ZIMBABWE - LABOUR

1996 - 1997

Issel ejected again for breach of 'colonial' dress code

CT 12/3/96 (363)

CHRIS BATEMAN

ACCUSATIONS of double standards, hypocrisy, racism and sexism flew thick and fast as the Western Cape legislature again debated their dress code deadlock yesterday.

ANC MPL Johnny Issel was ordered out the chamber for breaking existing clothing norms.

Issel raised the issue last month by wearing a "Cuban shirt" after following for two years an agreed set of rules that allow traditional dress or a jacket and tie.

Yesterday Issel wore a loose fitting, flowing shirt he described as "Malaysian", and was promptly ordered from the house by Speaker Willem Doman.

Last week Doman allowed several ANC members to wear an assortment of tie-less shirts, as the rules committee was still reconsidering the code.

Yesterday Issel returned to the debating chamber in regulation jacket and tie 10 minutes after being ordered out.

This prompted Education MEC Martha Olckers to claim that Issel's protest was a deliberate provocation of the Speaker and contemptuous of a long-standing agreement.

ANC leader and Economic Affairs MEC Chris Nissen praised the Freedom Front's Eleanor Lombard for "teaching both parties a lesson and bringing a sense of reason" to the debate.

Lombard said the legislature was "ridiculing itself in the media" and that it should rather devote the 85 minutes to speeding up legislation, fighting crime, and helping street children.

She said the NP was "out of step with the new culture and reality" and that a tie would soon become irrelevant in South African politics.

She also said the ANC had broken a moral obligation to follow an agreed set of house rules.

Local Government MEC Peter Marais claimed the ANC wanted to "return to rondavels and drums".

Issel described the existing code as a "version of colonialism".

Several members pointed out that there was no dress code for women.

Doman ruled that the matter be "removed from the political debate".

Zim labour minister suspends cutbacks

(363) Star 4/5/96

By ROBIN DREW
INDEPENDENT FOREIGN SERVICE

Harare – The Zimbabwean government is forcing companies to keep staff on the payroll even though many employers face certain bankruptcy.

In a May Day announcement, Zimbabwe's Labour Minister, Dr Nathan Shamuyarira, said the government had suspended all applications for retrenchments. He has been sharply criticised by employers.

Many business concerns are in bad shape and have been forced to cut down on staff. The government's delay in reducing tariffs on raw materials, the inflow of manufactured goods from South Africa, the prolonged negotiations over a new trade agreement with South Africa and sky-high interest rates have all contributed to the problems faced by commerce and industry.

Shamuyarira has also upset some companies with his support of union calls for wage increases above the inflation rate of about 24%.

The Reserve Bank has called for restraint in collective bargaining.

Ian Ferguson, deputy president of the Confederation of Zimbabwe Industries, said the government was taking a step backwards by insisting on controlling the labour market and forcing companies to keep staff on when faced with bankruptcy.

Unemployment in Zimbabwe is rife and is estimated at about 40% of the workforce, with 200 000 school-leavers joining the ranks of the jobless every year.

Zimbabwe workers 'will frustrate bank'

BD 18/7/96 (~~362~~)(363)

Michael Hartnack

HARARE — Hundreds of textile workers facing redundancy demonstrated noisily in central Harare yesterday as black empowerment campaigner Phillip Chiyangwa threatened to make life "a nightmare" for the British chief executive-designate of Standard Chartered Zimbabwe.

"Let him land here and we will give him the shock of his life. If he stays here, we will frustrate him," Chiyangwa said, reacting to news that President Robert Mugabe's government had granted work and residence permits to Barry Hamilton.

Reflecting the increasingly truculent tone of the "indigenisation" crusade which Mugabe started, chanting workers yesterday marched to the information ministry and the high court supporting the ban on a South African liquidator for the troubled fashion enterprises company.

Police appeared caught by surprise by the march but made no immediate moves to interfere. The workers supported the action of the high court master, Jacob Moyo, who said the firm's SA nominee would be denied a work permit and would therefore face arrest if he tried to comply with a judge's provisional liquidation order.

Business sources say Standard Chartered's international heads made a pilgrimage to Harare last month and sponsored a major investment conference in a bid to gain Mugabe's blessing for the recruitment of 26 expatriate experts, headed by Hamilton.

Mugabe is already locked in confrontation with Anglo American Corporation and Lonrho over their alleged refusal to put blacks in top positions here. Commerce minister Nathan Shamuyarira indicated last week Anglo would not be permitted to bring its Zimbabwe expert, Phillip Baum, from 44 Main Street when Roy Lander retired as CE in Zimbabwe.

BHP Minerals, Australian backer of the biggest investment in Zimbabwe in 16 years of independence, says Mugabe has not honoured promises about freedom to import expatriate skills. The mines ministry last week said BHP had been given two years to train local replacements, after which permits would not be renewed.

Diplomats note that while Mugabe and party stalwarts have so far been able to control the temperature of the vote-catching "indigenisation" debate, the potential for runaway ethnic violence is inherent.

Ire at expatriate posting in Harare

(362) Star 20/7/96

By ROBIN DREW

Harare – The Affirmative Action Group in Zimbabwe has threatened to make life a nightmare for the newly appointed chief executive of Standard Chartered Bank because he is being sent from Britain by the British-owned bank.

Barry Hamilton is due to take over next month from another expatriate, Jim McKenna.

The outspoken president of the AAG, Philip Chiyangwa, said in a statement: "Let him land here and we will give him the shock of his life."

Another black economic empowerment group, the Business Development Centre, has also condemned Hamilton's appointment, calling it an affront to the people of Zimbabwe.

Industry and Commerce Minister Nathan Shamuyarira said recently that Anglo American Corporation would not be allowed to bring in someone from outside the country to replace outgoing chairman Roy Lander, who is a Zimbabwean.

President Robert Mugabe has criticised multinational companies for not giving black Zimbabweans control of their affairs in the country. – Independent Foreign Service

Saturday Star
July 27 1996

Conservationists furious about plan to blast water tunnel through Zimbabwe reserve

(362) Star 27/7/9

By ROBIN DREW
INDEPENDENT FOREIGN SERVICE

Harare – Conservationists in Zimbabwe are up in arms over a scheme to tunnel through a mountain in Nyanga National Park to pipe water to the eastern border city of Mutare from the Pungwe River.

They have contacted Greenpeace in Stockholm to bring the matter to the world's attention.

Swedish engineering firm Skanska has been awarded the tender for the project, which involves blasting a 2,5m-wide tunnel for more than 4km from a site in the national park, renowned for its spectacular scenery.

The conservationists say they are particularly angered by the failure to carry out a detailed environmental impact assessment before officials decided to go ahead with the project, which would cost more than Z$1-billion (about R500 000).

Organisations such as Friends of the Pungwe said a major dam completed only two years ago could supply Mutare with water from a pipeline at about a quarter of the cost with minimum damage to the environment.

Critic Sally Wynn said: "The point about the Pungwe project is that there are perfectly viable alternatives to blasting a 2,5m-wide hole through pristine national park scenery and taking water out of a fast-flowing mountain river which supports one of southern Africa's finest and wildest forest ecosystems, as well as huge populations of rural people living downstream in the Honde Valley and Mozambique."

She said there were many signs that political pressure was playing an important role in determining the fate of the Pungwe River.

Little attention had been paid to the matter because the site affected was not internationally known, Wynn added.

According to Swedish government statements, finance would be provided for the pipeline project only if a detailed environmental impact assessment was carried out.

However, critics have asked how this could be part of the project rather than being the basis on which a project would be approved or rejected.

When villagers in the Honde Valley complained that they had not been consulted, they were silenced by a deputy minister who threatened to dam the whole valley and resettle them elsewhere.

Wynn suggested that major engineering companies in the developed world, finding their wings clipped by tough environmental legislation at home, were taking advantage of the situation in the developing world.

"Are they taking advantage of a climate of corruption by waving the carrot of high-profile, expensive development projects at politicians who have the ability to influence tender procedures and to secure major contracts for them?" she asked in an article published by the Zimbabwe Independent newspaper.

Wildlife Society president Mike Hitschmann told the Independent Foreign Service that the Manicaland branch was "dead against" the scheme.

He said the alternative proposal – to pump water from the Osborne Dam – would have practically no effect on the environment.

He understood from reliable sources that the tunnel scheme contained inaccurate figures. Mozambicans feared that the scheme would affect water supplies in their country. Legal advice was being sought about obtaining an interdict to stop the Pungwe scheme from going ahead, but apparently there was no environmental law which would allow this to be granted.

The pipeline was already being pegged out. However, contractors could run into problems trying to gain access through private land, Hitschmann said.

Public servants defy order to end strike

(363) BD 22/8/96

HARARE — Zimbabwean public servants defied a government order yesterday to end a countrywide strike over pay which has partially paralysed some critical social services.

Public Service Association union officials said "many" of Zimbabwe's 180 000 public servants would continue the strike that began on Tuesday and left only senior officials at work.

"We have not changed our stance. Our position is still that we will return to work only once there is some commitment that the public services commission and public service, labour and social services ministry will address our grievances," said association executive secretary John Makoni.

The association is demanding wage increases of about 30% and says increases of between 3% and 8% recently awarded by the government are not acceptable.

Local news reports said thousands of government employees were milling around their work places around the country despite calls on Tuesday by Public Service, Labour and Social Welfare Minister Florence Chitauro for them to go back to work.

Chitauro said the strike was illegal and those who did not return to work would be dismissed.

State hospitals were handling only critical cases and offering rudimentary services in general wards, using senior nurses, army medical personnel and Red Cross nurses, with thousands of of their own nurses on strike. — Reuter.

(363)

Zimbabwe workers refuse to end strike

Star 22/8/96

Harare – Tens of thousands of striking Zimbabwean government workers, ordered to return to work or face dismissal, yesterday defiantly continued their indefinite work stoppage over wages.

The 180 000 state employees, who were last month awarded a 6% pay rise plus a 3% cost of living adjustment, embarked on a fully fledged strike on Tuesday demanding a 100% pay rise.

Reports indicate that additional civil servants, including customs and immigration officers at one of the country's busiest border posts, Beitbridge, had joined the nationwide industrial action yesterday.

Doctors also joined other junior and medical support staff at various hospitals throughout the country.

Thousands of placard-wielding and chanting workers marched on the streets of Harare, blocking traffic along the busy city centre.

According to a survey carried out last year, Zimbabwean civil servants are underpaid by more than 170% compared with their counterparts in the private sector.

The government last year refused to pay civil servants their annual bonuses, claiming it was broke.

Public Service Commission chairman Mariyawanda Nzuwah warned that workers who defied the return-to-work order risked dismissal.

The strike is the first to hit every government department in more than a decade, and came just two days after President Robert Mugabe's wedding to his former secretary, which some bitter strikers described as lavish. – AFP

Civil-service strikers defiant

(363) ARG 23/8/96

HARARE. – Zimbabwean civil servants today defied government threats to dismiss them if they did not end a four-day strike over pay that has severely damaged some essential social services.

Thousands of strikers, including junior state doctors, nurses and magistrates, vowed to remain on strike until their demands were met. – Reuter.

Striking civil servants take on Mugabe

(363) Star 24/8/96

Harare – Zimbabwean civil servants pressed on with a strike for higher pay yesterday in an unprecedented defiance of government threats to sack them if they persisted.

Thousands – including junior state doctors, nurses, magistrates and mortuary attendants – emboldened by strong public support, said they would remain on the streets until their demands for wage rises of between 30 and 60% were met.

The strike is a rare challenge to President Robert Mugabe and his ruling Zanu-PF party both in power since 1980.

Some senior officials and MPs have broken ranks with the government to support the workers. Others have insisted that the government could not afford to back down.

On average, civil servants earn Z$1 000 (R445) a month and union leaders justify their 60% pay rise demand on the grounds that salaries in the public service have fallen far below the cost of living over recent years. – Reuters

Bureaucrats sacked in Zimbabwe strike

(363) ST 25/8/96

ZIMBABWE's civil servants who have paralysed state administration for four days with the country's biggest strike by government workers, were notified yesterday that they had been sacked.

A notice published in the state-owned Herald newspaper by the Public Service Commission, which administers the country's 160 000 civil servants, said that all workers who had failed to turn up for work on Friday "have been summarily dismissed".

They were also barred from their offices "with immediate effect", the notice said. The same applied to anyone who incited workers to strike.

The announcement shows President Robert Mugabe's government taking a tough stance in an attempt to halt the action that began five days ago over workers' demands for a 60 percent pay rise. Observers say union leaders will be hard-pressed to prevent the stoppage from collapsing on Monday.

The strike was sparked by state workers' meagre salaries — which even the government admits are low — being hit by inflation of 22 percent.

The government says large pay hikes will wreck cost-cutting reforms desperately needed by the moribund economy.

Sapa

Zimbabwe strikers sacked

CP 25/8/96 (363)

ZIMBABWE'S striking civil servants, who had paralysed state administration for four days with the country's biggest industrial action by government workers, were formally notified yesterday that they had been sacked.

A notice published in the state-owned daily *Herald* newspaper by the Public Service Commission, which administers the country's 160 000 civil servants, said that all workers who had failed to turn up for work on Friday and did not stay there all day "have been summarily dismissed from the service".

They were also barred from their offices "with immediate effect".

The same applied to anyone who incited workers to strike.

The announcement shows President Robert Mugabe's government taking a tough stance in an attempt to halt the action ago over workers' demands for a 30 percent pay rise.

Observers say union leaders will be hard-pressed to prevent the stoppage from collapsing tomorrow.

Labour Minister Florence Chitauro was also quoted yesterday in the *Herald* as saying that strikers would not get their September salary cheques.

The country's state-owned newspapers, radio and television appeared to have imposed a news blackout on the strike, with coverage limited mostly to official statements.

Fire-fighters in the government's civil aviation department joined the strike on Thursday, and air force fire-fighting personnel had replaced them at Harare, Bulawayo, Kariba and Hwange.

No international flights from Harare have been cancelled, though several were delayed on Friday.

The strike is a result of state workers' meagre salaries – which even the government admits are low – continually eaten into by inflation running now at 22 percent.

The government says large pay hikes will wreck cost-cutting reforms desperately needed by the economy. – Sapa

Zimbabwe customs officials join strike

BD 26/8/96 (363)

LUSAKA — The nationwide strike by civil servants in Zimbabwe has resulted in the temporary closure of the Zambia-Zimbabwe border at the Victoria Falls and left scores of travellers stranded on either side, an immigration official said on Saturday.

Zambian immigration officials in Livingstone were caught unaware when Zimbabwean customs and immigration officers joined their striking colleagues, saying the Zimbabweans had not notified them of the border closure.

Scores of frustrated tourists tried to cross into Zambia but were unable to do so. Several foreign tourists who had earlier crossed into Zambia were stranded there, missing their flights in Zimbabwe.

Zimbabwean police have threatened to shoot anyone trying to cross the border illegally.

The Zimbabwean government fired thousands of workers on Saturday for defying an order to end the strike.

The Public Service Commission said the public workers, including nurses, junior doctors, mortuary attendants, customs officers and firefighters, would be barred from entering their workplaces today.

The Public Service Association said police had arrested, for the second time this week, union executive secretary John Makoni and his deputy Charles Chivuru for inciting the workers to stay on the streets. — Sapa-DPA, Reuter.

Strike 'a chance to trim Zimbabwe civil service'

(363)

Mugabe sees sackings of staff, who are demanding up to 60% increases, as good way to reduce bloated bureaucracy

Star 26/8/96

Harare – President Robert Mugabe said yesterday the sacking of civil servants who defied an order to return to work had provided an opportunity to reduce a civil service he described as too large.

Saying that his government would not condone illegal strikes, Mugabe added: "They never brought grievances to our attention but we do not take kindly to illegal strikes. The public service is far too large and this could be an opportunity to reduce it."

Interviewed by journalists on his return from the 16th Southern African Development Community (Sadec) summit held in Lesotho, Mugabe said the government would nevertheless probe the grievances.

Thousands of civil servants were dismissed by Public Service, Labour and Social Welfare Minister Florence Chitauro on Friday for taking part in a nationwide strike that crippled the provision of essential social services.

Beginning last Monday, doctors, mortuary attendants, nurses, firefighters and air traffic controllers downed tools in protest at an average 9% salary rise and demanding increases of at least 60%.

Services have been heavily curtailed with local and international flights being affected and state hospitals being forced to handle only emergency cases.

"I do not understand the reason for the strike because only two weeks ago I was briefed on their salaries for this year.

"I was happy because statistics showed a 20% rise. Why that has evidently been halved I do not understand," Mugabe said.

■ Roman Catholics in Zimbabwe, some of whom were incensed by the report that the church had given the Mugabes R20 000 as a wedding present, have been assured the report was false. A spokesman for the archdiocese said the report, which appeared in the Sunday Mail, was "very unfortunate". He said a significant and vital form of participation by the laity was contribution to the upkeep of the church and its work

President Mugabe and Grace Marufu were married by Archbishop Chakaipa at a huge wedding last weekend. The Sunday Mail apologised for the error. – Sapa and Star Foreign Service.

60 000 strikers to force showdown with Mugabe

(3.63) Star 27/8/96

Largest and most disruptive strike since Zimbabwe's independence sees chaotic airports and border posts, overstretched hospitals and bodies piling up in mortuaries

Star Foreign Service
Harare

A showdown is looming for President Robert Mugabe's government over the civil servants' strike, now in its second week as 60 000 determined strikers demand pay raises of more than 20%.

With overstretched hospitals, overflowing mortuaries, chaotic airports and border posts, the strike is the largest and most disruptive since Zimbabwe's independence in 1980.

All the strikers, including doctors, nurses, accountants and engineers, were fired last Friday by Minister of Labour Florence Chitauro.

"All the civil servants who did not return to work are fired and they will not be permitted to return to work," reiterated Chitauro on state-owned television on Sunday night.

Adamant strikers scoff at Chitauro's ultimatum as an "empty threat". "We were not hired on television so we cannot be fired on television," said strike spokesman Givemore Masongorera. "There are procedures for dismissing workers and the government must follow them."

The strikers say the government must agree to give them pay increases substantially higher than the 6 to 9% raises received in their latest salary cheques.

Private sector is paid 175% more

They say the raises should at least match Zimbabwe's annual inflation rate of around 26%. The strikers also point to a government survey which concluded that workers in the private sector are paid 175% more than civil servants with equivalent positions.

So far the strike has been peaceful as 5 000 workers demonstrated in Harare's city centre last week. Three strike organisers were arrested and released on condition they do not incite the strikers.

Zimbabwe's hospitals are running on an emergency basis with the help of the army medical corps and Red Cross volunteers. The mortuaries are terribly overcrowded, with many corpses just stacked on the floor. Border posts are badly affected and so are the airports, where numerous flights have been cancelled.

"We don't take kindly to illegal strikes," said President Robert Mugabe, upon his return from Lesotho on Sunday night. "Already the public service is far too large and it may be an opportunity for us to reduce it," he said.

Mugabe and unions try to stare each other down

Star 28/8/96 (363)

Nationwide general strike looms as government refuses to meet public servants' demands for much more pay

Reuters
Harare

Zimbabwe's Congress of Trade Unions (ZCTU) threatened yesterday to calla general strike if the government continued to reject negotiations with thousands of striking civil servants.

ZCTU president Gibson Sibanda said it was giving the government of President Robert Mugabe, who is visiting Kenya, until Friday to resolve the standoff with the striking workers which has paralysed several key social services.

The ZCTU is an umbrella group of all Zimbabwe's independent trade unions which include the key agriculture and mining sectors.

"The ZCTU general council implores the government to come to the negotiating table for a quick resolution of the issues," Sibanda told reporters. "If by Friday these issues are not resolved we are going to review our position and further action is bound to be taken.

"We are not ruling out the question of calling a nationwide strike for all other workers in other sectors to force government to come up with a resolution."

The government has so far remained uncompromising on its decision to fire the striking civil servants, including nurses, junior doctors, mortuary attendants, prosecutors and firefighters, for defying an order to end their week-long action.

The Public Service, Labour and Social Welfare Ministry said in a statement yesterday officials had so far compiled a list of 7 000 workers for formal notices of dismissal for taking part in the strike which has posed a rare challenge to Mugabe and his dominant Zanu-PF party, both in power since 1980 independence.

Public Service Association (PSA) union officials say 70% to 80% of the country's estimated 180 000 civil servants were on strike to press demands for pay increases of between 30% and 60%.

Some senior officials said the tough stance the government had taken was for public view, and that it was in fact making desperate private efforts behind the scenes to end the crisis which has left key social services barely functioning.

"That's the government's public position, but privately I can tell you that the government is making desperate efforts to find some sort of compromise," one senior official told Reuters.

"We just cannot afford the expense, whatever angle you look at it," another official said, adding the government was considering enticing strikers back to their jobs with a 20% wage rise and open-ended talks on salaries and working conditions.

Both officials declined to be named.

The civil servants, who earn an average Z$1 000 (about R450) a month, say that their wages have not matched high inflation which has averaged 22% in the last two years.

Zimbabwe backs down on strike

(363) Star 29/8/96

Harare – The Zimbabwe government, apparently relenting in its attitude to the strike by civil servants, said yesterday it would pay a 20% salary increase on top of 6% cost of living adjustments, Ziana news agency reported.

Civil servants, who went on strike on Monday demanding salary increments of between 30% and 60%, will now receive a minimum of 26% and a maximum of 29% backdated to July 1.

However, the position remained unclear concerning the civil servants that the government said had been fired for failing to return to work last Friday.

Public Service, Labour and Social Welfare Minister Florence Chitauro said civil servants should have received 20%, as part of the 60% recommended by the Public Service Commission.

Last year, the government said it would stagger the 60% over three years following a job-evaluation exercise that showed salaries for civil servants lagged behind those in parastatals by 84% and those in the private sector by 172%. – Sapa.

Civil servants turn the pressure on Mugabe

(363) Star 30/8/96

Angry strikers say 20% hike not enough, want up to 60%

AFP
Harare

Zimbabwe's government backed down yesterday in the face of a crippling strike by civil servants and announced a 20% pay increase, but thousands of workers spurned the offer as their anger turned increasingly towards President Robert Mugabe himself.

