensure US hamburger chain McDonald's retained local rights to its famous golden arches trademark. The Beacon trademark had been under attack in Canada for non-use. In SA Chicken Licken's George Sombonos was attempting to have McDonald's stripped of its SA-registered trademarks, also on the basis of non-use.

Fizz-Pop was registered as a trade mark in Canada in 1977, but sanctions prevented Beacon from launching its product in Canada. But the registrar found these trade policies were special circumstances, beyond Beacon's control, which had prevented it from using the trademark. The registrar decided to condone the absence of use.

It was possible the reverse situation would apply for McDonald's, which also had been prevented by anti-apartheid sanctions from using its trademarks in SA, Van Rooyen said.

Circumstances of the Beacon case may differ slightly from the McDonald's case, but it was nonetheless likely to set an international precedent, van Rooyen said.

Sanctions-busting fund to go

BY BRUCE CAMERON

Cape Town — One of the last economic-support structures of apartheid, the formerly secret National Supplies Procurement Fund, should be dismantled by early next year.

The fund was the channel for billions of rands used by the National Party government at the height of the international sanctions campaign to finance the stockpile of essential equipment and supplies, ranging from chemicals to high-technology equipment.

In a written submission to the parliamentary committee on public accounts, Zav Rustomjee, director general of trade and industry, said there was R12,6 million outstanding in loans owed to the fund while the fund owned 42 000 tons of contaminated sulphur.

The interest-free loans were for glass tubes, liquid seals, bearings and electronics.

With the exception of a loan of R449 000 to Kopp Electronics, all other loans would soon be repaid to wind down the fund.

(FB)(280) Star 13/11/95