"The strike continues," said Richard Mahlahla, an official of the Government Workers' Association, as civil servants gathered in Africa Unity Square in the centre of Harare while their leaders negotiated with Public Service Minister Florence Chitauro.

Cowhide drums thudded out a beat as some of the workers sang songs complaining that Mugabe was enjoying himself with his new wife, Grace, on a visit to Kenya while they were suffering.

Other songs turned the lyrics of liberation-war ballads against the Mugabe government, which came to power in 1980 after leading an armed struggle against white minority rule.

The targeting of Mugabe personally has been an unprecedented feature of the strike, which has seen corpses piling up in mortuaries, the army called in to run essential services in hospitals and government offices deserted.

Official sources said the decision to award the 20% pay rise backdated to July 1 followed an intense cabinet debate on Tuesday where it was agreed that the strikers had legitimate grievances.

This represents an about-turn on the part of the government, which announced last week that all the strikers among the country's 165 000 civil servants had been sacked.

> **"I'm directing commission to pay the increase immediately"**

An apparently unsympathetic Mugabe – who received a salary increase of more than 100% in November – said the strike could provide the opportunity for the government to cut jobs from the bloated civil service.

But in announcing the government's change of heart, Chitauro appeared to blame administrative blundering for the strike.

She said the workers should have received the 20% increase as a matter of course after a job evaluation exercise recommended they get 60% staggered over three years.

The review had shown salaries for government workers lagged behind those in the private sector by 172%, with junior to middle-grade workers receiving between about R550 and R2 300 a month.

"It has now come to light that the majority of the civil servants did not receive the promised 20%, so I am now directing the Public Service Commission to rectify that anomaly with immediate effect so that our commitment is met," Chitauro said.

Strikers' representatives in Africa Unity Square said, however, that the 20% had been expected anyway and they would continue to push for increases of up to 60%.

They are also insisting that all sacked workers should be reinstated.

Observers believe, however, that the government's move will have averted the threat of a full-scale national strike, announced by the Zimbabwe Congress of Trade Unions and due to begin today.

Defiant Zimbabwean workers protest again

Star 31/8/96

(363)

Harare – Thousands of Zimbabwean government workers resumed street demonstrations yesterday on the 14th day of a crippling strike, after spurning a government offer of a 20% pay increase.

A union spokesman, Austin Bene, told a large crowd of strikers that labour leaders were still awaiting a response from Public Service and Employment Minister Florence Chitauro, who indicated that she needed to consult President Robert Mugabe and the cabinet on some of the workers' demands.

"But we are confident we should be able to get something out of our demands," said Bene, who belongs to the Hospital Doctors' Association, before the strikers took to the streets of the capital.

"We have not had a response from Chitauro, but a team has gone to her now so that we can see which way forward," Bene said.

Escorted by police, the strikers then marched in orderly fashion through the city, agreeing that they would not obstruct visiting Malawian President Bakili Muluzi's official motorcade if they ran into it.

The seven-point demand handed to Chitauro includes immediate implementation of the recommendations of a job-evaluation exercise which showed that state workers' salaries lagged behind their private sector counterparts by 172%.

The strikers say the 20% offered to them on Thursday and backdated to July 1 is not enough ~~and are~~ demanding up to 60% in pay and allowances. The government's offer apparently came in time to avert a nationwide general strike threatened by union leaders when, early this week, they gave the government an ultimatum to address their demands.

The unions are seeking government guarantees that all future pay rises will be pegged above the prevailing inflation rate and want a single governing labour law, without distinction between private and public sector employees.

Before they resume work, the strikers also want the unconditional reinstatement of all sacked employees. The government announced this week it had fired 7 000 striking employees.

Hardline

The government has backed down from an initial hardline stance, but the strikers, aware that Mugabe and his ministers awarded themselves pay rises of more than 100% in November, have refused to go back to work.

Junior to middle-grade workers earn between R450 and R2 250 a month.

The salary bill for the country's 165 000 public service workers represents about 40% of the country's gross domestic product, and the major backers of Zimbabwe's economic reforms – the World Bank and the International Monetary Fund – have been putting pressure on the government to reduce it. – AFP

Civil servants in Zim to end strike if no 'victimisation'

(363) ARG 31/8/96

HARARE. – Zimbabwean civil servants say they will end a costly 11-day strike if the government assures them nobody will be sacked or victimised.

"That is our condition after accepting the government's pay and talks offer," said Public Service Association (PSA) union president Givemore Masongorera.

"We are still discussing this issue with the government but it is an issue on which we are not going to budge because we cannot have our members fired or victimised for the government's own mistakes," he said.

President Robert Mugabe, whose ruling ZANU-PF party has been deeply divided by the unprecedented strike, has been attacked over its handling of the pay dispute, with many people calling on him to re-employ the strikers unconditionally.

The government has awarded the workers – who include doctors, nurses, prosecutors, magistrates, tax collectors and firefighters – a 20 percent wage rise, claiming it had belatedly realised it had not met a longstanding commitment to pay that amount.

It said the increase was in addition to a rise of up to nine percent announced in July – which the 180 000 civil servants said was grossly inadequate – and committed itself to open-ended talks with unions on wages and working conditions.

The PSA said that 70 to 80 percent of the civil service joined the strike that began on August 20.

The strikers demanded wage increases of 30 to 60 percent.

The government announced a week ago that it had fired thousands for defying orders to return to work.

Public Service, Labour and Social Welfare Minister Florence Chitauro has not said whether the dismissals will be reversed.

Mr Mugabe and his officials have not commented on the strike since the government climb down on Thursday.

Many Zanu-PF party MPs have backed the strike, saying civil servants are extremely poorly paid.

On average, civil servants earn Z$1 000 (R445) a month. They say salaries have fallen behind annual inflation – which averages 22% – over the past two years. – Reuter.

Mugabe and govt condemned for handling of civil servants' strike

(363) Star 4/9/96

By Robin Drew
Harare

One outcome of the nationwide strike by civil servants in Zimbabwe in support of demands for more pay has been the lambasting of the government for its mishandling of the crisis.

In parliament government backbenchers tore into the ministers for looking after themselves but neglecting the workers.

Government party backbencher Lazarus Nzarayebani said the leadership had been able to get the kickbacks, "the few millions here and there and fat foreign accounts", but they had forgotten the people who had helped achieve freedom.

The state-controlled media, particularly radio and television, has had a news blackout imposed on it and only officially approved statements about the strike, which has cost the country millions, have been carried.

On some nights, no mention at all was made in the main television news bulletin of the strike and its consequences for the country.

In independent publications, however, there has been an outpouring of criticism of the Mugabe administration and of the president himself.

Mugabe, who went away on holiday after his wedding the week the strike started, was accused by the Zimbabwe Independent of "dismissing civil servants' grievances with the arrogance that has become his hallmark.

"Sixteen years of so-called landslide electoral victories have made Zanu (PF) complacent and insensitive to the predicament of ordinary people whose incomes have been eroded by government-fuelled inflation," said the paper.

When the government admitted last week that civil servants had a genuine grievance as they had not been paid the 20% increase promised to them under a restructuring exercise, Public Service Minister Florence Chitauro said she could not revoke dismissal notices until the cabinet approved such a decision and that would not be until this week.

Even the government-owned Herald carried a report saying "observers" wondered whether it was the government and not the strikers which was prolonging the stoppage.

A prominent Zimbabwean writer, Chenjerai Hove, said the events of the last few days clearly showed that the leadership had so thoroughly decayed that there was little that could be done to resuscitate it.

He too spoke of the arrogance with which government leaders ran the country's affairs. Hove said the politicians seemed unable to read the anger and frustration running through the national imagination.

"To the strikers I say, strike a blow and live. And to the Congress of Trade Unions, I say strike a blow for justice and a humane leadership.

"Teach the leaders the capacity to talk and negotiate, not to threaten."

He said, "When a leadership lacks vision in critical times, that is indeed doom, the death of an era. Don't say we did not say it. The flower of our freedom is wilting daily and no one seems to care any more." – Star Foreign Service.

MAIL & GUARDIAN
September 6 to 12 1996

Mugabe fiddles while Zim burns

MtG 6-12/9/96 (~~362~~) (363)

The widespread strike in Zimbabwe may be over, but the country's troubles aren't, reports Julius Zava

ALTHOUGH Zimbabwe's strike by civil servants has been suspended, the threat of renewed labour unrest continues.

The strikers have given the government until September 27 to address problems which lead to their strike which lasted nearly four weeks — the most widescale and costly labour unrest since independence in 1980.

While the strike (which economists say cost the country the equivalent of at least R500-million) was at its height, President Robert Mugabe and several of his ministers were out of the country.

Dr Edmore Kambudzi, a political scientist at the University of Zimbabwe, said Mugabe felt secure enough to leave at such a critical time because "he has a lot of dead wood at the top, hangers-on whose job it is to make sure Mugabe stays in power. These people control the army and the police."

Mugabe displayed his ignorance of the reasons for the strike when he returned home after his Cape Town honeymoon: "I don't understand why the strike is on at all. Government never knew there was a grievance. Those who are striking never told us."

Lower civil servants, many of whom live far below the bread line, got an average 3% increase just before the strike, while Cabinet ministers, permanent secretaries and their deputies and others got an average 45% increase as well as other perks.

The strike has further dented Mugabe's popularity in Zimbabwe, with foreign donors, the International Monetary Fund and the World Bank.

Kambudzi explained this by saying: "Mugabe has indicated he may resign before the next presidential elections, so he does not care anymore about serious national problems even though he is doing great harm to the nation. It will take years to recover from Mugabe's mess."

Zimbabwe civil servants strike again

Star 22/10/96 (363)

Harare – Thousands of Zimbabwean civil servants, including nurses and doctors, went on strike yesterday to demand higher pay, union officials said.

The Public Service Association (PSA) said the union had called its members on to the streets to press President Robert Mugabe's government to open serious negotiations with it on workers' demands. These included the reinstatement of a year-end bonus which the cash-strapped government scrapped last year.

About 3 000 strikers met in a central Harare park yesterday afternoon and thousands others milled around the city. PSA officials expected more from the 180 000-strong civil service to join the strike – the second in two months – today.

The government ended a three-week civil servants strike last month by awarding the workers a 20% pay rise backdated to July, and promising to start open-ended talks on their demands for wage hikes of up to 60%.

Government officials were not immediately available to comment on yesterday's strike, which the PSA said was aimed at re-opening the negotiations.

"Civil servants have postponed industrial action twice already in a bid to accommodate the lack of government urgency," the PSA said in its statement, accusing the government of postponing the talks three times in the past month.

"The workers will review the situation when government seriousness has been gauged based on the response (to the strike)," it said. – Reuters.

Mugabe's government hit by another public service strike

BD 22/10/96 (363)

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"The workers will review the situation when government seriousness has been gauged based on the response (to the strike)," it said. — Reuter.

Zimbabwe public servant strike continues

CT(BR) 23/10/96

Thousands of Zimbabwean public servants went on strike for a second day yesterday to demand more pay, ignoring a government promise to begin negotiations today. Unions representing state-employed doctors and nurses said they would stay on the streets until the government showed it was taking their grievances seriously. "We have been duped before and that's not going to happen again," said a union official. The public service, labour and social welfare ministry said talks would start today. About 10 000 workers were on strike on Monday, but it was unclear how many joined them yesterday. The main government teachers' union said it would not join the strike but would give the talks a chance. The government has postponed the talks three times since last month, pleading for more time to prepare its position. — Reuter, Harare

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Striking doctors defy order to return to work

(363) Star 29/10/96

Harare – Thousands of striking civil servants defied a government order to return to work yesterday, vowing to stay in the streets until their demands for higher wages were met.

The government said that it would not negotiate with the strikers, mostly junior doctors and nurses, because they had broken away from the negotiating team.

"The government will not negotiate with a splinter group. Those nurses not at work [by today] will be guilty of a serious offence with the government," said acting Public Service, Labour and Social Welfare Minister Nathan Shamuyarira.

One of the strikers told reporters: "We will not give in to these threats. We have been patient with the government for the past five years but it has been procrastinating. They have to come up with a solution now."

The civil servants took to the streets last week for the second time in two months after the government twice postponed talks on demands for higher allowances and conditions of service. – Reuters.

Zimbabwean government orders strikers back to work

ET(BR) 29/10/96 (363)

From Reuter

Harare — The Zimbabwean government ordered thousands of striking public servants back to work yesterday, saying it would not negotiate with them because they had broken away from a unified negotiating team.

But the strikers, mostly junior doctors and nurses, defied the order, vowing to stay in the streets until the government awarded them higher allowances and negotiated over their demands.

"The government will not negotiate with a splinter group.

"The Cabinet does not have the matter on its agenda. Those nurses not at work will be guilty of a serious offence with the government," Nathan Shamuyarira, the acting public service minister, said yesterday.

He and top government officials were unavailable for further comment on what action would be taken against the strikers, some of whom said the statement was aimed at dividing them to weaken their position.

"We will not give in to these threats. We have been patient with the government for the past five years but it has been procrastinating.

"They have to come up with a solution now," one of the strikers said.

The public servants took to the streets last Monday — for the second time in two months — after the government twice postponed talks on their demands for higher allowances and conditions of service.

Hospitals around the country had to call in army medical personnel to help senior doctors handle emergencies.

Last month, President Robert Mugabe's government awarded the public servants a 20 percent pay increase to stop a three-week strike which crippled essential social services.

Air Zimbabwe, the state airline, also said yesterday that it would open talks later in the day to end a go-slow to press for higher wages by aircraft technicians and engineers which has disrupted some domestic and international flights.

Zimbabwean strikers defy govt order

(363) BD 29/10/96

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However, the strikers, mostly junior doctors and nurses, defied the order, vowing to stay in the streets until the government awarded them higher allowances and negotiated over their demands.

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"The cabinet does not have the matter on its agenda. Those nurses not at work (by today) will be guilty of a serious offence with the government," acting Public Service, Labour and Social Welfare Minister Nathan Shamuyarira said.

He and top government officials were unavailable for further comment on what action would be taken against the strikers.

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"We will not give in to these threats. We have been patient with the government for the past five years but it has been procrastinating. They have to come up with a solution now," one of the strikers who refused to be named said.

The public servants took to the streets last Monday — for the second time in two months — after the government twice postponed talks on their demands for higher allowances and conditions of service.

Hospitals around the country had to call in army medical personnel to help senior doctors.

Last month, the government of President Robert Mugabe awarded the public servants a 20% pay rise to stop a three-week strike which had crippled essential social services.

Also yesterday, state airline Air Zimbabwe said that it would open talks to end a go-slow to press for higher wages by aircraft technicians and engineers which has disrupted some domestic as well as international flights. — Reuter.

Strikers refuse to return to work

(363) CT(BR) 31/10/96

From Sapa

Harare — Striking nurses and doctors in Zimbabwe's capital Harare defied a government ultimatum to return to work yesterday, and the main hospitals continued for the 10th day to run on skeleton staff amid reports of patients dying for lack of attention.

At the main Parirenyatwa Hospital an army medical doctor and an eastern European doctor were working in the casualty department. Officials said many wards have been closed down.

"No nurses or junior doctors came today," said a receptionist at the hospital.

Nathan Shamuyarira, the acting labour minister, warned strikers on Tuesday that if they failed to turn up for work by yesterday, they would be fired.

The strike, which late last week spread to hospitals beyond Harare, is the second major labour stoppage in Zimbabwe's health sector in three months.

Labour ministry officials said 2 000 nurses and 232 junior doctors were on strike.

A number of patients are believed to have died because of the strike, but no exact figures were immediately available.

Austin Bene, a spokesman for the doctors, said they had reduced their demands for a major overhaul of salary and conditions of services, to improvements in two sets of allowances.

Early yesterday police cordoned off Unity Square, the main rallying point in the city centre for strikers.

The Zimbabwean Nurses Association (Zina) appealed to striking nurses to return to work and allow negotiations on their demands to continue, Ziana, the country's news agency, reported.

Clara Nondo, the president of Zina, said she had received assurance from the labour ministry that no striking nurses would be victimised if they returned to work yesterday.

Meanwhile, Air Zimbabwe announced yesterday that seven scheduled flights, four regional and one international, had had to be rescheduled as a result of a two-week go-slow by technicians. The action has grounded four of the airline's eight aircraft.

Peter Chikumba, the airline's acting general manager, said technicians had agreed to return to work yesterday to allow negotiations to continue.

Economists said a 20 percent increase granted to the civil service in August would push up the budget deficit by 2 percent to over 10 percent. This will be beyond the limit imposed by the International Monetary Fund for Zimbabwe to qualify for a resumption in lending.

AFRICA

Zimbabwe govt fires 11 000 nurses

363 BD 1/11/96

HARARE — The Zimbabwean government has fired about 11 000 nurses for defying an order to end a strike which has paralysed hospitals around the country.

Acting Public Service, Labour and Social Welfare Minister Nathan Shamuyarira said the government would not rehire the nurses. They stopped working on October 21 to press for higher salaries, allowances and for negotiations on working conditions.

"All the doctors and nurses who did not turn up for duty this morning are fired," he said on Wednesday night. "We will not tolerate strikes any more. People should learn to negotiate."

Shamuyarira said the cash-strapped government was reinstating a year-end bonus, which it scrapped last year and which was one of the key demands of the strikers.

The nurses' strike has forced major state hospitals around the country to close wards. Many hospitals have called in army and Red Cross medical personnel to help doctors, who are handling emergencies only.

Junior doctors who went back to work on Wednesday, after the government ultimatum, said they were sitting around at hospitals because they could not work without the nurses.

The official media said several people had died over the past week because of lack of attention.

The official Herald newspaper said of the doctors and nurses: "They cannot, at a whim, just withdraw their labour. There are matters ethical they should consider."

Yesterday morning the fired nurses were nowhere to be seen in the city centre as police continued to seal off a park in central Harare where they had been gathering. Deputy Commissioner (Crime) Godwin Matanga said police had been instructed to arrest any nurses involved in public gatherings, displaying placards or wearing clothing bearing demonstration messages.

He said their strike was illegal. This was the second public servant strike in two months, although this time it involved only junior doctors and nurses and some teachers. — Reuter.

Genocide trial is postponed

ARUSHA — The first trial in the 1994 Rwandan genocide in which at least 500 000 people were killed, was postponed for the second time yesterday when first defendant Jean Paul Akayesu sacked his court-paid attorney and named a substitute.

The move caught the three-judge panel completely by surprise, especially when the new attorney, Michael Kavanas of New York, asked for a six-month postponement to allow him to become familiar with the case.

The trial had already been postponed once on September 27.

Akayesu, a former mayor, is standing trial for genocide, accused of abetting the massacre of about 2 000 Tutsis in his Taba settlement.

The trial was rescheduled for January 9. — Sapa-AP.

Mugabe vows 'ruthless action' as strike by nurses goes on

(363)

ARG 2/11/96

Harare – Zimbabwean President Robert Mugabe says his government will deal ruthlessly with civil servants who resort to strike action, as a crippling walkout by nurses continues.

"This time there is no going back. We will have to take action," Mr Mugabe said of the nurses, who stopped work last month for the second time in two months. The current strike has continued for 12 days.

He was speaking to journalists after a Global Coalition for Africa meeting in Burkina Faso.

The first strike in August was started by the nurses before the rest of the 161 000 government workers joined in for two weeks.

Mr Mugabe said his government could "start afresh".

Mr Shamuyarira

He was reiterating his labour minister's announcement that all striking nurses would be sacked and that new staff would be hired – including expatriates from Cuba or other African countries.

Labour Minister Nathan Shamuyarira said on Thursday that he had dismissed all the strikers.

Mr Mugabe said on Friday: "We are saying nurses should get back to work immediately or there will be dismissals.

"Any action we might take will obviously have adverse effects of prejudicing the sick, but we can't allow this to continue," Mr Mugabe said.

On Thursday his government adopted a carrot-and-stick approach to the strike.

It gave in to one of the main demands of the workers to pay out the year-end bonus, while firing thousands of striking nurses and banning any further strikes by civil servants.

Mr Mugabe said the workers were taking the government's decision to award them pay rises as a sign of weakness.

Meanwhile, the nurses vowed not to return to work until government introduced a risk allowance and increased their night duty allowance.

Despite an order barring them from gathering, they converged at their union's offices in the quiet part of the capital's avenues on Friday.

Appealing to nurses to return to work, Health Minister Timothy Stamps said: "I want negotiations to continue in an atmosphere of peace and not in an atmosphere of threats and counter-threats." – Sapa-AFP

Zimbabwean doctors join strike as leader is held

Harare – Junior doctors in Harare joined the strike by junior Zimbabwean nurses yesterday to protest against the arrest of Hospital Doctors' Association chairman Farayi Jiah, Ziana news agency reported.

Jiah, also a co-chairman of the Unified Civil Service Negotiating Committee, was arrested on Monday night at the Parirenyatwa Hospital residence on charges of contravening the Law and Order (Maintenance) Act.

He is being held at Highlands police station in Harare and was expected to appear in court yesterday.

Jiah told Ziana that he was arrested by officers from the criminal investigations department, whom he accused of denying him his right to call a lawyer.

Jiah, who is on leave and conducting a study on Aids, has been accused by government officials of instigating the nurses' strike.

Junior doctors returned to work last Wednesday, after the government threatened to dismiss them, but most of the striking nurses, estimated at 2 000, ignored the ultimatum and are now demanding their terminal benefits.

Acting Public Service, Labour and Social Welfare Minister Nathan Shamuyarira on Monday said the Public Service Commission had been instructed to send letters of dismissal to all the striking nurses. – Sapa.

Nurses threaten industrial action

(363) (ℛ)

Staff at two Pretoria hospitals stand to lose their jobs if the institutions are closed

Star 6/11/96

SAPA

Nurses at two provincial hospitals in Pretoria yesterday threatened industrial action unless the Gauteng government revoked its decision to close the hospitals in January.

The Professional Health and Public Sector Union claimed 80% of professional nurses at the Westfort and Andrew McColom hospitals would lose their jobs because of the closure.

"How can the government do this to people who have put it into power?" Phepsu secretary-general Temba Ncalo asked.

The Gauteng health department last month announced that the two Pretoria hospitals, along with the Kempton Park Hospital, would close on January 31 to save costs. Seven other provincial hospitals would be converted to health centres.

Ncalo said a memorandum had been sent to health director-general Olive Shisana, insisting on a reversal of the decision within 30 days. If the demand was not heeded, union members would embark on protest actions.

"We will not go on strike because we don't want to abandon patients," he said.

Staff at other hospitals to be closed or converted did not support their initiative, Ncalo said.

"They are mostly white and belong to other unions. We have approached them, but they don't want to participate".

He said staff associations which had agreed to the closure were being subservient. "They are 'ja-baas' unions, which have committed labour suicide."

Criticising the decision to shut down hospitals, Ncalo said the move would create chaos in the health-care system.

"Money donated by secret donors to the national Department of Health should be utilised for all hospitals," he said.

"I can confirm that 80% of professional nurses and 20% of general staff would lose their jobs because they would not be able to accept positions outside Pretoria."

Phepsu claims to represent about 4 000 nurses throughout South Africa.

Strike shuts Zimbabwe hospitals

(363) CT 7/11/96

HARARE: Zimbabwe's two main hospitals closed their doors to patients yesterday, after junior doctors and other medical staff went on strike to protest against the arrest of two of their colleagues.

"We are turning away all new cases now because there is nobody here to care for patients, and all critically ill patients will be discharged," said Dr Callistus Madziwa, the medical superintendent at Parirenyatwa Hospital.

He said the hospital was asking relatives to pick up critically ill patients and care for them at home.

At Harare Hospital, the capital's largest, authorities were unavailable for comment, but one of the hospital's senior doctors — who refused to be named — said the situation was "chaotic".

"Harare Hospital is also closed to new patients," he said, adding that army medical staff who have been helping senior doctors handle emergencies were failing to cope.

"The whole health system is in shambles and people are dying — there're no two ways about it," he said.

Surgeons were referring emergency cases to private clinics.

Junior doctors, theatre staff and physiotherapists walked out on Tuesday, in protest against the arrest of two leaders of the State Hospitals' Doctors' Association.

Police arrested the leaders — Dr Farai Jiah and Dr Austin Bene — on Monday, on charges of inciting nurses to strike on October 21.

The strike was called to press demands for higher pay, allowances, and negotiations on working conditions.

The Zimbabwe government reacted to the nurses' strike last week by firing 10 000 nurses. — Reuter

Strike plunges Harare hospitals into chaos

(363) BD 7/11/96

HARARE — Government hospitals in Harare were plunged into chaos yesterday as striking doctors and nurses rallied to support three colleagues facing charges of sparking a strike, officials said.

Male and female patients were moved into the same wards in Parirenyatwa Hospital as medical staff set off for the courts where two leading doctors and a nurse were due to appear before a magistrate.

Doctors have already reported avoidable deaths due to the strike.

Sick people were being turned away and Parirenyatwa medical superintendent Callistus Wadziwa said some patients in the wards would be discharged.

The arrest of Hospital Doctors' Association chairman Farayi Jiah on Monday led to a new walkout by junior doctors and nurses who had returned to work last week after being threatened with dismissal.

They joined about 2 000 nurses who were sacked after defying the government's order to return to work last week. Another doctor, Austin Bene, was arrested on Tuesday and an unnamed nurse is also reported to be in custody.

The striking staff are also demanding the reinstatement of all sacked nurses and the resolution of outstanding claims on pay and working conditions.

They have called on other public servants to join the strike as they did in a previous stoppage two months ago, bringing government business to a halt.

The nurses stopped work again after the government delayed talks on demands. — Sapa-AFP.

Showdown looms over Zimbabwe hospitals strike

(363)

FOREIGN SERVICE

ARG 11/11/96

Harare – The stage has been set for confrontation today between striking Zimbabwean medical personnel and the government.

The strike, in its third week and backed by the Congress of Trade Unions, has paralysed key hospitals in Harare and Bulawayo and an unknown number of people have died.

The Zimbabwe Congress of Trade Unions has called for a mass protest against the government's decision to fire all junior doctors and nurses and has threatened to order a national strike.

Last week the government banned gatherings and said it would not go back on its tough stance to close the strike route for all public servants.

It said doctors and nurses would be recruited from outside the country and steps had been taken to advertise posts in South America and Britain.

Up to 2 000 nurses and about 200 doctors have been involved in the strike.

So far letters of dismissal have been sent to 800 nurses.

The strikers are demanding better allowances and conditions of service.

Zimbabwe braces for national strike

(313) BD 11/11/96

HARARE — Zimbabweans were preparing at the weekend for a national protest to express their outrage over the way the government of President Robert Mugabe has handled a crippling health sector strike.

Trade unionists, rights campaigners and church bodies came together to distribute a leaflet urging disillusioned citizens to join a march today in defiance of a government ban on demonstrations.

Meanwhile, the beleaguered government, strongly criticised for its "insensitive" handling of the three-week health strike, was bracing itself for today's industrial action by deploying riot police at strategic points throughout the Zimbabwean capital.

However, the coalition of social organisations, which included union umbrella body Zimbabwe Congress of Trade Unions (ZCTU), Zimbabwe Human Rights and the Zimbabwe Council of Churches said they expected co-operation from the police during their rally.

ZCTU chief Morgan Tsvangirayi said demonstrators, who would protest against the government's harsh crackdown on striking health care staff, should be protected by the bill of rights in the constitution which provided for freedom of assembly, association and expression.

Thousands of nurses and junior doctors employed in government hospitals have been striking for three weeks demanding risk and night duty allowances, resulting in the country's major hospitals suspending most of their operations and closing all wards. Death rates are reportedly soaring.

The government sought to fight fire with fire by sacking strikers and arresting union leaders.

The crackdown has been greeted with outrage in both the state and private sectors.

Many Zimbabweans hit hard by economic hardship are expected to join today's rally to express their general disillusionment.

University students, who last week began a protest campaign against a slashing of their grants, are also expected to take to the streets.

"Government insensitivity cannot be tolerated any more and this is a declaration of war against the people of Zimbabwe," the ZCTU said.

"Zimbabweans must die, says this political leadership," read part of a leaflet distributed in Harare on Saturday, castigating cuts in the health budget while spending more on hosting international conferences and Mugabe's frequent foreign trips.

The Catholic Commission for Justice and Peace appealed to the government to treat the health strike as a national emergency. Even the black economic pressure groups that always side with Mugabe's government have joined the chorus of criticism.

Meanwhile, the government is advertising vacant posts in SA, the UK and elsewhere abroad, where many qualified staff migrated in recent years for more attractive pay. — Sapa-AFP.

Mugabe delays Italian trip as police teargas demo in Harare

Now 12/11/96 (363)

Harare – President Mugabe further delayed a trip to Italy yesterday as Zimbabwean riot police broke up a planned protest march by trade unions, human rights groups and churches in support of striking medical workers.

About 50 police pounced without warning on 200 people who had gathered at the Harare Magistrates' Court building in preparation for a march into the city centre, firing teargas and beating them with batons.

The clashes came after a call for a two-day general strike by the unions.

Among those arrested was Morgan Tsvangirai, secretary-general of the Zimbabwe Congress of Trade Unions (ZCTU).

Clashes come after national strike call

He was released later without charges, and announced that union leaders had called a nationwide strike to protest against the government's uncompromising handling of a stoppage by state health staff that has paralysed the capital's main hospitals for three weeks.

The breaking up of the demonstration followed a warning on Sunday by acting Labour Minister Nathan Shamuyarira, who said the strike, called for by the ZCTU, state workers' unions and civic associations, was being supported by groups with a hidden agenda.

Mugabe was due to leave for the World Food Summit in Rome on Sunday, but was still in Harare yesterday, and no explanation was offered by officials.

Also yesterday, Michael Nowak, the International Monetary Fund divisional chief for southern Africa, said Zimbabwe had failed to qualify for lending because its budget deficit was "simply too high" as a result of excessive state spending.

He indicated the bank's displeasure with Mugabe, who last month called the institution a "dictator". – The Times, London.

National strike call by Zimbabwean trade unions

(363)

ARG 12/11/96

Harare – The Zimbabwe Congress of Trade Unions has called for a two-day national strike from next Tuesday.

A spokesman said the union was calling for a strike to protest against the government's intransigent handling of the three-week-old strike by state medical staff in Harare.

"We have decided to go for a national strike as planned," ZCTU secretary-general Morgan Tsvangirai said soon after he was released from police custody for defying a ban on a planned demonstration.

"It will run for two days initially, then we will see how it develops," he said. "Our concern is that if we don't do something to bring sense to these people (the government), they will never act to relieve the (health services) strike."

President Robert Mugabe was still in Harare yesterday after apparently delaying his departure for the World Food Conference in Rome. He was due to leave on Sunday.

The government is facing rising public anger over its failure to resolve the crisis in Harare's health services, caused by the strike of junior doctors and nurses.

State hospitals in the capital have offered emergency services only since the beginning of the strike, and some patients are reported to have died from a lack of hospital care.

Trade unions, church organisations and concerned Zimbabweans yesterday petitioned the government to end the strike by reinstating dismissed nurses and junior doctors, and addressing their grievances.

"The government should restore normality to the health services and should allow professionals to run them, and stop political interference. It should also address the nation and give the facts rather than continue lying," the petition read. – Sapa

Zambia shuts down university campus after anti-poll riots

ARG 12/11/96

Lusaka – The government closed Zambia's largest university after riot police moved in to quell political unrest ahead of next week's general election.

Police used teargas and batons yesterday to disperse students demonstrating against a ban on a planned march to the presidential residence. They wanted to protest against the election on November 18 which many opposition parties plan to boycott.

Closure of the campus yesterday followed two days of unrest in which 10 students were arrested and several people injured.

The closure came as students armed with stones fought pitched battles with police. Student leaders said they wanted President Frederick Chiluba to reopen dialogue with his political opponents and possibly suspend polls until all political parties reached consensus on the rules governing the elections. – Reuter

(363)

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Zimbabwe strike call over health crisis fails to gain support

Star 14/11/96

(363)

Harare – A two-day general strike called by Zimbabwe's main trade union body to protest against the collapse of the public health system appeared to flop yesterday as people went to work as normal.

Millions of workers ignored the call by the Zimbabwe Congress of Trade Unions to down tools on Tuesday and yesterday to press demands that the government act to restore normality in public hospitals where nurses and doctors have been on strike for three weeks.

"We are concerned about the situation because if we do not act, they (government) will never resolve the strike. They will continue saying they are recruiting expatriates but that is not sustainable," union chief Morgan Tsvangirayi said.

Shops, banks and factories opened as usual yesterday while streets and car parks were as full as on any normal working day, but observers commented that Zimbabweans had not ignored the strike call so much as reacted out of fear.

One observer recalled that unemployment is above 35% and that demonstrators have been beaten and teargassed by police.

A political scientist said: "It's a dereliction of duty by the government to turn a blind eye to the dying people in hospitals." – AFP.

Zimbabwe's hospitals 'paralysed'

CT, 14/11/96 (363)

HARARE: The Zimbabwe government maintained its tough stance against striking nurses and doctors yesterday, and workers continued to ignore union calls for a nationwide industrial stoppage in support of the strikers.

The three-week strike by state nurses and doctors has paralysed Zimbabwe's public hospitals.

This week the government fired 1 000 nurses and 100 doctors. Union officials say 10 000 nurses and 500 doctors are taking part in the strike.

The government refuses to negotiate over their demands for more pay and better conditions.

Asked when the government expected an end to the crisis — which has led to the closure of the country's two largest hospitals — Health and Child Welfare Minister Mr Timothy Stamps said: "You will have to ask a minister of religion, not a minister of health — I am not a clairvoyant."

Stamps said no expatriates had yet been recruited to replace the strikers, as announced last week by Industry and Commerce Minister Mr Nathan Shamuyarira.

Both ministers accused reporters of exaggerating the problems hospitals were facing.

Shamuyarira said he hoped the Zimbabwe Congress of Trade Unions (ZCTU) would give up its plans for a general strike.

He said calls by the union for workers to down tools had "completely flopped".

ZCTU secretary-general Mr Morgan Tsvangirayi said some people outside Harare had heeded the call and that the unions would meet on Friday to decide their next step.

"We want the government to resolve the crisis in the health sector, and as long as the current state remains critical, it is our responsibility to make sure that the situation in the health sector returns to normal," he said.

The ZCTU represents about 200 000 of Zimbabwe's two million workers in the key farming, tourism, banking, energy, mining and manufacturing sectors.

It called a two-day nationwide strike on Monday evening, after riot police broke up a demonstration — organised by the unions, churches and human rights groups — aimed at pressing the government to resolve the health workers' strike. — Reuter

Zimbabwe tackles health crisis

(363) ARG 15/11/96

Harare – The Zimbabwean government – widely criticised for ignoring the chaos at public hospitals during recent weeks – has taken steps to settle a strike and save patients.

The hospitals were plunged into crisis when thousands of doctors and nurses downed tools last month over allowances and general working conditions.

The government, which over the weeks reprimanded the strikers while patients died in hospitals, announced today the setting up of a special cabinet committee to deal with the improvement of conditions at hospitals. Two major hospitals had closed.

The government has now opened negotiations with the country's main trade union body, the Zimbabwe Congress of Trade Unions (ZCTU), to try to resolve the impasse with medical staff.

Details of the talks have not been revealed, but the ministry of public service said it was reinstating doctors and nurses it had fired earlier. – Sapa-AFP

SUFFER THE LITTLE CHILDREN: The UN's expert on children, Graca Machel, reports that more than two million children have been killed in wars in the past decade

Picture: HERBERT MABUZA

Zimbabwe pulls out all stops to crush strike

ST 17/11/96 (363)

By CHRIS BISHOP: Harare

ROBERT MUGABE's government used a sledgehammer in its efforts to crush this week's attempts to start a general strike in Zimbabwe.

From hundreds of heavily armed riot police to government statements masquerading as news stories in the state-controlled media, the ruling Zanu PF party used every means available to snuff out growing dissatisfaction in the country.

The crackdown on what political commentators describe as the biggest challenge to the government since independence appeared to have succeeded.

Strike organisers admitted that the response of workers had been disappointing. They promised 200 000 strikers — one fifth of the national workforce — but said only two of Zimbabwe's nine provinces had heeded the call to strike.

The acting public service minister, Nathan Shamuyarira, set the tone for the week in an emergency national broadcast in which he accused the unions of trying to set up an opposition party and accused striking nurses, who are at the core of the dispute, of turning off the oxygen supply to newborn babies.

The control on the streets was tight as hundreds of riot police clamped down on demonstrations. In Harare on Monday, 200 people, including many women and children, were teargassed and chased by baton-wielding riot police.

But the clampdown didn't deter nurses, who were enraged at claims by the minister that they were earning more than R2 400 a month, many times the average wage.

"If I was earning that I wouldn't be on the streets but with my patients. We have the interests of our patients at heart," said one nurse.

Harare's main hospital felt the effects of the strike this week as disgruntled groups waited for hours outside the gates for treatment from overstretched staff.

"I haven't had medicine for two months. I can't get a doctor or anything," said a coughing old man leaning on a stick.

But people waiting for treatment supported the strikers almost to a person.

Rumours of plane loads of doctors and nurses flying in from South Africa to plug the gaps as the government continues to dismiss many strikers, have been denied by the Ministry of Health.

Dr John Makumbe, a political scientist at the University of Zimbabwe, believes the hospital chaos will eventually cause the government to cave in.

"Too many people are dying," he said.

WORLD

No compromises yet in hospitals strike

(363) BD 19/11/96

HARARE — Negotiations between the Zimbabwean government and thousands of striking health-sector workers have broken down with few signs of improvement in conditions at crisis-hit hospitals, the country's main trade union said yesterday.

The Zimbabwe Congress of Trade Unions (ZCTU), which has been mediating between the embattled government and the striking workers, said the main contentious issue had been the conditions for the reinstatement of the sacked workers.

"All our efforts, first to mediate … followed by attempts at demonstration and strike, and finally mediation have produced no compromise by the parties," congress secretary-general Morgan Tsvangirayi said.

The Zimbabwean government has widely been blamed for ignoring the strike and for the rapid deterioration in hospital services which the work stoppage has caused.

On Friday the government set up a special cabinet committee and opened talks with the congress, raising hopes the dispute was close to resolution.

But in weekend talks, the government refused to budge over the issue of reinstating workers sacked for joining the strike. Vice-President Simon Muzenda was adamant that the fired workers had to appeal against their dismissals and reapply as individuals.

Describing the impasse as a national disgrace, Tsvangirayi said the dismissed doctors and nurses insisted on unconditional and block reinstatement and guarantees that resolute negotiations would resume.

The deepening crisis in the country's health sector has severely compromised Zimbabwe's hospitals, with death rates reported to be surging.

"Ultimately it is the government's responsibility to provide the essential services to the population. It must resolve this dispute with the leadership and compassion that is required," said Tsvangirayi.

The strike by government junior doctors and nurses, which entered its fifth week yesterday, has resulted in many of the country's largest hospitals closing down, forcing the sick to consult herbalists or turn to expensive private hospitals for treatment.

The trade unions congress attempts at calling a nationwide strike in solidarity with the strikers flopped last week, and their planned mass protest was broken up by police using tear gas and batons.

Meanwhile, Zimbabwean health workers who have been dismissed for striking said they were seeking legal advice on how to claim their pay-off packages from the government.

Hundreds of nurses and junior doctors, who met in Harare and Bulawayo, said they were determined not to go back to work because conditions set by the government were untenable.

The government says the dismissed employees must reapply as individuals and then negotiate on their grievances.

"We will not reapply. Some of us have not even received the dismissal letters and there is no room for appeal. We want to be paid our terminal benefits," said a representative of the dismissed health workers. — Sapa-AFP.

Call to reinstate Zim doctors and nurses

Harare – Zimbabwean deputies yesterday called on President Robert Mugabe to reinstate unconditionally the thousands of doctors and nurses he has sacked, as a crippling health sector strike entered its 39th day.

This is the first time the mainly rubber-stamp parliament has commented on the ongoing strike which has resulted in a virtual halt of health services in the country's major state hospitals and led to an increase in avoidable deaths.

Declaring the strike, over working conditions, illegal the government fired striking junior doctors and nurses but still left them with the option of appealing against their unexpected dismissals on an individual basis.

Robert Mugabe

The workers, however, refused to give in to any conditions for reinstatement and demanded that they be rehired en masse. But Mugabe said his government would not be bullied.

Members of parliament have urged the government to soften its hardline stance and rehire the workers to resolve the crisis, which has resulted in increases in avoidable deaths.

They further called for an independent body to investigate and arbitrate the impasse between the state and its workers.

"I am not supporting anybody but the government should put its house in order. We should not pretend that by dismissing the striking doctors we have solved the problem," said one deputy, Kennedy Matimba. – Sapa-AFP.

(363) Star 29/11/96

Nurses renew their strike

(363)

HARARE — Thousands of Zimbabwean state nurses who were this week reinstated after dismissals that followed a two-month-long strike have refused to resume work until their union leaders are also rehired.

The nurses, with junior doctors, decided on Monday to resume work. After receiving their formal reinstatement letters and noting that ababout 20 of their leaders were missing from the list, they refused to go back to work.

They have demanded the unconditional reinstatement of all workers and have reported to the hospitals in uniform, but have not entered the wards. Having lost their November salaries after striking on October 21, the nurses demanded government guaranteed that they would be paid their December salaries.

Junior doctors, who also took part in the strike, have resumed work despite not having received reinstatement letters. BD 13/12/96

The strike has paralysed services and operations in the country's major hospitals. The strikers demanded a raise in their night-shift allowances and the introduction of a risk allowance. — Sapa-AFP.

Pilots warned that strike is illegal

Michael Hartnack (363) BD 18/3/97

HARARE — Air Zimbabwe GM Peter Chikumba warned pilots and technicians yesterday that their four-day-old strike was illegal, and demanded they go back to work.

The parastatal airline, plagued by falling profitability, was reportedly paying R100 000 an hour for each of four aircraft hired from SA to maintain a skeleton service, while all seven of its fleet remained grounded. International flights were cancelled, but some services to Bulawayo, Hwange and Victoria Falls were maintained.

Chikumba demanded the 74 pilots and 318 technicians return to work while negotiations continued. The government was expected to invoke the country's draconian labour laws to order a return, as it did during last year's strike by doctors and nurses.

The staff were reportedly seeking 27% rises. Co-pilots' annual pay is R74 000 — far below international rates. Chikumba said that in view of the airline's plight it could not afford to meet the pay demands, but he denied reports it was nearing bankruptcy.

Arbitration issues to be discussed

Michael Hartnack (363) BD 2/5/97

HARARE — Management and striking staff of Standard Chartered Bank Zimbabwe are to make submissions to the High Court today on the issues to go to compulsory arbitration.

The labour ministry declared the stoppage at Zimbabwe's largest commercial bank illegal last Friday and ordered that the dispute go before a government-appointed arbitration panel.

Standard Chartered CE Barry Hamilton conceded at least 400 of the 1 700 staff were still on strike over the disputed formula for calculating productivity bonuses, and allegations that recent promotions of black executives were influenced by nepotism.

Commercial and Allied Workers' Union head Shangwa Chifamba joined Hamilton yesterday in an appeal to staff to return to work pending arbitration.

For the past 10 days workers have vandalised automatic teller machines with chewing gum and jeered would-be users, shouting "Mugabe must go" — an indication of the political undertone in current worker unrest, triggered by years of high inflation and falling living standards.

Bank workers still on strike

BD 6/6/97 (363)

Michael Hartnack

HARARE — Several hundred striking employees of Standard Chartered, Zimbabwe's largest banking group, continued their strike into its sixth day yesterday, picketing branches and jeering at customers using automatic teller machines (ATMs).

Picketers chanted "Mugabe must go" from ATM points before baton-wielding riot police moved in.

Barry Hamilton, the group's CE from Britain, said only six of the group's 44 branches nationwide were closed for business.

He said dismissal notices had been sent to those who continued their protest against productivity bonuses and recent promotions after Friday, when the government declared the strike illegal.

The strikers allege recent promotions of black staff were motivated by nepotism.

Hamilton's appointment in 1995 roused the fury of militant members of the black empowerment lobby, who threatened physical violence, but the authorities nevertheless granted him a three year work permit to introduce new banking technologies.

Affirmative Action Group president Philip Chiyangwa had demanded a black person be appointed instead of Hamilton.

The strikers alleged the current system of calculating productivity bonus payments is arbitrary and unfair.

In 1995 employees of all three major banks held a strike for a week in support of pay claims but staff of Barclays, the state-owned Zimbank and Commercial Bank of Zimbabwe, and Stanbic (linked to Standard Bank SA) are unaffected.

The political slogans chanted by the Standard Chartered strikers reflect the general disenchantment of Zimbabwe's workforce, after years of inflation — at times exceeding 40%.

Riot police appeared to have been taking care that the strikers did not link up with students, protesting for the past fortnight against a reduction in grant levels from 90% to 50%.

Zimbabwe miners tackle ministry over conditions, 'illegal mining'

A Wild West-style 'claims war' is one symptom of a mining industry in turmoil, writes **Michael Hartnack**

BD 16/5/97 (363)

ZIMBABWE's formal sector miners are at loggerheads with the mines ministry over labour conditions, and alleged government failure to clamp down on "informal sector" mining and panning and illegal gold dealing.

Retiring Chamber of Mines president Roy Pitchford accused the ministry of a "complete lack of interest in the industry", evidenced by failure of the minister, his deputy and top public servant to attend business sessions of the recent chamber annual congress.

There was a "lively" trade in illegal gold and gold-bearing material, said Pitchford.

Mines Minister Swithun Mombeshora, who left the congress to attend a wildlife seminar, told delegates mining earnings of R2,5bn a year "will be rendered meaningless and undesirable" if the bulk of the creators of this wealth, their dependants and the community "continue to live in abject misery and suffering".

Mombeshora said a recent study commissioned by the United Nations Children's Fund and Zimbabwe's health ministry exposed at some mines "low remuneration in some cases resulting in usury, inadequate housing and sanitary facilities and appalling working conditions and nutrition".

He said it would take an insignificant portion of mines' earnings to "provide decent comfort for the creators of that wealth".

However, established miners say the state is ignoring conditions in the many "informal sector" mines that resemble the worst conditions prevailing during Britain's industrial revolution 200 years ago. Destitute men, women and children not only work but live for up to a week at a time in unsafe gold and chrome pits. Unreported accidents are rife.

The chamber has protested repeatedly about the police force's lack of response to a Wild West-style "claims war", which has seen illegal syndicates throwing explosives down shafts and killing security guards to drive off legitimate formal sector miners.

The source of the problems are Zimbabwe's 2-million unemployed, desperate to make a living by any means.

It was illegal miners who, at the height of the 1992-94 drought, found piles of human bones at the foot of previously flooded Matabeleland shafts, where they had lain since the 1980-88 unrest.

Pitchford noted that the 24,7 tons of gold sold accounted for half the earnings of Zimbabwe's formal sector mining industry last year. But an unknown amount of gold went out through informal or illegal channels and the total actual gold output was unknown. Consequent government losses were also unknown.

Pitchford said the present "exclusive prospecting order" system had critics saying orders had been allocated too liberally. Many of those granted orders had not undertaken sufficient exploration work, and claims were sometimes held by small-scale mines unable to exploit them properly.

Three years ago, the chamber proposed amendments to the gold trade act to curtail illegal mining and gold theft, but it was informed on April 29 that these had been rejected by the cabinet.

"We can only speculate as to why this should have happened," said Pitchford. "It will mean that obtaining convictions for illegal mining will continue to be as difficult as ever, so no progress whatever has been made in curbing these criminal activities."

Formal sector miners fear illegal syndicates have powerful political links protecting them.

Pitchford said the traditional reserve bank monopoly on gold trade, aimed at blocking any illegal dealings, had been breached with three buying permits issued last year. Recipients included controversial businessman Roger Boka who has announced a partnership with a Russian firm to conduct panning for alluvial gold on a giant scale. A dredger was imported from Siberia.

"It transpires that the permit holders appointed a number of agents who, in turn, appointed subagents. This dilution must have rendered any chance of control remote, if not impossible," said Pitchford.

Mombeshora said a review of Zimbabwe's Mines and Minerals Act was under way, with plans to create a rehabilitation fund for environmental damage — particularly by alluvial panners.

Pitchford said it may now be impossible to restore river beds and banks, some "explorers" having used earthmoving machinery to create massive excavations they had subsequently abandoned, without any restoration work. Some prospectors might prefer to "forfeit their proposed deposit and leave the protection work for someone else", he predicted.

There was no response from Mombeshora to Pitchford's call for some essential mining capital items and inputs to be exempted from new tariff scales, or for the restoration of a state-guaranteed gold "floor price" stabilisation scheme to offset the current price dip to about $340/oz.

Big textile firm to retrench a quarter of its labour force

Michael Hartnack (363) BD 27/5/97 (197)

HARARE — One of the largest textile manufacturers in Bulawayo, Cotton Printers (trading as Qualitex) will retrench 25% of its labour force despite the more optimistic climate created by the recent readmission of products to the SA market.

CE Allan Smith said yesterday meetings had been held with labour ministry officials to prepare for the retrenchment of 270 employees as a result of declining sales, which he attributed to falling local spending power and competition from imports.

Smith said quotas of fabric under the revived "most favoured nation" pact with SA were "so small that they are insignificant. No growth in the export market is going to improve the lot of the Zimbabwean company if we are losing our home market share".

Commerce and Industry Minister Nathan Shamuyarira predicted last year tens of thousands of workers would be saved from joining Zimbabwe's 2-million unemployed when he announced a breakthrough in talks on the clothing and textile sector with SA.

Smith said local firms would have "had a chance" with Zimbabwean tariff levels of 50%, and restored manufacturers' rebates, requested in talks with President Robert Mugabe's government last year. But the tariffs had been raised only from 25% to 30% in new schedules. Zimbabwean exporters had lost, too, their 90% incentive rebates as a result of economic restructuring moves agreed with the World Bank since 1991.

Smith said quotas of 3-million square metres of fabric under the revived "most favoured nation" pact with SA represented a mere 3% of Zimbabwe's 100-million square metres capacity, while a quota of 800 tons of yarn a year represented just more than 2% of Zimbabwe's 36 000-ton capacity.

"We have been running at half our capacity since February," said Smith, with turnover down R60m on last year's R120m.

After SA imposed protective 90% tariffs in 1992 more than 20 Zimbabwean clothing and textile firms closed, with the loss of at least 20 000 jobs. SA's tariffs were later dropped to 30%.

During President Nelson Mandela's visit to Harare last week, he clashed with Confederation of Zimbabwean Industries president Jonee Blanchfield over her allegations of continuing SA protectionism, and the R2bn-a-year trade imbalance in favour of SA.

Bulawayo hit as municipal workers strike

(363)

Michael Hartnack

BD 28/5/97

HARARE — Sanitation problems are mounting in Bulawayo where six suburbs are without water because of a pay strike by 7 000 municipal workers.

Fire and ambulance men joined the strike on Friday despite a threat by executive mayor Abel Siwela to have all employees prosecuted for conducting an illegal stoppage.

However, Siwela, a member of President Robert Mugabe's ruling Zanu (PF) declined to cancel a trip to Malaysia with an official delegation and flew out at the weekend, leaving the city in crisis.

Numerous burst water pipes went unrepaired, graves undug in municipal cemeteries and rubbish bins unemptied on the fifth day of the strike by workers seeking 57% increments, backdated to January last year.

Residents' associations appealed to the council to seek a speedy settlement, but Bulawayo Municipal Employees' Union chairman Thamsanqa Ndhlovu said workers were exasperated by 15 months of fruitless talks. In May last year senior employees were granted 60%-80% pay rises.

Municipal spokesmen said the city's financial plight had been worsened by the failure of government departments to pay R33m in outstanding bills for services and rates.

Zimbabwe's unions in talks to end pay strikes

(363) CT(BR) 25/6/97

CRIS CHINAKA

Harare — Zimbabwe's trade unions have started talks with the country's business sector to try to stop an annual wave of pay strikes which they say is undermining productivity and clouding the national investment climate.

Morgan Tsvangirayi, the secretary-general of the Zimbabwe Congress of Trade Unions (ZCTU), said the discussions, which began early this month, would culminate in a national conference on wages and working conditions at the end of the month.

"These are not run-off-the-mill talks," he said.

"They are a very serious attempt to restore industrial stability, to secure job security, to maintain and improve shop-floor productivity and to ensure there is fair remuneration in industry".

The June 30 conference is jointly organised by the ZCTU, whose membership includes workers in the mining, tourism, agriculture, telecommunications and manufacturing sectors, and the Employers Confederation of Zimbabwe (Emcoz).

Zimbabwe has been rocked this year by a series of short wildcat strikes from workers wanting to strengthen their negotiating positions for higher wage rises for the financial year starting next month. Workers have been demanding annual pay increases of between 25 and 60 percent.

Peter Kunjeku, the Emcoz executive director, and Joe Foroma, the chief executive of the Confederation of Zimbabwe Industries (CZI), said wage rises had to be negotiated against the performance of specific sectors or sub-sectors.

"It is not possible to benchmark minimum increases because the performances are different," said Foroma. — Reuter

Zimbabwe civil servants win 30% increase in pay

ARG 7/7/97 (363)

EMELIA SITHOLE

Harare – Zimbabwe has awarded civil servants a pay rise of at least 30% after negotiations between staff associations and the state, a cabinet minister said.

Public Service, Labour and Social Welfare Minister Florence Chitauro said in a statement the increases were effective from July 1 and would cost the government an extra Z$9,1 billion in the new 18-month financial year which started on July 1 and ends December 31, 1998.

On July 24 Zimbabwe will introduce an 18-month budget as a bridge to align the state financial year with the calendar year.

Ms Chitauro said the 30% rise included a final 20% tranche of a 60% phased award made last year under a contentious job evaluation exercise which led thousands of civil servants to go on strike to press the government, among other demands, to give them the total 60% pay increase.

She said public servants would receive other benefits including performance awards to be paid in November and December this year and next year, which would cost the government over Z$2,1 billion.

"Whereas the agreement resulting in the wage increases awarded was achieved within funds approved by government for purposes of salaries and allowances increases in the next 18 months, it is crucial that wage increases are synchronised with the ability to pay, and the impact of the size of the expenditures on the overall economy," Ms Chitauro said.

Public spending in the financial year ended June 30 was 37% of Gross Domestic Product (GDP) – down slightly from the previous year's 40%. – Reuter

Zimbabwean strikers wounded by shots

Star 11/7/97 (363)

Harare – Eighteen striking security guards were wounded when the manager of a Zimbabwean security company fired on them yesterday, Ziana news agency reported.

Police said Fawcett Security's general manager was arrested after he allegedly fired on the strikers as they demonstrated outside the premises to demand a 50% salary increase.

Police said one guard was seriously wounded, but declined to elaborate on the shooting. – Sapa.

WORLD

Wave of strikes hits Zimbabwe

(365) BD 15/7/97

HARARE — A wave of strikes has swept Zimbabwe as workers fight for wages above the poverty line from a variety of employers including the state.

Strikes have hit security companies, hotels, restaurants, construction firms, banks and cement and lime industries over the past few weeks. Postal workers have just ended a go-slow. Railway and clothing workers are off the job.

Most workers are demanding wage increases of up to 40%. Some companies have refused to grant any, while others are offering as little as 13%.

Civil servants who went on strike last year have fared better. They were awarded a 36% increment this year, which their unions have accepted as fair given the annual inflation rate of about 20%.

Most workers striking are at the bottom of the wage ladder, such as security guards, who take home about $66,45 a month. This is far less than the $200 which, according to the Consumer Council of Zimbabwe, is the least the average family needs for basics each month.

In one incident this week, the general manager of a security guard firm whose employees were off the job shot and injured 18 people, one of them seriously.

In another incident, about 30 protesters at a construction firm were arrested, allegedly for looting and vandalising company property.

Workers in Zimbabwe have been severely affected by falling wages over the past few years. The Standard Chartered Bank of Zimbabwe said real earnings peaked in 1982, but had since declined by more than 40% and were now below 1965 levels.

The Zimbabwe Congress of Trade Unions (ZCTU) this week blamed the spate of strikes on "ungrateful bosses who have refused to address the plight of the almost destitute majority workers in the country".

The union said the monthly minimum wage that a worker needed for a family of five to survive was $227,27, but about 70% of the 1,2-million workers in the formal sector earned less than $72,70 a month.

Middle-income employees got between $227 and $318 before taxtion, and only 10% of the workforce had higher monthly salaries, the labour organisation said.

In a statement signed by its acting secretary-general Nicholas Mudzengerere, the ZCTU said it "strongly advises the employer to seriously take into consideration the plight of the employee".

"There is need to move along with current economic changes. The global trend is that there has been a shift from a command economy to a liberalised economy — learn to share — and avoid the burden of change, other than making the worker the end result of all problems," the federation said.

"The arrogant attitude and the unlistening behaviour of the employer has reached stinking levels," the union said.

"The labour movement is left with no choice but to conclude that there is a deliberate attempt to sabotage the Zimbabwe economy — and the government should at least show some concern about this treacherous approach by some employers.

"It is beyond the labour movement's reasonable doubts that it is the wish of some employers that these strikes in different sectors be turned into political struggles."

The union said although it appreciated that government had distanced itself from the industrial relations scene, leaving parastatals and private employers to battle it out with their workers, the government's actions left much to be desired.

"The government of Zimbabwe's reaction to the consistent explosion of strikes tends to fuel the situation by quickly ... accusing workers that their strikes are illegal and premature," the union said. — Sapa-IPS.

Railway workers agree to truce

BD 15/7/97 (363)

Michael Hartnack

HARARE — The 7 000 Zimbabwean railway workers who went on strike last week for more pay began restoring normal freight and passenger services to the state-owned network yesterday after calling a temporary truce with management. A drift back to work was reported in many other industries hit by a wave of wildcat stoppages.

"We are providing normal services as of Sunday," NRZ public relations manager Herbert Modlane said yesterday. He said employees had agreed to refer their dispute to the government-appointed National Employment Council. The strikers wanted the implementation of a 9,5% rise sought last year, plus 49% for this year. Management is contesting the 9,5% in a pending court case, but is offering 16% for this year.

Postal, construction, clothing and cement workers were reported to be heeding calls to return to work yesterday, pending talks on their plea for 40% increments on current minimum of about R70 a week.

At their annual congress last week at Victoria Falls, Confederation of Zimbabwe Industries (CZI) delegates blamed the government for starting the strike wave with a 30% award to public servants.

Jonee Blanchfield, re-elected CZI president in Victoria Falls, attacked official procrastination over decision-making as a source of economic distress. She said the budget deficit — in which payment of the inflated public service remains the most substantial factor — remains "the biggest threat to macroeconomic stability".

The deficit was the root cause of soaring inflation and interest rates, she said.

Meanwhile, **Bonile Ngqiyaza** reports Transnet spokesman Johan Hugo said a goods embargo placed on rail traffic between SA and Zimbabwe and countries further north on July 9 had been lifted. He said 15 000 tons of goods to Zimbabwe and countries further north, and 5 000 tons of goods from Zimbabwe to SA were behind schedule because of the strikes in Zimbabwe.

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Zimbabwe's workers fight for a liveable wage

(363)

SAPA-IPS
Harare

Star 16/7/97

A wave of strike actions have swept through Zimbabwe as workers fight to obtain wages high enough to keep them above the poverty line.

Strikes have hit security companies, hotels, restaurants, construction firms, banks, and cement and lime industries over the past few weeks. Postal workers have just ended a go-slow action. Railway and clothing workers have also downed tools.

Most workers are demanding wage increases of up to 40%. Some companies have refused to grant any hikes, while others are offering 13%.

Civil servants who went on strike last year have fared somewhat better. They were this year awarded a 36% increment, which their unions have accepted as fair, given the current annual inflation rate of around 20%.

Most of the workers who have been on strike in recent weeks are at the bottom of the wage ladder, such as security guards, who take home R170 a month. According to the Consumer Council of Zimbabwe, this is the minimum the average family needs for basics each month.

It is a small wonder then that the security industry is among those that have been caught up in the strikes.

In an incident this week the general manager of a security-guard firm, whose employees were striking, shot and injured 18 people, one seriously.

In another incident, 30 protesters at a construction firm were arrested, apparently for looting and vandalising of company property.

Most workers in Zimbabwe have been severely affected by falling wages over the past few years. According to the Standard Chartered Bank of Zimbabwe, real earnings peaked in 1982, but have since declined by more than 40%, and are now below 1965 levels.

The Zimbabwe Congress of Trade Unions (ZCTU) has blamed the strikes on "ungrateful bosses who have refused to address the plight of the almost destitute majority workers in the country".

The union said the absolute monthly minimum wage a worker needed to support a family of five was \$227 (R1 249), but about 70% of the 1,2 million workers in the formal sector earned less than \$72,70 (R402) a month.

Middle-income employees get between \$227 (R1 249) and \$318 (R1 750) before tax and only 10% of the workforce have higher monthly salaries, according to the labour organisation.

In a statement acting secretary-general Nicholas Mudzengerere said the union "strongly advises the employer to seriously take into consideration the plight of the employee".

The federation said that, while it appreciated the role of government and the manner in which it has distanced itself from the industrial relations scene, leaving parastatals and private employers to battle it out with their workers, the government's actions had so far left much to be desired.

LABOUR *Solidarity action may include strikes and boycott*

Zimbabwe workers' plight stirs Sactwu

CT(BR) 25/7/97 (363)

Shirley Jones
KWAZULU NATAL EDITOR

Durban — The Southern African Clothing and Textile Workers' Union (Sactwu) warned yesterday it would not hesitate to act against South African companies involved in the mass dismissal of 13 000 Zimbabwean clothing workers this week.

Jabu Ngcobo, Sactwu's general secretary, said the union had no alternative but to consider solidarity action, including organising strikes at companies that owned plants in Zimbabwe, obstructing export points and organising a boycott of Zimbabwean products.

Ngcobo said he was still working through a list of South African-owned plants in Zimbabwe. Of the 20 Zimbabwean companies involved, 16 exported to South Africa.

"A number of employers who dismissed workers in Zimbabwe have businesses in South Africa," he said.

"They have run to Zimbabwe for cheap labour with no intention of creating sustainable jobs ... They responded to workers' legitimate demands with arrogance."

Ngcobo said the continued interference of the Zimbabwean government in industrial disputes — such as issuing a decree which enabled employers to fire striking workers — was also of great concern to the local union. He explained that the industrial action adopted by the Zimbabwean workers was both legitimate and justified.

Recent wage negotiations between the National Union of Clothing Workers and Zimbabwean clothing manufacturers deadlocked after workers refused to accept an 18 percent wage increase.

Ngcobo said Zimbabwe's inflation rate of 22 percent meant there was no prospect of ever achieving real wage increases.

He pointed out Zimbabwe depended on South Africa for economic survival. "The recent bilateral trade agreement between Zimbabwe and South Africa is confirmation of this. At least 95 percent of Zimbabwean exports go through Durban harbour.

"We expect the South African government to say something about the plight of the dismissed workers," he said. "Sactwu will leave no stone unturned. This may include a protest at the harbour."

Bernard Richards, president of the Clothing Federation, said yesterday the South African industry was unaware of the Zimbabwean situation, and there was nothing more he could say at this point.

(363)

FILM INDUSTRY *Organisation launched to protect rights of performers and recognise skills*

Producer exploitation outrages Zimbabwean actors

CT (Mr) 12/8/97

Lewis Machipisa

Harare — Outraged Zimbabwean actors say they are tired of being exploited by film producers who pay them peanuts, and they aim to receive recognition for their skills.

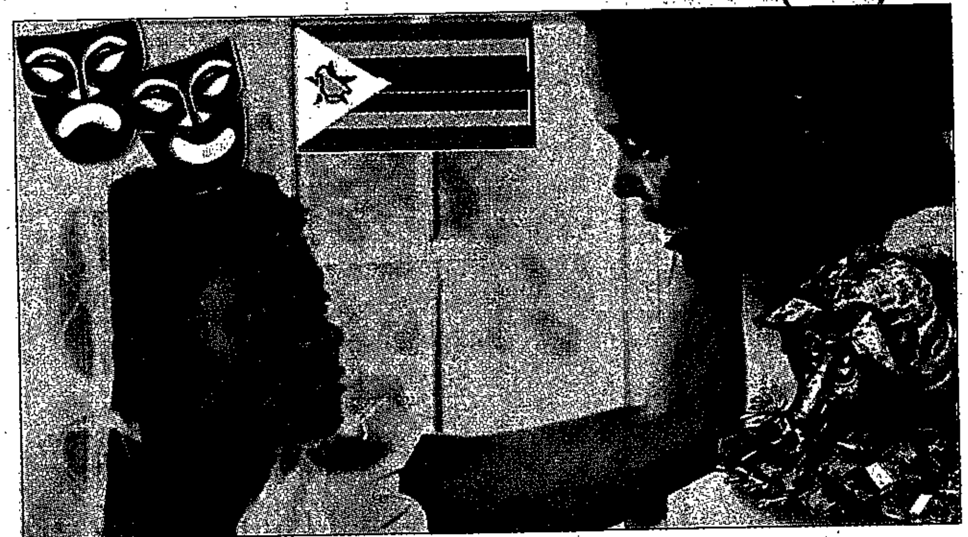
Not that they are demanding the type of fees that a Denzel Washington or Morgan Freeman pockets, but they, too, want to smile all the way to the bank.

"Actors are exploited from left, right and centre," says actress Kathy Kuleya. "I have got nothing to show for all those years I have been acting. I have done about 15 films to date. It really pains me."

Kuleya, who has been an actress for more than 10 years, says she was paid a daily wage of Z$50 (about R20) to star in "JIT", a local feature film produced in 1989.

Another performer, Dominic Kanaventi, says extras are paid about Z$100 a day, while daily wages for fully-fledged actors range from the equivalent of $40 to $270, which few get. Moreover, there are no royalties.

Kanaventi heads a new organisation which plans to protect local actors and actresses. This organisation is called the Zimbabwe Actors' Guild (ZAG).



The organisation also aims to help safeguard Zimbabwean culture. "We will promote films that promote our own culture," says Kanaventi. "We would like our culture to be seen as it is and not as a nation of thin people who are hungry."

The idea to form ZAG was floated in 1994. "We tried at that time to get it going but our biggest stumbling block was funding. We had no money," Kanaventi said.

"But fortunately we have now been allocated a grant from the Norwegian Cultural Fund through the ministry of sports, recreation and culture."

Explaining what led him to participate in the founding of the organisation, Emmanuel Mbirimi, the vice-chairman, said: "As an artist I have been exploited and abused up to a stage where I have said no to some productions.

"Enough is enough. Let's say 'No!' Let's be heard and let's speak."

ZAG also hopes to help provide training for local actors, according to Kanaventi. "A majority of the key parts are given to foreigners who are brought in," he said. "Even if they use experienced locals, they are given what are termed extra roles."

Says Mbirimi: "We have to work at making the industry make sense ... foreign actors come to Zimbabwe and act without being cleared. You can't do it in South Africa and the UK without being cleared. Those guys are protecting their industry.

"We can't have actors being imported into Zimbabwe when we are here and we are not consulted. We are not saying they should not come here, but they should be accredited. We hope to put up such structures through ZAG."

One of the main things the actors are fighting against is their treatment by producers. Kanaventi, for example, has 20 years' acting experience, knows what he is worth and is not prepared to accept less. That, however, has not forced producers to pay him accordingly. Instead they look for another actor.

"The problem is these guys will get a person from the street who is given a few lines, is directed and paid peanuts. With unemployment high in Zimbabwe, that person just takes it," Kanaventi explains. "What is the result? The acting is third rate.

"We feel this is exploitation and it should end. We have to protect our artists from unscrupulous agents," he said.

"The basis of ZAG is to protect the artists and to make it a viable industry where we have minimum rates depending on your experience. We want to protect the image of our industry." — Sapa-Independent Press Service

SA textile union takes up Zimbabwean strikers' case

BD 19/8/97 (363)

Michael Hartnack

HARARE — The SA Clothing and Textile Workers' Union (Sactwu) has written to the SA Customs Union demanding that it block Zimbabwean attempts to revive textile exports to SA until all the workers sacked after a strike in July have been reinstated.

The letter was made public at the weekend by Morgan Tsvangirai, secretary-general of the Zimbabwe Congress of Trades Unions (ZCTU).

In March Trade and Industry Minister Alec Erwin and his Zimbabwean counterpart Nathan Shamuyarira signed a clothing and textile agreement restoring Zimbabwean access to the SA market under the 1964 most favoured nation bilateral pact. The pact had been moribund since 1993 when SA imposed 90% protective tariffs. New preferences drop tariffs progressively from an average 30% to 15% by 2002. However, quotas average less than 4% of Zimbabwe's output capacity, compared to more than 75% before 1993, say local manufacturers.

Loss of SA markets contributed to the closure of at least 41 firms with the loss of thousands of jobs, but in July 2 200 workers in Harare struck for 46% rises to their R68,62 a week minimum. Managements obtained dismissal authority from the labour ministry after the strike was declared illegal, but most strikers were re-employed, settling for an 18% offer.

Tsvangirai said Sactwu had demanded that SA customs officers block Zimbabwean shipments until all strikers had been reinstated unconditionally.

"The exploitation of clothing workers in Zimbabwe causes loss of jobs in SA. The only beneficiaries are employers who grow richer," the Sactwu letter said.

Zimbabwe Clothing Manufacturers' Association chairman Steve Bowen said that since the strike firms had increased their labour by 500 as confidence revived.

The SA workers' decision to use the revived agreement as a lever was taken at their congress last week, Tsvangirai said.

SA and Zimbabwe recently signed a second sectoral agreement, covering agricultural products and foodstuffs, and a third, covering other items such as footwear, leatherware, travel goods and electrical appliances is under discussion. Recapturing SA markets is vital for Zimbabwe to redress its R2bn a year trade imbalance with Pretoria.

Union federation Cosatu has long been unhappy with the lack of "shop-floor democracy" in Zimbabwe and with wage rates it claims are sometimes a sixth of those in SA. During a failed attempt to call a general strike, Tsvangirai was detained last year and nurses tear gassed.

The existence of 2-million unemployed and the lack of parliamentary opposition has put unions in a weak bargaining position. Cosatu attempts to ally with the ZCTU were weakened through the 1980s by President Robert Mugabe's open preference for the Pan Africanist Congress and its rival trade union contacts.

Nonstriking journalists told their action is treachery

(3b3)

HARARE — Zimbabwean Union of Journalists' immediate past president Kindness Paradza called on the rest of newspaper group Zimpapers employees yesterday to down tools in support of their striking colleagues at Herald house in Harare.

Paradza, a deputy editor with the Independent Weekly Financial Gazette, abdicated as union president after the organisation failed for the second time to elect a new national executive, Zimbabwean news agency Ziana reported.

"It is hypocrisy, in fact it is treachery, for other workers from the Zimpapers stable not to join the strike as all decisions are made at head office in Harare, making them equally vulnerable," Paradza said. He said salaries were "pathetic" compared with those in other countries.

Employees in Harare, including journalists from the National Daily, the Herald, and Sunday Mail have been on strike since Thursday, demanding full implementation of findings of a job evaluation exercise which spelt-out worker grades and pay scales. — Sapa.

BD 25/8/97

WORLD

Chiluba unapologetic about Kaunda shooting

BD 29/8/97

LUSAKA — President Frederick Chiluba was unrepentant yesterday over the police shooting of Kenneth Kaunda and suggested his predecessor should drop his political comeback.

Kaunda, 73, who ruled Zambia from 1964 to 1991, was slightly wounded by a bullet that grazed his head after an opposition rally was cancelled and the crowd dispersed by police.

Roger Chongwe, chairman of an opposition alliance of five Zambian parties, was more seriously wounded in the neck.

Both men appeared, their wounds bandaged, at a news conference on Wednesday in Lusaka, where they called on opposition party supporters to prepare to defend themselves as Chiluba was preparing to unleash a civil war.

Referring to a police claim that permission was not obtained for the rally in Kabwe, 145km north of the capital Lusaka, Chiluba sounded uncompromising.

"If some people want to provoke a government elected by the people, it is our duty to show them we are in charge. That incident in Kabwe we don't regret. It has disturbed us. If a man breaks the law, the law must deal with that culprit.

"I do not condone excessive use of force by the police, but in the past few days, police have operated under extreme provocation. The lessons of Kabwe have been learned by the police. They will know how to handle such future situations."

Chiluba scoffed at opposition claims that the incident was an attempt to assassinate Kaunda. "Surely the dear old man is not a political factor today," he said. "Who would wish to kill him?" He suggested Kaunda should accept that his time was past and that holding onto aspirations of a comeback was "dangerous".

US diplomats called for a "full and independent investigation" of the shootings and encouraged the government and the opposition to engage in dialogue.

The opposition wants the government to repeal a constitutional amendment which requires the president to be at least a second-generation Zambian, nullify last year's election results and set up an interim government.

Opposition lawyers applied on Wednesday for the Supreme Court to reconsider its recent 4-1 ruling that Chiluba could not be forced to take a DNA test to prove that he qualified.

Luka Chabala Kasupi, a Zairean immigrant, has claimed Chiluba is his illegitimate son.

The application will be heard late next month. — Sapa-AP.

Zimpapers workers end week-long strike

(363)

Michael Hartnack

BD 29/8/97

HARARE — The doors of Herald House were open again for business yesterday as 500 staff of the parastatal Zimbabwe Newspapers ended a week-long strike estimated to have cost the company R1,6m.

Workers' committee spokesmen, who had originally demanded a 35% increase, believed they had triumphed in obtaining 30%, plus implementation of a job evaluation and investigation of complaints against human resources managers.

The workers had demanded removal of Herald editor Tommy Sithole, assistant editor Gareth Willard and other senior executives. In addition, the workers will be paid extra at night for shiftwork. They claim at least two die each year making their way home after dark through some crime-ridden areas of central Harare.

Only on the last day of the strike did workers on the Bulawayo Chronicle and Manica Post, in Mutare, join their counterparts on the Herald and Sunday Mail.

☐ Reuter reports state-owned airline Air Zimbabwe plans to retrench at least half of its 1 600 workers as part of a commercialisation drive, according to the private Financial Gazette newspaper.

Domestic workers get 31% pay rise

(363)
(394)

Michael Hartnack BD 1/9/97

HARARE — President Robert Mugabe's government at the weekend gazetted a 31% backdated increase for all domestic workers to at least R150 a month.

Employers will be required to give cooks R150, gardeners R160 and minders of children or the elderly R200. Extra allowances are payable if employers do not provide free accommodation.

Zimbabwe's Domestic Workers' Union complains the rates are ignored by hundreds of thousands of employers, particularly the rising black middle class who employ relatives from the depressed rural areas for little or no regular pay.

The basic minimum for all other Zimbabwean workers whose employment is not covered by specific industrial agreements was increased from R160 to R304, backdated to July 1.

A wage dispute in Zimbabwe's mining industry emphasises the "apartheid" between Zimbabwe's formal and informal sector economies.

The 20 000 Associated Mineworkers of Zimbabwe members are threatening to strike for a 30% increase to their R400 a month minimum, plus a five-day, 40-hour week. The union, which has rejected a 23% offer by management and appealed for state arbitration, represents only a third of 60 000 formal sector mineworkers. Meanwhile about 250 000 men, women and children informally pan for gold in dangerous, abandoned workings and riverbeds.

The Zimbabwe Congress of Trade Unions rejected the R304 minimum yesterday as unrealistic in view of the cost of living. No Zimbabwean could survive on less than R400 a month, secretary-general Morgan Tsvangirai said.

SA's trade unions have opposed renewal of the 1964 "most favoured nation" trade agreement with Zimbabwe because they say lack of shop-floor democracy in Harare undermines workers' ability to obtain realistic wage rates, and thus threatens SA workers' jobs with cheap Zimbabwean exports.

Zimbabwe school to sue Mail

Michael Hartnack BD 1/9/97

HARARE — An investigation of alleged racism at Zimbabwe's most expensive private school, Peterhouse College, had been completed and the education ministry was "satisfied" that the school's authorities had "changed their attitude towards their staff", ministry spokesman Stephen Chifunyise said at the weekend.

Legal sources say the school, at Marondera, 80km east of Harare, is meanwhile going ahead with a defamation suite against the state-controlled Sunday Mail, which last year initiated the allegations.

Chifunyise said completion of the report did not end the matter, and invited African staff members "to come forward with any new revelations".

The Mail claimed a racist hymn was printed in the school songbook, that black teachers had been unfairly dismissed and that president Robert Mugabe's portrait had been removed from the staff room wall.

Farm workers' pay dispute turns nasty

BD 29/9/97

Michael Hartnack

(363)

HARARE — More than 10 000 farm workers from Zimbabwe's "maize and tobacco belt", stretching north and east of the capital, have been embroiled since Thursday in unrest over demands for 250% increments.

The media carried pictures of strikers looting fields of vegetables. Others blocked the Harare-Shamva road on successive days until police paramilitary support units were called to clear them.

Vehicles driven by employees not supporting the strike were overturned and looted. Farmers were sending workers home to protect them from mobs searching for strike breakers.

Zanu (PF) provincial secretary for production, Andre Holland, appealed for restraint in settling the dispute which now affected most of Mashonaland. He called for talks between commercial farmers, who include 25% blacks, and the General Agricultural and Plantation Workers' Union.

IN BRIEF (363)

ARG 3/10/97

Farm labourers' strike for 135% pay rise spreads

Harare – A strike by thousands of Zimbabwean farm workers has entered its fifth day and spread to the western part of the country.

Labourers on three wheat farms near Kwekwe, about 125km west of Harare, joined the strike in support of demands by their union for a 135% wage increase, said Arthur Baisley, vice-president of the Commercial Farmers' Union. They joined action by labourers from about 30 other farms east of Harare.

The labourers began their work stoppage on Monday, when traffic on the main highway to the east of Zimbabwe was blocked and cars were stoned as workers threatened drivers. – Sapa

AFRICA

Mugabe's appeals fall on deaf ears, strikes continue

BD 8/10/97 FH (363)

Michael Hartnack

HARARE — Sporadic industrial unrest continued throughout Zimbabwe yesterday despite appeals by President Robert Mugabe's government, employers and trade union representatives for a return to work.

There were reports of wildcat strikes at the Consumer Council offices in Harare, a tent-hiring company and at farms in the eastern Burma Valley, the Nyanga Tea Estates, the southeastern sugar plantations, and the Mvurwi district north of the capital.

Inflation of more than 20% and the demonstrable success of ex-guerrillas in wresting major concessions by violent unrest have led to agitation, particularly on farms whose Malawi-origin workforces remained loyal to their white employers throughout the 1972-80 bush war.

Commercial Farmers' Union president Nic Swanepoel and the General Agricultural and Plantation Workers' Union on Monday joined Labour and Social Welfare Minister Florence Chitauro in an appeal for farm workers to accept an interim 20% increase, pending official arbitration of their demand for the monthly minimum to be raised from Z$360 to Z$848.

Farmers claim strike leaders are going from property to property intimidating workers.

Swanepoel warned the demanded increases would add Z$4,8bn to the wage bill of an industry still burdened with debt, and lead to major retrenchments among its 300 000 workforce.

Leaders of Zimbabwe's mining industry gave a similar warning on Monday after increases of up to 30% were awarded by government arbitrators, despite recent layoffs linked to the fall in the gold price.

"These retrenchments would have a most unfortunate effect for thousands who are gainfully employed and many of whom live with their families on farms."

"Reference to this is not intended in any kind of threatening posture, but merely as a realistic assessment of the facts. Agriculture is simply not in a position to pay a wage increase of such magnitude in any one year." The industry had lost a great deal of money through the government's 10% levy on each bale of tobacco sold, he said.

On Friday, Finance Minister Herbert Murerwa announced Z$5bn cutbacks in essential capital and service spending, in order to find money to pay ex-guerrillas promised a Z$50 000 lump sum gratuity and Z$2 000-a-month pension for life.

Striking Zimbabwean workers stone cars

(363)

BD 9/10/97

Michael Hartnack

HARARE — Striking farm workers stoned cars on Zimbabwe's main Harare-Kariba road for the second successive day yesterday while sporadic unrest was reported throughout the country.

In Harare, several industrial concerns reported wildcat strikes as workers sought to repeat the successful tactics of ex-guerillas, who wrested Z$50 000 tax-free gratuities and Z$2 000-a-month pensions for life from President Robert Mugabe.

In Chiredzi, the lowveld sugar-producing region, two farm workers appeared in court for beating up a manager during protests against the Z$360-a-month minimum wage, which the union wants increased to Z$848.

Workers in the banana-producing Burma Valley, near Mutare, on Tuesday blocked traffic but there were no fresh reports of unrest from eastern border tea and coffee estates.

The focus of yesterday's violence was the Trelawney-Darwendale region 40km northeast of Harare. Drivers of farm vehicles were forced to abandon their vehicles and groups moved from farm to farm insisting that all work cease.

The Commercial Farmers' Union, representing 4 500 mostly white landowners, sought urgent interviews with police commissioner Augustine Chihuri and Agriculture Minister Kumbirai Kangai, both commercial farmers. "We are trying to get them to say 'enough is enough'," said a farming industry leader.

The farmers' union has instructed members to grant a 20% rise but warn that lay-offs may follow any large scale award by government arbitrators, in view of lack of profitability.

Farmers' union president Nick Swanepoel said yesterday banks were not willing to lend because of predicted El Niño drought conditions. "They are giving us a hard time and are not sympathetic," he said, noting a Z$4,8bn debt burden on the industry.

There are 300 000 farm workers in Zimbabwe, with up to 1,5-million dependants.

A survey published yesterday by Germany's Friedrich Neumann Foundation said Zimbabweans were now more openly critical of the government than at any time in the past, believing it had failed to deliver promises made at 1980 independence. However, spokesmen for University of Zimbabwe students seeking a 100% grant increase said they were inspired by the success of ex-guerillas in wringing concessions the government says will force Z$5,5bn cutbacks in capital and social spending.

Farmworkers strike as Zimbabwe harvests

~~3~~ (363 ETCBE) 10/10/97

CRIS CHINAKA

Harare — Zimbabwe's federation of trade unions said yesterday it was battling to end a series of wildcat and, at times, violent pay strikes timed to rock farms on the eve of a new cropping season.

Zimbabwe state radio said some white farmers alleged that they had been physically and verbally assaulted by their black workers in what they regarded as racially inspired attacks.

Morgan Tsvangirai, the secretary-general of the Zimbabwe Congress of Trade Unions, said his organisation and its affiliate, the General Agriculture and Plantation Workers' Union of Zimbabwe (Gapwuz), had agreed with the commercial farmers to refer their wage dispute to an independent arbitrator.

"While that process is going, we are saying to the workers 'return to your jobs'," Tsvangirai said of reports that some farms were still suffering strikes, looting and violent assaults days after arbitration had been agreed on.

"That is the message we are trying to get across to everyone, but obviously not everyone has come on board."

State media said yesterday that union leaders and heavily armed riot police had battled hard on Wednesday to control about 1 800 violent strikers who were destroying and looting farm property and attacking farm owners, managers and passing motorists in Trelawney, 100km northwest of Harare.

The police said the situation was generally calm yesterday, although many workers were still on strike in the northern districts of Trelawney, Banket, Mhangura and Concession, which grow mainly tobacco, maize and cotton.

The farmworkers are demanding a 135 percent wage rise, which Nick Swanepoel, the president of the main Commercial Farmers' Union, said no farmer could meet.

Swanepoel said this week that if the workers refused to accept a lower figure, some employers might be forced to retrench and turn to mechanisation wherever possible.

"This is not intended in any kind of threatening posture, but merely as a realistic assessment of the facts," he said.

"Agriculture is simply not in a position to pay a wage increase of such a magnitude in one year."

Agriculture which, according to government figures, employs around 350 000 workers, grew an estimated 18 percent in the farming season ended on April 30, after a 40 percent rise in the 1995-96 season.

Swanepoel said the farming sector was struggling with a number of state levies and a debt of around Z$4,8 billion (about R1,82 billion).

He did not say how much the farmers were able to pay, but said the Agricultural Labour Bureau was urging its members to pay an interim 20 percent increase for September while the case went to arbitration.

Industry analysts expect the total increase to the monthly minimum wage of Z$360 to be about 45 percent.

Gapwuz said the initial farmworkers' strike, which began nearly two weeks ago, was timed to affect the preparations for Zimbabwe's coming November to April cropping season. — Reuter

IN BRIEF

Union chiefs try to end wildcat strikes on farms

Harare – Zimbabwe's federation of trade unions says it is battling to end a series of wildcat and at times violent pay strikes on farms on the eve of a new cropping season.

Morgan Tsvangirai, secretary-general of the Zimbabwe Congress of Trade Unions, said his organisation and its affiliate, the General Agriculture and Plantation Workers' Union of Zimbabwe, had agreed with commercial farmers to refer their wage dispute to an independent arbitrator. (363)

The first strike began nearly two weeks ago. – Reuter

ARG 10/10/97

☐ ZIMBABWE

CT (BR) 14/10/97 (363)

Peace returns to farms after wage strikes

Peace returned to many Zimbabwe farms yesterday after a two-week wave of strikes, some of them violent, industry officials said. Strikes around the country for higher pay were generally over, according to Phillip Munyanyi, the secretary-general of the General Agriculture and Plantation Workers' Union of Zimbabwe, and David Hasluck, the director of the Commercial Farmers' Union.

"The reports we have are that the workers have heeded our call to return to work while we wait for the outcome of the arbitration process," Munyanyi said. His union, an affiliate of the Zimbabwe Congress of Trade Unions, agreed with the commercial farmers last week to independent arbitration of their bitter dispute over demands for a 135 percent wage rise. But some workers ignored the agreement and union appeals to return to work, continuing a wave of violent strikes, especially at farms in the main tobacco and maize-growing districts of Mhangura, Banket and Trelawney.

Farm property worth millions of Zimbabwean dollars was destroyed, and farm owners and managers were assaulted in a wave of violence on the eve of the new November-April crop season, Hasluck said. —*Reuter, Harare*

Farm workers to wait for arbitration

BD 16/10/97 (363)

Michael Hartnack

HARARE — Zimbabwe's 300 000 farm labourers have temporarily returned to work following the first countrywide strike in a century, when tens of millions of rands damage was done by rioting mobs, and some white landowners evacuated their families to town.

A spokesman for the General Agricultural and Plantation Workers' Union said among members who had agreed to await arbitration were those in the Darwendale-Trelawney area northwest of Harare, in the southeastern lowveld sugar plantations and the Nyanga tea estates, where the worst violence occurred.

Workers are seeking increases in their statutory minimum wage from Z$360 to Z$848 (R320) a month.

Zimbabwe's 4 400 large-scale commercial farmers, 75% of whom are white, say this will bankrupt the industry at a time of falling profitability, increased taxation and uncertainty over President Robert Mugabe's plans to take over more than 2 000 farms, totalling 4-million hectares, without paying compensation.

At the height of the unrest last week, some whites who had remained on their land throughout Rhodesia's 1972-80 bush war hurriedly sent their wives and children away. Rural police initially said lack of transport prevented their responding to stone throwing mobs who blocked main roads.

Arbitrators win big pay rise for farm labourers

363

BD 17/10/97

Michael Hartnack

HARARE — Arbitrators announced a 40% increment for Zimbabwe's 300 000 commercial farm workers yesterday, to a minimum Z$503 a month — just less than R200 a month.

The 4 400 members of the Commercial Farmers' Union last week predicted a wave of bankruptcies if the government granted the demanded Z$848 minimum, in view of falling viability, a Z$1bn reduction in income from this year's tobacco auctions and the predicted El Niño drought this season.

In addition, nearly half the CFU's members, farming 4,3-million hectares, face imminent takeover of their land for redistribution to blacks, according to President Robert Mugabe.

On a countrywide tour of rural areas this week, he has repeated his threat to confront British Labour Prime Minister Tony Blair with an ultimatum at this month's Commonwealth summit in Edinburgh.

"If the British government wants us to compensate its children it must give us the money or it must compensate them itself," he said.

"The year of our Lord 1997 should be final in offering our people land," Mugabe told chiefs and ruling party officials on Wednesday.

"We are for one man one farm and those who have more, they will be designated," said Joseph Msika, chairman of Zanu (PF) and of Mugabe's "national land acquisition committee".

"We were surprised when one multinational company had 17 farms," said Msika whose own 500ha property near Mazowe, 40km north of Harare, was declared derelict in 1990.

Mugabe said the "dollar for dollar" system agreed with the British at independence, whereby Zimbabwe shared the cost of "willing seller" land acquisitions, meant it had to tax its own people to raise money to buy their own land.

Bank managers are reportedly chary about offering loans this season in view of uncertainties about takeovers and the El Niño drought conditions predicted by the meteorological office.

Victory for Zimbabwe farmworkers

Star 17/10/97 (363)

By Andrew Meldrum
Star Foreign Service

Harare – Zimbabwe's 350 000 farmworkers returned to work yesterday, ending a strike which for two weeks crippled the country's commercial farming during the critical planting season.

The farmworkers accepted a 40% wage increase offered by farm owners to the General Agricultural and Plantation Workers' Union of Zimbabwe (Gapwuz). The 40% raise takes the minimum farmworkers' wage up to Z$503 (R185) a month.

This was far short of the 135% increase demanded by Gapwuz, but it was double the 20% increase the farm owners originally offered the workers.

In addition, the workers' annual leave was increased from 12 to 15 days a year. The strike is widely viewed as a significant victory for the farmworkers.

ALEXANDER DEMYANCHUK / REUTERS

Second Algerian terror group offers truce

Paris – An Algerian Muslim armed group which targeted intellectuals and said it killed

Colcom workers on strike

Michael Hartnack (363)

HARARE — A strike by 800 employees of Colcom foods went into its second day yesterday as parent company Colcom Holdings announced a 7,2% increase in income after taxation for the six months ended September 30.

Police were deployed near the company premises, but no incidents were reported as labour ministry officials tried to convene talks.

The recently privatised Colcom reported an 18,9% increase in turnover from Z$139,3m to Z$159,6m and declared a 6c dividend for the nine months ending December.

Employees at the plant manufacturing sausages, packed meat and pork products are demanding a 10% increase and investigation into alleged racism by managers.

They also demanded "transparency in the way the company was handling promotions", workers' committee chairman David Tsuro said.

The workers alleged that only a favoured minority of supervisors had received a recent 10% rise.

The directors said the company had "performed admirably against a background of uncertainties in the economic environment".

Processing had been centralised to the Harare factory, a "rightsizing exercise had been completed" and processing systems had been improved to make efficient use of new equipment.

BD 7/11/97

AFRICAN

ZIMBABWE *Economic growth under threat*

Unions, industry protest tax levels

(3b3)

CT (POR) 3/12/97

GODFREY MUTIZWA

Harare — Zimbabwe's Congress of Trade Unions was gathering support against the government's latest round of tax increases, Morgan Tsvangirai, its secretary-general, said yesterday.

"There is national consensus on the need to organise a protest of this nature," said Tsvangirai. "The general council will hold a meeting on the issue on Saturday."

The government, under pressure to raise Z$4 billion (about R11,6 billion) to pay compensation to independence war veterans, increased sales tax to 17,5 percent from 15 percent on Monday. It also doubled the electricity tax to 10 percent and announced a 5 percent war veterans' levy to be paid by all taxpayers from April 1998.

Economists described the measures as inflationary and certain to further damage economic growth. The tax increases come less than three weeks after a collapse in the Zimbabwe dollar on November 14.

On Tuesday the Confederation of Zimbabwe Industries (CZI) added its weight to calls that the government is damaging the economy, saying the taxes would overburden already demoralised industry.

"The rate at which the business environment is worsening has picked up pace over the last three weeks," said Jonee Blanchfield, the CZI president.

"These measures will seriously undermine exports, and in many cases it will be the further demise of some hard-won export markets, where our margins were borderline and impossible to regain in a competitive world," she added.

The government has revised its estimate of 1997 economic growth from over 5 percent to under 4 percent, following poor prices for the key tobacco crop, low international mineral prices and the worsening macroeconomic environment.

Private economists are forecasting growth of 2,5 percent this year and zero growth next year, owing to a forecast drought and a projected one-third drop in farm production as a result of the government's controversial land reforms.

The government has not answered the attacks. — Reuter

AFRICA

Zimbabwe union vows to continue with strike plan

BD 8/12/97 (363)

Michael Hartnack

LEADERS of Zimbabwe's traditionally weak and ineffectual union movement have vowed to go ahead with tomorrow's planned one day national strike against taxes aimed at raising an extra Z$2bn towards ex-guerrillas' Z$4bn-Z$5bn tax gratuities.

Unsourced statements yesterday by the official media that a 5% "war veterans' levy" would be rescinded, but other taxes might be left in place, failed to divert the Zimbabwe Congress of Trade Unions' (ZCTU's) strike plan. Employers were giving workers Tuesday off as a solidarity gesture.

A backdated 5% additional levy on company tax, already 43%, plus average 5% rises in petrol, diesel and electricity duties had been announced, besides further levies on individuals. These were to fund payments to between 40 000 and 90 000 ex-guerrillas without increasing the budget deficit.

An increase beyond 8,9% would rule out resumed World Bank and International Monetary Fund balance of payments support that Zimbabwe urgently requires.

The taxes were rushed into law by a Government Gazette "statutory instrument" when ruling Zanu (PF) backbenchers refused immediate ratification.

The ZCTU has resolved to go ahead with its Tuesday "national mass protest" in view not only of the extra taxes but "the general deterioration of the standard of living of the workers", said secretary-general Morgan Tsvangirai.

MUGABE

A year ago the ZCTU made an ineffectual national strike call after Tsvangirai was arrested and nurses teargassed during an eight week hospital strike.

Tomorrow's temporary stoppages, expected to take the form mostly of lunch hour demonstrations, will be the most serious union challenge to President Robert Mugabe's government in his 17 years in power.

The ZCTU, representing about 20% of the 1,2-million formally employed Zimbabweans, said it had vainly sought dialogue with Mugabe's government over a situation in which 60% of workers are below the poverty lines, and there are 4-million unemployed.

Stockbrokers reported on Friday a further 200 point (2,5%) fall in the Zimbabwe Stock Exchange index as fears for the effect of the taxes eroded confidence following the 24% crash the previous week.

It was reported yesterday that Finance Minister Herbert Murerwa had pledged to accelerate the sell-off of state-owned parastatals, in order to honour promises made to get ex-guerrillas. No announcement has been made.

Meanwhile, police commissioner Augustine Chihuri said he would suppress the strike as there was "no longer any reason for it to go ahead" in view of the reported pledge by Murerwa.

Farmers deny land policy protest plans

Michael Hartnack

HARARE — White farmers have denied reports of organised protests against Zimbabwean President Robert Mugabe's targeting of land for takeover.

However, Zimbabwe's Catholic bishops have called for fairness, legally recognised appeal, and consideration for 150 000 farm workers and their families.

The British Broadcasting Corporation suggested that despite official warnings that those who spoke out would be targeted first, some form of strike might proceed before Christmas. However, a farming leader said farmers were too busy trying to lodge their appeals by December 19 to meet the deadline.

Speaking in a closed session at the end of the ruling Zanu (PF) party conference in Mutare at the weekend, Mugabe warned whites this was "not a matter for the courts to decide".

Diplomats and independent journalists were excluded from the conference, which resolved to back Mugabe's policy.

Mugabe rejected the farmers' claims that annual agricultural output of Z$6bn was at risk. He said since 1985, peasant farmers in communal areas had produced 51% of the country's maize and two-thirds of its cotton.

Police act as protest cripples Zimbabwe

ARG 9/12/97 (363)

Hundreds of SA tourists stranded

Harare – Police fired teargas at thousands of demonstrators in central Harare today as the first nationwide strike in decades began with a huge response from civil servants and private sector workers.

In the southern city of Masvingo, on the main road to South Africa, residents said hundreds of South African tourists were stranded by the closure of petrol stations and hotels.

Heavily armed riot police were stationed round the approaches to the central business district and sealed off Africa Unity Square in the centre, meant to be the focus for a one-day strike called by the national trade union movement.

State radio announced that President Robert Mugabe would deliver an address to the nation today.

Trucks carrying riot police patrolled the city centre where all businesses appeared shut. Police fired teargas at demonstrators who panicked and scattered.

Reports from outside the capital said the second city of Bulawayo had closed down.

The action was called by the Zimbabwe Congress of Trade Unions in protest against the imposition of a series of new taxes 10 days ago meant to raise $Z4 billion (R1,3-billion) to pay for a lavish package of benefits for guerrilla veterans of the war against white minority-ruled Rhodesia.

The increases in sales tax, income tax and taxes on fuel and electricity provoked outrage after a backbench revolt by MPs of the ruling Zanu Party in Parliament blocked the moves, but the government went ahead and promulgated the increases without parliamentary approval.

Police commissioner Augustine Chihuri said he would not permit demonstrations, in contravention of a Supreme Court ruling two years ago that struck down restrictions on the right to demonstrate.

The strike is seen as the most critical challenge to President Mugabe's authority since independence in 1980. – Sapa

Police ban on strike in Zimbabwe

(363)

ANDREW MELDRUM

ET (BR) 9/12/97

Harare — A nationwide anti-government strike by the Zimbabwe Congress of Trade Unions (ZCTU) today could end up in clashes with the police, which have banned the demonstration.

"We will not tolerate any ... people bent on being disorderly and causing chaos," Augustine Chihuri, Zimbabwe's police commissioner, said yesterday.

Morgan Tsvangirai, ZCTU's chairman, said the police commissioner told him yesterday officials were afraid of violence because of the "depth of discontent in the country".

Tsvangirai said the ZCTU would press ahead with the strike to protest the government's imposition of new taxes to pay the Z$5 billion gratuity pension package to war veterans.

A number of Harare shops, businesses and factories have already announced they would be closed for the day. — Independent Foreign Service

Zimbabwe strike unites races

Star 10/12/97 (363)

Harare – The nationwide strike and harsh police action against demonstrators in Harare yesterday produced unexpected unanimity between some of Zimbabwe's blacks and the beleaguered white community.

Information Minister Chen Chimutengwende was quoted in yesterday's issue of the state-controlled Herald newspaper as saying that whites were fuelling the strike "in an attempt to embarrass the government".

However, Zimbabwe Congress of Trade Unions (ZCTU) secretary-general Morgan Tsvangirai said later: "Any inference that there is a deliberate attempt by white employers to undermine the government should be dismissed with the contempt it deserves."

"The protest, organised by ZCTU, would have gone ahead with or without the support of whites and had nothing to do with being white or black."

At the barricades in Mbare township, driver Joseph Mutandi drew cheers from fellow strikers when he said the strike was not only related to a series of controversial tax increases.

"We are also trying to protect the farmers because we know they feed us. The farmers must be left alone. The ministers have got four or five farms, but they are the ones not utilising their land."

Another protester said: "The white people who were ruling this country were better. It was better under (former Rhodesian prime minister Ian) Smith." – Sapa

► More details
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Riots erupt as nationwide strike grips Zimbabwe

BD 10/12/97 (363)

HARARE — The first nationwide strike in decades gripped Zimbabwe yesterday with widespread rioting breaking out in the capital as police used force to stop antigovernment demonstrations.

Sapa reports thousands of government and private sector workers streaming into the capital yesterday for a peaceful rally in the city centre were tear gassed and baton-charged by riot police. The crowds fled as police saturated the city centre, already shut down by the strike, with tear gas.

Demonstrations were permitted in most other major centres, where no violence was reported.

Shops, banks, offices and factories closed throughout the country to observe a one-day strike to protest against a series of taxes imposed by government to finance a R1,1bn package of benefits for guerrilla veterans.

Observers say the massive turnout is a sign of the depth of discontent with the severely eroded standard of living, caused by a government widely perceived as corrupt.

MPs of the ruling Zanu (PF) party refused on November 28 to pass legislation for hikes in sales tax, income tax and taxes on fuel and electricity. Government ignored parliament and promulgated them the next day.

Morgan Tsvangirai, the secretary-general of the Zimbabwe Congress of Trade Unions, which called the strike, said the day had been a defining moment for the country. "It is the general discontent that is erupting."

Observers say that the strike has presented Mugabe with the most critical time of his 17-year rule.

Many of the main highways out of Harare were blocked by rioters who smashed car windscreens and torched cars and buses. Trade unionists and civic leaders accused the police of starting the violence in Harare.

However, **Michael Hartnack** reports that Information Minister Chen Chimutengwende suggested that white employers, "most of whom are disappointed about the land issue", had used black workers to foment protest. The Zimbabwe Broadcasting Corporation said whites had given their staff the day off with pay to support the protest.

Police, who fired more than a hundred tear gas canisters as 3 000 protesters gathered peacefully near parliament, were acting in defiance of a high court injunction obtained by the congress of trade unions to prevent police breaking up protests. The court had ruled earlier that people had a constitutional right to protest peacefully.

Catholic Justice and Peace Commission director Michael Auret said: "The police created the violence. They were in contempt of court."

three-month credit of about $100m and, if this was repaid on time, further

The failure of poor time for the

Hard-hit Zimbabwe mines sack 2 000

(363)

Michael Hartnack

BD 10/12/97

HARARE — Zimbabwe's mining industry had been forced to lay off 2 000 workers this year as a result of tumbling prices for gold and base minerals, Chamber of Mines president John Nixon said yesterday.

The market was unlikely to recover in the short term, which spelt more problems for companies, Nixon said.

Poor prices for minerals, particularly gold, nickel, copper and ferrochrome had left companies with no alternative except retrenchment, he said.

At least three marginal gold mines were forced to close when the gold price hit a 12-year low.

Nixon said the 2 000 redundancies were among the 60 000 formal-sector employees. About 250 000 illegal gold panners and "fossickers" in disused mine shafts also rely on mining for a living.

Formal-sector mining earns Zimbabwe Z$7,7bn or 8% of gross domestic product.

All base minerals have to be exported through the state-run minerals and marketing corporation, which miners say imposes an increased cost and frustrates sales through tardy bureaucracy.

The BHP Hartley Platinum project has a special government dispensation to market its own output, but all other precious metal output has to be sold to the reserve bank.

The 20 000 members of the Associated Mineworkers of Zimbabwe earlier this year obtained a 30% increase in their minimum wage rate to just under Z$1 000 a month.

The Chamber of Mines has made unsuccessful appeals to the reserve bank to introduce a "floor price" to sustain confidence in gold production.

General strike a rebuke to Mugabe

CT (BR) 10/12/97 (363)

Andrew Meldrum

Harare — Zimbabwe's workers shut down the nation's businesses, shops and factories yesterday with a general strike that was a pointed rebuke to President Robert Mugabe's policies.

Augustine Chihuri, the police commissioner, declared the strike illegal under the Law and Order Maintenance Act, but the unions won a court order stating the strike was legal and the strikers should not be harassed.

The strike was peaceful throughout the country, except in Harare where police prevented people from gathering by firing tear gas and attacking pedestrians with batons.

Although no shops were looted, some violence occurred as government vehicles and buses were stoned and a few set on fire.

The strike was given a boost on Monday when the Employers' Confederation of Zimbabwe decided to close all shops and factories, saying it wanted to prevent workers from being harassed and stores from being vandalised.

UNDER ATTACK *President Robert Mugabe of Zimbabwe*

The Mugabe government criticised the "white-owned businesses" for encouraging the strike.

"Black people cannot accept being used by white people who are unhappy over the question of land redistribution," said Chen Chimutengwende, the information minister.

Impervious to the turmoil and tear gas in the streets nearby, Mugabe gave his annual "state of the nation" address to parliament yesterday afternoon without making any mention of the work stoppage or of the controversial payments to war veterans.

The Zimbabwe Congress of Trade Unions called the strike to protest at recent hefty tax increases to pay for the unbudgeted Z$4 billion (about R1,3 billion) "gratuity" package to 50 000 war veterans.

Two weeks ago parliament refused to approve a 5 percent income tax levy and increases in sales and fuel taxes, but the government proceeded to push through the taxes using extraordinary powers.

Although Mugabe retracted the 5 percent levy over the weekend in the face of vocal opposition at a conference of his own party, the unions decided to go ahead with the strike to protest against the other tax increases and the government's "unaccountability to the working people". — Independent Foreign Service

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CAPE TIMES
★ THURSDAY, DECEMBER 18, 1997

Zimbabwe confronted with another strike in New Year

(363) CT 18/12/97

HARARE: Zimbabwe is confronted by the threat of another general strike in the New Year, as trade unions protest heavy-handed police action, the assault of a top union leader and President Robert Mugabe's management of the rapidly unravelling economy.

Zimbabwe Congress of Trade Unions (ZCTU) president Mr Gibson Sibanda warned on Tuesday that his organisation would call a general strike unless Minister of Home Affairs Mr Dumiso Dabengwa and Police Commissioner Augustine Chihuri resigned their posts immediately.

Sibanda said the two officials were to blame for the violence which broke out in Harare during the ZCTU's strike on December 9. That strike brought the nation's business, commerce and industry to a halt.

It also showed a new co-operation between the predominantly black trade union movement and the mostly white business community. This recent common cause between disaffected sectors of Zimbabwe spells serious trouble for the government.

The strike was peaceful throughout the country except in Harare where police used teargas and batons to disperse peaceful demonstrators.

The enraged protesters then had pitched battles with police and looted about 30 shops. Following the strike on December 11, ZCTU secretary-general Mr Morgan Tsvangirai was badly beaten by a gang of eight thugs who burst into his office and left him unconscious. The ZCTU blamed Dabengwa and Chihuri for the assault because they had publicly threatened organisers of the strike.

"We can only point fingers at the people who talk violence," said Sibanda on Tuesday.

The ZCTU demanded that the government scrap the 2,5% increase in sales tax and embark on reform of the nation's constitution, based on a conference representing all segments of society. They called for the constitution to vest less power in the executive in order to reduce corruption.

There is little chance of the government bowing to these requests, so the strike appears likely.

Although Harare has been rife with rumours of another national strike this week, union sources say it would be impractical to stage a successful strike as most factories are winding down for the Christmas and New Year holidays.

They say a strike is much more likely at the beginning of January. The threat of a second nationwide strike highlights the fact that Zimbabwe is facing the most serious political and economic problems since independence in 1980.

The Zimbabwe dollar has lost 50% of its value since mid-November and is still dropping. The stock market has dropped from over 10 000 points to nearly 7 000. Interest rates have risen from 24% annually to more than 35% and economists say most interest rates will go above 40%.

The weekly Zimbabwe Independent warned "The worst is yet to come" in terms of increased economic difficulties for all Zimbabweans. — Independent Foreign Service.

Another strike looms in Zimbabwe as the unions flex new muscle

Star 19/12/97 (363)

Buffeted by a crashing currency and stock market, and with interest rates soaring and a drought looming, 1998 looks grim

By Andrew Meldrum
Harare

Zimbabwe is confronted by the threat of another nation-wide general strike in the New Year, as the trade unions flex their new muscle to protest against heavy-handed police action, the assault of a top union leader and President Robert Mugabe's management of the rapidly unravelling economy.

Zimbabwe Congress of Trade Unions (ZCTU) president Gibson Sibanda warned this week that his organisation would call a general strike unless Minister of Home Affairs Dumiso Dabengwa and Police Commissioner Augustine Chihuri resigned immediately.

Sibanda charged the two top officials were to blame for the violence which broke out in Harare during the ZCTU's successful general strike last week on December 9.

That strike brought the nation's business, commerce and industry to a halt. It also showed a new co-operation between the predominantly black trade union movement and the mostly white business community. This new common cause between disaffected sectors of Zimbabwe spells serious trouble for Mugabe's government.

The strike was peaceful throughout the country, except in Harare where police used teargas and beatings with batons to disperse peaceful demonstrators.

The enraged protesters then had pitched battles with police and looted about 30 shops. Following the strike, on December 11, ZCTU secretary-general Morgan Tsvangirai was badly beaten by a gang of eight thugs who burst into his office and left him unconscious.

The ZCTU blamed Dabengwa and Chihuri for the assault because they had publicly threatened organisers of the strike. "We can only point fingers at the people who talk violence," said Sibanda.

The ZCTU also demanded the government scrap the 2,5% increase in sales tax and start reform of the constitution, based on a conference representing all segments of society.

They called for the constitution to vest less power in the executive in order to reduce corruption. "Let it be clear that if these demands are not met, we will be back on the streets," vowed Sibanda.

There is little chance of the Mugabe government bowing to these requests, so a January strike appears likely.

The threat highlights the fact that Zimbabwe is coming to the end of 1997 with the most serious political and economic problems the country has faced since independence in 1980.

The economy is in critical shape. The Zimbabwe dollar has lost an astounding 50% of its value since mid-November and is still dropping. The stock market has dropped from over 10 000 points to near 7 000. Interest rates have risen from 24% annually to more than 35% with forecasts of 40%.

No wonder the World Bank and the IMF are withholding key loans to support Zimbabwe's rapidly eroding balance of payments.

The government's plan to nationalise nearly half of the commercially owned farmland is another continuing source of controversy. The land was identified by political committees, not by agricultural experts, and the ZCTU warned the land must not simply be re-distributed to cabinet ministers and other party faithful.

And to add to Zimbabwe's troubles, it appears a drought is on the way. As the weekly Zimbabwe Independent warned: "The worst is yet to come". – Star Foreign Service

Zimbabwe air controllers in pay strike

(363) Star 23/12/97

Harare – Air traffic controllers have staged a strike to demand pay increases, but the government says senior officials and military controllers have kept most scheduled services running.

Transport Minister Enos Chikowore said all unscheduled flights were cancelled yesterday.

The main airfield outside Harare serving light aircraft was closed to reduce pressure on officials who had taken over the strikers' posts.

He said domestic and international schedules by the state airline and international airlines were so far unaffected by the strike and safety was not endangered.

The striking controllers, who earn between 5 000 Zimbabwe dollars (about R18 000) and 13 000 Zimbabwe dollars (R47 000) a month, were demanding a range of increases and transportation allowances.

The government has accused the strikers of timing their action to disrupt holiday travel, but strike leaders said aviation authorities had repeatedly ignored their demands. – Sapa-AP

Air controllers' strike ineffective

(363)

Sowetan 24/12/97

ZIMBABWE air traffic controllers were on strike for the third day yesterday over pay and working conditions, with authorities adamant that the action had not disrupted any scheduled flights.

"All flights are operating according to their schedules. There has not been any disruption caused by the strike," a spokesman for the ministry of transport said yesterday.

The country's main international airport remained open to all scheduled international and domestic flights.

Harare international airport "has been operating normally since the start of the work boycott. We called in managers from other airports and also sought external help to beef up our manpower," the spokesman said without giving details.

But the air traffic controllers have accused the authorities of misinforming travellers and the aviation community by stressing that despite the work stoppage by the scores of officers and cadets, all was normal and that air safety was not being compromised.

The controllers, through their lawyer Selby Hwacha, said they were aware of, and sensitive to, the fact that "air traffic control is currently in the hands of unlicensed, unqualified and short-staffed stopgap personnel who are trying to cope with duties," the domestic agency ZIANA reported.

The traffic controllers warned last week that they would resort to industrial action if their grievances were not resolved.

The controllers demanded a review of their grades and pay. They complained of under-staffing, long working hours, poorly serviced equipment and lack of transport.

Hwacha reiterated that the air traffic control equipment was in a state of disrepair. "It is a fact that the radar is not reliable," he said.

Their union, the Air Traffic Controllers Association of Zim, said the country's total of 80 controllers was at least 30 percent short of required staffing levels.-*Sapa-AFP*.

Zimbabwe airports open despite strike

(363)

Harare — The Zimbabwe government has managed to restore all scheduled flights in the middle of an air traffic controllers' strike that entered its 10th day yesterday.

Sixty-seven air traffic controllers have been on strike since December 21 and they have been officially dismissed from the civil service.

A handful of senior officials at first worked to keep the airports open and safe in reduced hours. Airlines had to cancel and reschedule many early and late flights. But the Department of Civil Aviation has since recruited new controllers and trainees and has been able to restore regular schedules. — Star Foreign Service

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ZIMBABWE – GENERAL

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Comments:

Housing costs soar — report

(362)

Michael Hartnack

BD 7/10/97

HARARE — Zimbabwe's failure to reduce inflation is particularly noticeable in the housing market, with homes in the low-density, or former white, suburbs now difficult to find below the Z$1m tag, the Beverley Building Society reports.

"Building costs are pushing the price of high-density houses beyond the ability of wage earners to pay the resulting instalments," chairman John Young said in his report for the year to June 30.

Beverley reported a 34,9% increase in total assets to Z$3,2bn.

A total of Z$338m in mortgage loans was offered to 1 722 applicants, Young said.

Inflation averaged 21% during the year, while interest on "C" class Beverley shares was 15,25%.

Zimbabwean mines to pay Z$300m more for salaries

(86A) BD 7/10/97

Michael Hartnack

HARARE — Zimbabwean mines expect a Z$300m-Z$400m increase in their wage bill as a result of a decision at the weekend by a government arbitrator to grant 23% to 30% increases to 57 000 formal sector workers.

The "informal sector" industry — including gold panners and "fossickers" in abandoned shafts — gives a livelihood to about 250 000 who produce about 10% of Zimbabwe's Z$3bn-a-year gold output under primitive and dangerous conditions. Most is exported illegally.

Mining sources fear an increased number of formal sector layoffs following the arbitration, with accelerated movement away from past labour-intensive production.

Last week there were disturbances, arson and wildcat strikes at seven mines after the government ordered management to tax workers on an additional 12,5% of their pay if they received company housing. The order has since been rescinded.

The head of a government-appointed tribunal announced increases on a sliding scale with workers on Z$784 minimum getting 30% to Z$1 019 (R408), while those on Z$3 140 get an increase to Z$3 862.

Talks on demands by the Associated Mineworkers' Union for a five-day, 40-hour week continue. Union president Jeffrey Mutandare described the award as a major victory. The government arbitrators said those on the lower scale "bore the brunt of the economic vagaries".

So far this year, 2 000 formal sector mine workers have been laid off, with Rio Tinto closing its Patchway gold mine near Kadoma, as the gold price fell to $330/oz.

The Reserve Bank has rejected pleas from the Chamber of Mines for a guaranteed $375 floor price to sustain employment and production.

Zimbabwe 'should not export grain'

Michael Hartnack (362)

BD 7/10/97

HARARE — Only days after the parastatal Grain Marketing Board declared it had enough stocks to avert famine should the predicted El Niño drought wreck harvests, the Food Security Early Warning Unit said plans to export 350 000 tons would leave Zimbabwe vulnerable.

"With the stock level about 502 000 tons, exporting 350 000 tons will leave the country with stocks way below the desired strategic reserve to buffer events like the El Niño," the unit said yesterday. It urged the government to "revisit" its export targets.

Farmers are reportedly holding back deliveries, deterred by the R480 a ton price offered by the board. This is far below prices obtainable in Zambia and SA, to which they are barred from exporting.

The early warning unit, a branch of the Southern African Development Community (SADC), last month warned its 14 member nations to guard against a repeat of the 1992-94 blunders, when stocks were exported to try to obtain foreign currency. As a result, much larger amounts had to be spent on imports.

Board GM Martin Muchero claimed last week Zimbabwe had enough stocks to feed the nation for at least four months, and enough cash on hand to import sufficient to carry the country through to the 1999 harvest. He said the board should still be able to meet its export commitments this year.

The SADC early warning unit said Angola, Malawi and Tanzania could face widespread famine if international aid donors did not move early to help them build up food stocks. The region had a 1,3-million ton grain deficit after the past season, although SA and Zimbabwe had a good harvest.

Zimbabwe becoming a 'drug-user country'

(362) Star 8/10/97

By Brian Movo
Harare

Zimbabwe is no longer only a transit point for hard drugs on their way to other southern African countries, but has become a user country as illegal drugs flood the local market.

Police and other law-enforcement agencies say they are battling to close loopholes.

Among the hard drugs giving business to dealers, especially in Harare, are cocaine, heroin and Ecstasy.

"These drugs, and mandrax, are becoming commonly used in Zimbabwe. We have our local dagga as the most common drug abused by both adults and youths," says drugs unit Inspector Silas Mkoba.

He said other imported drugs like "Malawi gold" – a more potent dagga from Malawi – have found a strong market in Zimbabwe.

Harare has a brisk trade in cocaine and heroin. Business is carried out between foreign or local dealers and their customers at hotels in the avenues of Harare and some nightclubs.

"Business is conducted on a large scale. Cocaine and heroin are big money spinners and everyone, including the police themselves, can be tempted to deal in them because of the money involved."

According to Mkoba cocaine, heroin, mandrax and other hard drugs fetch more on the lucrative South African market, but drug peddlers sometimes prefer doing business in Zimbabwe to avoid arrest in South Africa.

Despite stringent security measures at all border posts and the Harare international airport, traffickers sometimes outwit the police and manage to pass through security systems with their contraband.

According to statistics from the CID's drug section, 789 people were arrested on drug charges last year.

"West Africans, especially Nigerians and Ghanaians, and Pakistanis and Indians are among the worst culprits in the cocaine, heroin and mandrax business. They use drugs, they trade in the drugs and now they have found a market in Zimbabwe," Mkoba said.

"Cocaine or heroin is concealed in food packages, is sewn into collar seams or hidden deep inside simple food items like cake. Some dealers flying in will either swallow the drug or use pet dogs to swallow the drug," Mkoba said.

Joseph Jabangwe, liaison officer with the International Labour Organisation in Zimbabwe said if a study on the abuse of drugs by local youths was carried out today, the results would send shockwaves throughout the country. – Star Foreign Service/AIA

ANALYSIS

Farming riskier as poverty gap widens

(362) BD 13/10/97

As the risk factors in Zimbabwean farming grow, the country's poverty gap widens, says **Michael Hartnack** in Harare

THOMAS de Quincy's Confessions of an English Opium Eater, published 175 years ago, is today remembered for its high-flown style and its warnings about the then unrecognised dangers of drugs, not for a long overdue recognition of economic fact.

De Quincy, describing in passing his dealings with Jewish money lenders, was the first English writer to concede they were honest and honourable men, who were forced to charge high rates only because of the huge risk they bore and the heavy incidence of default.

Past visitors to Zimbabwe have abhorred not only the 4 000 white commercial farmers but the business community as a whole for a lifestyle reminiscent of Britain's "stockbroker belt" amid poverty which, says a United Nations survey published last week, now traps 61% of its 12,4-million people.

The point they miss is that no one, black or white, with internationally marketable skills will accept the risks of running a business in the country if he has no hope of anything better than the mud hut in which his grandfather lived 100 years ago.

"Real wages tend to equality," say the textbooks.

Archie Dalgleish owned Whistlefield farm, rocketed by Zanla guerrillas at the start of Rhodesia's bush war. Through no fault of his own, he went bankrupt. His name is no longer to be found in the phone book. Those who stay, to gamble for another season when El Niño drought conditions are predicted, face censure for their "conspicuously affluent lifestyle".

During the unrest in the Trelawney-Darwendale area last week, Keith Farquhar sprinted with his five-year-old daughter Tanya to his light aircraft and took off from a field, narrowly escaping 300 rioters who had looted stores, wrecked tractors and machinery and went on to burn a homestead whose owner, Michael Duxbury, was away.

Up to a quarter of the 140 farmers in the area, stretching 40-100km northwest of Harare, evacuated their families, something they did not do even at the height of the 1972-80 war. They have firearms. But all were aware that a security firm's general manager, who fired a shotgun at a mob of striking guards in July, now faces 18 counts of attempted murder.

Although 25% of Zimbabwe's commercial farms now belong to prominent blacks, none of them was reportedly affected by the unprecedented agitation of the past fortnight. Agriculture Minister Kumbirai Kangai, who owns a market garden near Mazowe, is protected by official armed bodyguards, as is fellow landowner Augustine Chihuri, the commissioner of police. The air force commander last year shot all four tyres of a police truck after an altercation and escaped with a R400 fine for "malicious injury to property".

"We never used to live in fear here, but right now there is a lot of insecurity," said Warwick Evans, chairman of the Darwendale Farmers' Association. "Without police support (last) Wednesday, it was an absolute disaster. Without co-ordination on Thursday it would have been a bloody nightmare," he said.

Farmers supplied the police to overcome the latter's eternal transport deficiency — they drove bakkies on which riot squads patrolled the district. More incidents of stoning and arson were reported on eastern tea estates and southern lowveld sugar plantations.

Appealing for calm pending arbitration, Zimbabwe's official news media say ringleaders of the rioting gangs are, conspicuously, not dressed like commercial farmers' 300 000 'regular workforce, who want a Z$848 a month minimum wage.

Much of the trouble was probably caused by members of Zimbabwe's vast (4-million) pool of unemployed who sometimes earn casual wages by working on farms.

The state-run Zimbabwe Broadcasting Corporation said millions of rands' damage had been caused and the government-supporting Herald newspaper feared that irreparable harm might have been done to next season's export crops because of destruction of seedbeds.

"We believe a reasonable solution can be found through negotiation but we can't afford these demands. They would cripple commercial agriculture," said Commercial Farmers' Union president Nick Swanepoel.

This week, said an official spokesman, President Robert Mugabe leaves for a comprehensive tour of the country to inspect the 2 000 white-owned farms — totalling more than 4-million hectares — he plans to redistribute urgently to blacks.

The threat of "designation", like that of drought and riot damage, has a quantifiable financial cost carried, ultimately, not so much by commercial entrepreneurs able to take their skills elsewhere in the global market, but by farmworkers living in mud huts now on a Z$360 a month minimum wage.

Mugabe govt faced with crisis of expectations

(362) BD 13/10/97

Zimbabwe is facing a crisis of expectations as the treasury is 'mugged', writes Michael Hartnack in Harare

PRESIDENT Robert Mugabe's government has woken up to the crisis of expectations created by its capitulation to a violent campaign by former guerrillas for tax-free cash handouts and pensions for life.

As police units last week patrolled the Trelawney-Darwendale commercial farming area, 50km northwest of Harare, in order to prevent further violence during the first countrywide strike by agricultural workers in a century, further units were deployed at the scenes of various wildcat strikes in Harare.

Last Wednesday, white motorists were attacked and the Trelawney Country Club stoned by a crowd of more than 1 200 strikers who blocked main roads and went from farm to farm demanding that workers join them.

Zimbabwe's Financial Gazette, owned by a consortium of prominent black businessmen linked to Mugabe's ruling party, said Zimbabwe's cash-strapped economy was "engulfed by a crisis of expectations on all fronts".

In a strongly worded editorial, the government-controlled daily, The Herald, said: "The word is now out: mug the exchequer. If you had anything to do with the liberation struggle, anything at all, then you are entitled to boodle — lots of it."

It ridiculed the sudden mushrooming in growth of organisations claiming to represent blacks who suffered in some respect during the 1960-80 fight to end white rule in former Rhodesia, and wanted to obtain compensation. "Will this mad scramble to loot the exchequer ever end?" asked The Herald. "Not, we suggest, until it gets worse."

Stockmarket analysts Quincor James Capel said there was growing investor concern about the economic future of Zimbabwe, reviving hopes having been dashed by the problem of finding billions of dollars for up to 95 000 ex-combatants, who have been pledged Z$50 000 tax-free gratuities and Z$2 000-a-month pensions for life. "This sparks a predictable reaction from donors," warned Quincor.

Bulawayo economist Eric Bloch accused the government of mortgaging the nation's future for short-term expediency. He said the country might face financial disaster if the state borrowed more funds on the domestic market to back its widening spending.

The Financial Gazette predicted further unrest from 170 000 state employees who got 30% rises in June, triggering a wave of strikes by private sector workers. The state employees expect tax-free Christmas 13th cheques just as the International Monetary Fund and World Bank want cutbacks for Zimbabwe to requalify for budget support, frozen two years ago.

At Darwendale, where President Mugabe has himself just bought a 15 000 hectare farm, the strike by farm workers has jeopardised land preparation and seedbeds for next year's tobacco crop, the country's major foreign currency earner.

Meanwhile, bank managers are chary to "roll over" loans because of the predicted El Niño drought conditions. Further strikes were reported last week from a catering hire company, where workers were demanding 50% increments, and at the state-funded Consumer Council of Zimbabwe, where they want dismissal of the director, Muchaneta Nyambuya.

Not a cent for whites' land, says Mugabe

(362) Star 14/10/97

Gwanda, Zimbabwe – Zimbabwean President Robert Mugabe says his government will not compensate white farmers for about 5 million hectares of land it wants for the resettlement of blacks.

"We are going to take the land and we are not going to pay a cent to a soul," Mugabe said yesterday in Matabeleland South at the start of a national tour.

Mugabe said British colonisers took the land without paying for it and Zimbabwe was not going to buy it back. "If the British government wants us to compensate its children, it must give us the money or it does the compensation itself."

Britain has in the past pledged financial support for land reform in Zimbabwe but insists that land should only be acquired from willing sellers.

Mugabe said he would discuss the issue with British Prime Minister Tony Blair at the Commonwealth summit.

About 4 000 white commercial farmers in Zimbabwe own around 30% of the land, while millions of black Zimbabweans live in overcrowded communal areas. – AFP

Mugabe threatens to take whites' farms

(362) BD 14/10/97

Michael Hartnack

HARARE — Zimbabwean President Robert Mugabe has threatened to take over farms without giving their white owners any compensation for the land, and said the British government should be responsible for payments.

The state-run Zimbabwe Broadcasting Corporation said yesterday Mugabe had announced Zimbabwe had "finally resolved" to take over farms without paying any compensation.

"We are going to take the land and we are not going to pay a cent to any soul," Mugabe said. "If the British government wants us to compensate its children it must give us the money or it must compensate them itself."

National news agency Ziana said Mugabe had qualified his remarks by saying: "We are only willing to compensate infrastructural development, not the soil itself."

Mugabe said he would confront Prime Minister Tony Blair with the ultimatum at this month's Commonwealth summit in Edinburgh.

He said his government, which had pledged more than Z$5,5bn in welfare payments to guerrilla veterans of the 1972-80 war to end white rule, lacked resources to pay Zimbabwe's white farmers. The remaining 4 400 white farmers own about 8-million hectares of the country's most productive land.

Mugabe's land threats hollow — analysts

BD 15/10/97

(362)

HARARE — It was unlikely that Zimbabwean President Robert Mugabe would carry out his latest threats to seize without compensation white-owned commercial farms to resettle thousands of black peasants, political analysts said yesterday.

They said they believed the threats — made at a ruling party meeting in southern Zimbabwe on Monday — were mainly to divert public attention from pressing social and economic issues, and to retain the support of the country's large rural constituency of land-hungry peasants.

"We have heard all that before and nothing has come (of it). I don't think things will be any different now," said political commentator Lupi Mushayakarara.

An official with the 4 500-member mainly white Commercial Farmers' Union said it was "naturally worried ... but we believe it will be handled sensibly".

Domestic political analysts said Mugabe, 73, in power since 1980, thrived on radical rhetoric but tended to be pragmatic in practice. Mugabe said on Monday his government would not pay for land seized by British settlers more than 100 years ago.

"We are going to take the land and we are not going to pay a cent to any soul. If the British government wants us to compensate its children, it must give us the money or it does the compensation itself," he said. He would raise the issue with British Prime Minister Tony Blair at the Commonwealth heads of state meeting in Scotland later this month, he said.

Mugabe's government has earmarked vast tracts of property under a controversial 1992 law giving it power forcibly to take the land. To date, it has only settled about 60 000 families out of an initial target of 152 000, as it says it has no money to buy the land.

Critics say the government is directing its spending, making up about 38% of gross domestic product, at an elite political patronage system which was intended to entrench Mugabe's rule. — Reuter.

$65m deal for Beitbridge Bulawayo Railway

Finance raised for Zimbabwe's key railway link

CT (BR) 17/10/97 (362)

RICHARD STOVIN-BRADFORD

Johannesburg — Nedcor Investment Bank (NIB) raised $65 million debt and equity funding for Beitbridge Bulawayo Railway (BBR), a joint venture company created to finance, build and operate the railway link between South Africa and Bulawayo in Zimbabwe, NIB said yesterday.

"This railway line is pretty essential for the region and is the first public-private partnership railway project in Africa," said Izak Botha, the managing director of NIB.

The Zimbabwean government awarded BBR a 30-year concession to build and operate the railway, at the end of which ownership of the line would be transferred to National Railways of Zimbabwe (NRZ) and the Zimbabwean government.

The "build-operate-transfer" project financing was arranged by NIB on a classic "without recourse" basis, with debt and equity contributions provided by NIB, First National Bank, Sanlam and Old Mutual.

BBR is a joint venture between NRZ, the Zimbabwean government and New Limpopo Projects, a company in which NIB holds an equity interest alongside a group of unspecified European engineers and international investors.

Botha would not disclose the identity of the parties behind New Limpopo, but said NIB and New Limpopo were already joint owners of the Beitbridge toll bridge.

The total cost of the project is $85 million, funded by the $65 million raised plus NRZ's contribution of the existing railway line worth $20 million. The project had raised strong interest among lenders and was oversubscribed, Botha said.

Construction of the new 317km line and support infrastructure and upgrading of the existing line would begin early next year. It would be completed in two years. The South African contractors had not yet been selected.

About 1 million tons of freight, mainly oil and cement, would be carried on the line, which would provide a link to the industrial heartland of Zimbabwe.

Landmines: lack of will, money

Star 17/10/97

In Zimbabwe no one will admit that mines act as deadly border controls, writes Laurie Boulden

(360)

One of the more devastating aspects of landmines in southern Africa is their wide distribution: Malawi, Namibia, Tanzania and Zambia have them, and other unexploded ordnance, still to be cleared, though not nearly on the same scale as Angola and Mozambique. Zimbabwe also faces landmine contamination as severe or worse than Mozambique.

However, unlike Mozambique's clearance programmes, Zimbabwe is taking a very different approach. Its landmines were put in place during almost 20 years of conflict before independence in 1980. They were used as defensive barriers against guerrilla forces.

As a result, most lie in seven minefields along the northern and eastern borders: along a 220km stretch east from Victoria Falls and in a 359km expanse south from the Musengezi River at the northeastern border with Mozambique, and hundreds of kilometres along Zimbabwe's eastern border.

Due to their military origins, these fields are complex barriers that may contain mines, explosives and booby-traps. In accordance with military practice, the fields were originally marked to prevent civilian injury. However, since independence, the military's upkeep of the fields has diminished. Time, the elements and vegetation have destroyed signs and fences marking dangerous areas. In some cases, local residents have removed fences and signposts. Now, little remains to warn of the dangers.

Despite almost two decades of death and injury, the government of Zimbabwe has only taken limited action to resolve the problem. In the early 1980s, the US and British governments donated funds to enable the Zimbabwean army to undertake mine clearance. Then in 1994 the European Union (EU) financed a study to determine the remaining mine problem. The study found that more than 1,5 million mines still contaminate over 8 500 square kilometres of the country. The government's efforts had cleared less than 80 sqkm.

As a result, the EU donated approximately R46-million for further mine clearance in January 1996. Almost two years later, the Zimbabwean government says it is in the process of preparing to solicit bids for the work. Then, sources say, the tendering period will be open for up to four months, followed by the decision-making phase. Hence, a delay of more than two years appears certain before the grant will be used. According to the government, such extended preparation and bidding is to prevent corruption, as in previous contracts. But the delay may be a symptom of greater apathy.

Because Zimbabwe's landmines are in distant and confined rural areas – unlike Mozambique and Angola where they seem ever-present– the issue of human suffering is highly localised. From an electoral perspective, the mine-affected communities hardly make a difference at the polls.

Moreover, while few officials would ever publicly admit it, the minefields serve as de facto border controls. The government knows of hundreds of reported injuries and deaths of immigrants, poachers and gold prospectors trying to cross the border illegally. To remove the mines would cost money, and replacing them with proper border security would cost even more. Indeed, when an official was asked if the government had considered spending its own money even for the short-term solution of re-marking the minefields in order to save lives, the answer was simply "no".

Another factor is that, unlike other states, Zimbabwe's committee on landmines is located in the ministry of defence. In other countries, a broader outlook also considers the agricultural, public health, medical and environmental ramifications.

Zimbabwe's handling of the issue also relates to awareness and publicity. While the government claims to be interested in de-mining, few people seem to know anything about the situation.

This is not to say the outlook for Zimbabwe is pessimistic. Despite the government's reliance on the EU grant – it is not yet seeking any other donations – and seemingly limited concern about mines, President Mugabe's role in the SADC Organ on Politics, Defence and Security, will keep the issue relevant. Many SADC partners are actively concerned about mines, and SADC wants to create a special committee on de-mining. – Star Foreign Service.

■ *Laurie Boulden is the South African Institute of International Affairs' researcher for the Landmines in Southern Africa Project.*

Mugabe threatens to change law to seize white-owned farms

ARG 18/10/99 (362)

Harare – President Robert Mugabe has vowed to change Zimbabwe's constitution if it does not allow his government to seize white-owned farms to resettle landless peasants.

"Forget what the constitution says. If it does not indicate that we can take the land, then it will be changed and people will just have to take the land," the Herald quoted Mr Mugabe as saying on Thursday.

Constitutional: Robert Mugabe

Mr Mugabe has said several times that the constitution would be changed if it interfered with his government's plans on land reform, but has not given details of possible legal changes.

In 1992 Mr Mugabe adopted a law empowering the authorities to forcibly acquire land for resettlement.

During a trip around the country in the past week he has been telling traditional chiefs and supporters of his ruling party that his government would not pay for the white-owned farms it planned to acquire for resettlement.

On Monday he said the government had no money to pay farmers for land and said Zimbabwe's former colonial master, Britain, should compensate them.

Mr Mugabe said he planned to raise the issue with British Prime Minister Tony Blair this month.

But political analysts said he was unlikely to carry out the threats to seize land.

They said the threats appeared to be aimed at diverting attention from pressing social issues. – Reuters

Ivory carvers angered by govt's ban on sales

Michael Hartnack (362)

HARARE — Zimbabwe's mines and the environment ministry has angered local carvers by temporarily stopping sales of ivory while procedures are tightened ahead of the expected resumption of exports in 1999.

At a stormy meeting in Harare earlier this year, southern African states won approval from the Convention on International Trade in Endangered Species (Cites) for the limited and closely monitored resumption of exports.

Charles Chipato, permanent secretary to the ministry, confirmed suspension of internal sales. "The truth is that when we open up to the rest of the world we have to be careful. In the past we were closed and it was easy to sell to each other locally. Now we are part and parcel of the international scenario we have to put in place a legal instrument," said Chipato.

He said regulations meeting Cites' strict conditions on all ivory dealing were being drafted to prevent any further controversy at future Cites meetings about poached ivory being passed off as that culled from Zimbabwean herds.

Ivory Producers' Association chairman Jason Cambitzis said 300 people employed in ivory carving faced retrenchment because of the suspension last month of supplies from the national parks department's 33-ton stockpile. He predicted that unemployed carvers would be forced to buy poached ivory to feed their families.

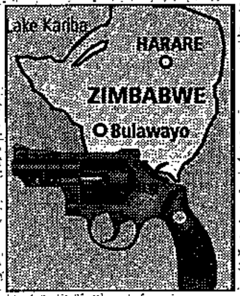
Chipato urged manufacturers to meet him to discuss the problem.

Zimbabwe has an estimated 66 000 elephants, more than double the number its parks can carry without serious environmental damage.

It hopes to earn substantial revenue for its Conservation and Management Programmes for Indigenous Resources (Campfire) projects, run by rural people, through the scientific exploitation of elephants now that the animals have been downlisted from Cites Appendix One.

Legislation or a statutory instrument governing any internal dealing in ivory and elephant products will be promulgated at the year-end or early in 1998, Chipato predicted. Under the Cites ruling, Zimbabwe may export only to Japan.

BD 20/10/97



Mugabe must face up to human rights violations

(362)

Eight months after a damning 261-page report, there has still been no response, writes Tafi Murinzi

Star 21/10/97

Zimbabwe's former Minister of Home Affairs, Enos Nkala, hardly misses church services these days, and his face seems to reflect a certain meekness, peace of mind and contentment. As he closes his eyes in prayer on a Sunday morning, he appears an ordinary member of the Victory Fellowship Church.

There is little evidence in his demeanour to suggest that in the 1980s, when the state was waging a brutal counter-insurgency war in Matabeleland and Midlands provinces, Nkala was one of the most ruthless men in government.

The controversial war fought by the infamous North Korean-trained Fifth Brigade and other security agencies was justified as necessary given the rising numbers of dissident elements of the defeated opposition Zapu party. But in reality it was also meant to imperil Zapu, whose support base was among the minority Ndebele-speaking people of the two provinces.

From 1983 to 1987, when a unity agreement was finally reached between Zapu and the ruling Zanu-PF, hundreds of civilians – men, women and children – had been tortured, raped or massacred for no clear reason except that they spoke Ndebele.

Thousands also suffered the effects of the state-induced food embargo.

Soon after being made Minister of Home Affairs in August 1985, Nkala told the nation: "We want to wipe out the Zapu leadership. You have only seen the warning lights. We have not yet reached full blast." He went on: "The murderous organisation and its murderous leadership must be hit so hard that it does not feel obliged to do the things it has been doing." (Allegedly supporting dissident activity).

A recently released report of the Catholic Commission for Justice and Peace (CCJP) and the Legal Resources Foundation (LRF) described Nkala as "a Ndebele speaker with a long-standing vendetta against Zapu leader Joshua Nkomo, dating back to the split between Zanu-PF and Zapu in 1963".

Nkala might now be trying to make amends through prayer, but nothing has been done yet to assist the victims of human rights abuses perpetrated during this period.

The CCJP/LRF report, which has been met with a stony silence by the government of President Robert Mugabe, says that in the interests of true and lasting peace "the events of the 1980s must not be left unattended".

It recommends that the report itself – the first such local initiative – be made available to the general public in Zimbabwe and that the government's hitherto suppressed Chihambakwe Commission report of 1984 also be published.

Presently only about 1 000 copies of the 261-page CCJP report have been circulated privately, mainly to cabinet ministers and foreign embassies.

While the unity agreement of 1987 brought about the end of hostilities "one does not have to dig very deep to find that, not surprisingly, the victims have not forgotten nor forgiven what happened years ago", says the report.

It urges that all members of the government security forces and dissidents responsible for violating human rights during this period, and who presently hold positions of authority, be removed from these positions.

In view of the fact that scores of people "disappeared" or were buried in mass graves without traditional ceremonies being performed, the report also suggests that a neutral team of anthropologists and psychologists conduct research to determine the desires of the affected communities.

Since March 17, when he was given a copy, Mugabe has not commented. – Star Foreign Service/Africa Information Afrique

SA tourism to Zimbabwe on upswing

(362)

Michael Hartnack

BD 22/10/97

HARARE — South Africans last year constituted 68% of visitors to Zimbabwe as traffic from the country revived, David Chapman, the chairman of the Zimbabwe Council for Tourism, said yesterday.

Briefing journalists on the present state of the industry, Chapman said that annual growth rates of 30%-40% in arrivals from SA slacked off mid-decade as the world reopened to SA passport holders.

Zimbabwe's tourist industry, vying with manufacturing as the country's third largest foreign-currency earner after agriculture and mining, had to be conscious of its price competitiveness, he said.

Of 836 000 visitors last year from major tourist markets, 572 000 were from SA, compared to 498 000 in 1995 and 452 000 in 1994, growth of 15% compared to less than 10% in 1994-1995.

Chapman, whose association links hoteliers, safari operators, tour operators and travel agents, appealed to President Robert Mugabe's government to make no further sudden changes, such as the increases in national parks' admission fees instituted at the end of last year.

He also appealed to the authorities not to become embroiled in a Zambian-style "visa war" with developed states if they imposed tighter controls on travelling Zimbabweans.

"Apart from the political issue, far more will be made out of foreign currency if tourists come into the country than from charging for visas," Chapman said.

Last year 84 000 visitors arrived from Britain and Ireland, compared to 67 000 in 1994. In 1995, 54 000 came from Germany, 38 000 from North America and 36 000 from Australia.

Defiant Mugabe may need some bandages in Edinburgh

BD 22/10/97 (362)

Robert Mugabe's planned land grab is set to raise tensions, writes Michael Hartnack in Harare

THE British high commissioner to Zimbabwe, Martin Williams, and a strong team of his specialists have flown to Edinburgh to brief the UK's Prime Minister Tony Blair before President Robert Mugabe arrives to wipe the perennial smile off his youthful face.

Mugabe's imminent takeover of 2 000 farms, totalling 5-million hectares, threatens to become the most serious threat to London-Harare relations since Mugabe's confrontation with Margaret Thatcher in Nassau 10 years ago over sanctions against SA.

Thatcher told Mugabe: "Go ahead and cut your own throat if you want to, but don't come crying to me for bandages."

Unlike Thatcher, Blair's Labour Party has a long tradition of sympathy for Mugabe.

During a week's tour of rural Zimbabwe before flying to the Commonwealth summit, Mugabe repeatedly told cheering supporters: "Forget what the constitution says. If it does not indicate that we can take land then it will be changed." He pledged to tell Blair: "If you want your children compensated, give us the money and we will pass it on to them."

Mugabe's statements explain why in the past year he and his official media suddenly began referring to "British settlers" rather than "white Zimbabweans". At last year's Hamburg investment conference, Mugabe told German businessmen the 70 000 remaining Zimbabwean whites were a different "nation" — a term that would have intrigued Bulawayo-educated Hendrik Verwoerd, since the logic of apartheid was predicated upon it.

In an editorial lauding Mugabe, the state-controlled Herald said all whites were "British pseudo nationals". The current president of the 4 000-member Commercial Farmers' Union has the un-English name of Nick Swanepoel. "Thus, if the British wish to compensate their own pseudo nationals, who are we to stop them?" said the Herald.

Remarkably, Mugabe's latest barnstorming attack on the land issue coincides with a revealing interview given by his "minister with special responsibility for indigenisation", Cephas Msipha.

Msipha, whose responsibilities seem to clash with a cabinet "indigenisation committee" headed by Justice Minister Emmerson Mnangagwa, told the Zimbabwe Directors' Institute Magazine that in empowering rural people "we have let our people down".

"They must have title deeds. A start has been made in the growth points but this has to be accelerated," said Msipha, a veteran nationalist whose political career began during violent agitation against the 1951 Land Husbandry Act.

When the population was a mere 2-million (today it is 12,4 million), it aimed to divide communal areas totalling 16-million hectares into individual minimum 40-hectare farms, properly surveyed to include arable and grazing land, and bearing secure title deeds.

In those areas where the act was implemented there was an immediate leap in productivity and conservation, but fences were torn down and huts burned as "freedom farming" triumphed. Fearful of alienating pro-government chiefs who cherished the prerogatives they enjoyed under the communal system, Rhodesian Front governments after 1961 abandoned the act in favour of "community development".

Supporters of Blair's party (such as authoress Doris Lessing in her book Going Home) denounced the act as a white conspiracy to create a cheap pool of landless labour.

The link between Zimbabwe's problems of rural poverty, communal title, population growth (and polygamous, servile marriage) was well-illustrated by an interview the Herald carried with Takura Makamba, a 70-year-old in the Chinamora area north of Harare: "I am a rich man, my friend. Do not be fooled by my tattered clothes. With my five wives and 25 children no other man can stand up to me."

Lessing herself, in her recent books African Laughter and Under my Skin, has taken a different line, acknowledging the back-breaking task and financial risk that her father, Michael Tayler, faced bringing virgin land into production. The Marondera area, where her brother farmed, was literally uninhabited in pre-colonial times because it lacked year-round surface water.

In Edinburgh, Mugabe may find less readiness to believe in white conspiracies and 1950s doctrinaire socialist views.

Zimbabwe investment in co-op 'in difficulty'

(362)

BD 29/10/97

Louise Cook

BRITS-based seed co-operative Sensako, one of several farm co-operatives transforming into a public company, said yesterday the proposed R30m investment in Sensako by Zimbabwe's biggest maize seed producer and exporter, Seed Co, had run into difficulties.

Sensako GM Willie Maree said the transformation of the co-operative would still go ahead, but owing to exchange control complications the Zimbabwean government was blocking Seed Co's application to transfer funds out of the country for the investment in the new venture.

"This planned arrangement will most likely now not go ahead. We are looking to other options and talking to several other international and overseas investors. Hopefully arrangements will be made which will still involve Seed Co," Maree said.

Sensako, a central co-operative whose members were other co-operatives and not individual farmers, announced last month that it planned to change into a company. Besides the planned shareholding by Seed Co, US-based Dekalb Genetic Corporation would become a minority shareholder with a R4,5m investment in the new company. The Dekalb investment would go ahead as planned, Maree said.

Sensako was keen to obtain Seed Co as a major shareholder because of the Zimbabwean company's experience in servicing the emerging farmer sector. SA had several thousand small farmers who wanted to improve and upgrade their operations.

The changeover to a company was expected to be completed in the "next few months", Maree said.

The application to transform into a company had been passed by the registrar of co-operatives, and Sensako was waiting only for approval by the registrar of companies.

Row erupts ahead of Zimbabwe trade week

Michael Hartnack

(362) BD 23/10/97

HARARE — A planned SA-Zimbabwe "promotion week" has so far proved to be a source of friction rather than goodwill, with Confederation of Zimbabwe Industries president Jonee Blanchfield saying it was inappropriate as long as Pretoria kept up its protective tariffs.

Blanchfield, who warned last year of a possible "trade war" if SA failed to rectify the R2bn annual trade imbalance in its favour, said the week would be "merely another attempt by the South Africans to increase their exports".

However, organising committee chairman Morrison Sifelani said the week-long schedule of events would give businessmen a chance to address the trade imbalance.

"The remark by the confederation is expected," said Sifelani, former head of the export promotion organisation, Zimtrade. "However, this promotion programme extends beyond the vision that she sees."

Echoing remarks by SA's President Nelson Mandela, who was confronted by Blanchfield over the trade issue when he visited Harare earlier this year, Sifelani said partnerships with South Africans could be formed only through dialogue.

The Zimbabwe-SA week, scheduled for the month-end, includes a tourism exhibition, food promotion, business seminar and other events sponsored by the SA high commission.

Continued SA subsidies on exports, dropped by Zimbabwe four years ago, are a major source of resentment by Zimbabwean would-be exporters.

Other bones of contention are SA's high tariffs and the small quotas that received restored preference when the moribund 1964 "most favoured nation" trade pact was renegotiated for sectors such as clothing and textiles.

Tardiness in resolving oil subsidy dispute slated

BD 23/10/97

Linda Ensor

CAPE TOWN — The minerals and energy department was criticised yesterday by Parliament's standing committee on public accounts for being tardy about resolving a dispute within the fuel industry over annual subsidies worth about R12m a month paid to oil companies by motorists.

The department was mandated to submit a plan of action to resolve the dispute to the committee by the end of next month.

Committee members felt the department, as the representative of the taxpayer, and the government, as the shareholder in Mossgas, should use its "weighty influence" to solve the disagreements within the industry which had lasted for nearly 10 years. Deputy auditor-general Bertie Loots also believed the department should take the lead in finding a solution.

Deputy director-general Theuns Burger was optimistic about a solution to the problem of what price Mossgas was paid for its fuel, saying that oil companies had indicated their willingness to pay import parity prices. He believed a more favourable agreement for Mossgas was possible.

The committee's inquiry was based on a special report by auditor-general Henri Kluever question the reasonableness, from the taxpayers' perspective, of the subsidies paid out of the Equalisation Fund to oil companies to compensate them for the "harm" caused by Mossgas's existence.

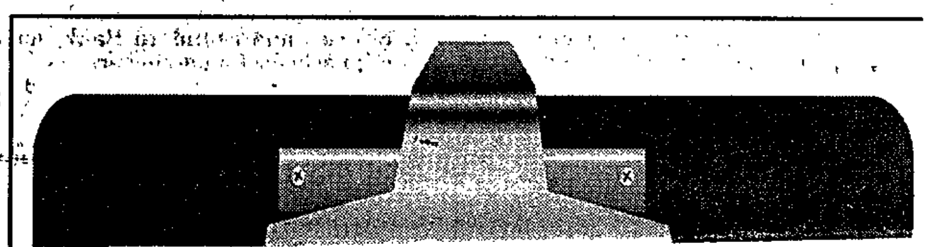
Instead of paying Mossgas the in-bond landed cost (IBLC) of fuel, it was paid the lower export price for as long as oil companies were obliged to export excess supplies. The equalisation fund, financed by a synfuel levy paid by motorists, then recompensed Mossgas for being paid the lower price.

Mossgas MD David Day called for a levelling of the playing fields by having one price, the IBLC, throughout the industry. Burger warned that the industry could then refuse to uplift Mossgas's products.

In his report Kluever noted that the oil companies, which had been importing fuel for some time, had refused to open their books for him.

Democratic Party finance spokesman Ken Andrew noted that there was no great incentive to resolve the dispute as one party, Mossgas, would neither gain or lose from the outcome, while the other, the oil industry, would have to sacrifice something if the current situation was changed.

The only party which would benefit from an amendment, the equalisation fund and the taxpayer, was not represented.



Zimbabwe war veterans to cost less than feared

BD 23/10/97 (362)

LONDON — Zimbabwe would end up paying substantially less to war veterans than the Z$5,3bn initially expected, Finance Minister Herbert Murerwa said yesterday at a commonwealth business forum.

A plan on how to effect payments, including a detailed estimate of how many veterans were eligible, should be ready next week, Murerwa said.

Initial plans to pay gratuities and pensions to veterans of the country's independence war sparked concern among economists when they were announced in August since the money was not budgeted for in July's budget.

An extra Z$5,3bn of expenditure would push Zimbabwe's budget deficit to 13% of gross domestic product from a target of 8,9%.

The issue led the World Bank to withhold $62,5m worth of balance-of-payments support to President Robert Mugabe's government until it clarified how it intended to finance the bill.

Murerwa said he believed funds for veteran payments could be raised without undue strain on the budget.

"It is our intention to find the money without affecting the reform process and without undermining our desire to keep the budget deficit low," he said.

He gave no indication of how this might be achieved.

Murerwa also said the El Niño weather phenomenon could trim expected Zimbabwean economic growth of 5% next year. Meteorologists expect this year's El Niño to be the most severe in 15 years. However, he said that "because of good rains last year our dams are full and we have a strategic grain reserve of over 930 000 tons".

Murerwa said he believed inflation was coming under control, although the recent weakness of the Zimbabwe dollar — reflecting investor concerns about the country's macroeconomic stability — had been a "problem".

He predicted consumer-price inflation, which fell to a year-on-year rate of 14,4% last month, could pick up to nearer 20% by the year end before declining again next year. — Reuter.

Zimbabwe firms increase price of maize meal 36%

Michael Hartnack

(362)

HARARE — Zimbabwe's milling companies yesterday increased the price of maize meal 36%, and a 5kg bag will now cost R7,07c.

BD 23/10/97

Maize was decontrolled last year under liberalisation measures agreed to between the government and the World Bank.

The only remaining restriction is on exports by anyone other than the parastatal grain marketing board, which pays farmers Z$1 200 a ton, two-thirds of the prevailing price in Zambia and SA.

Zimbabwe Millers' Association chairman Ian Kind said the price rise had been caused by the much higher prices demanded by farmers and traders on the internal market.

The Herald newspaper linked the price rise to the predicted El Niño drought and fears of famine in neighbouring states including Malawi and Tanzania.

Call to end ban on 'remanufactured' vehicles

(1997) BD 23/10/97

(332)

Wyndham Hartley

CAPE TOWN — The taxi industry has appealed to Parliament's transport and trade and industry committees for help in its battle with the trade and industry department over a ban on the importation of "remanufactured" minibuses at half the price of new ones.

In a submission to a joint meeting of the two committees yesterday, industry spokesman Buti Letsoela said the taxi industry could not afford to renew its fleet at the price of new vehicles and this put at risk the safety of the 200 000 vehicles which transported 13-million passengers each day.

The meeting was told a new vehicle cost R97 000 while those imported to and "remanufactured" in Lesotho sold for R45 000 to R57 000 and were 90% as good as a new vehicle. He suggested that because of the high level of value added to the vehicles in the Lesotho operation they should be allowed unrestricted access to the SA market.

Letsoela said the department had been faced with a flood of illegally imported vehicles as a result of poor controls and corruption within customs and the department itself. Inability to control the situation had led to the department taking severe measures to stop the flood of imports and this was stopping taxi associations' members from buying the Lesotho vehicles and "are suffering as a result".

"(The department) seems to be considering only their embarrassment and the pressure from the motor industry and are overlooking the fact that their actions are causing hardship to the taxi industry," Letsoela said.

He said the taxi industry was facing a crisis of "ever-dwindling operator viability". This caused conflict and road carnage involving taxis because "taxi operators simply do not have the money needed to buy new vehicles and as a result are forced to operate vehicles which are no longer serviceable or safe". He suggested the taxi industry was being exploited by the motor industry.

Department spokesman CJ Cloete said the motor industry was important for the country. Countries, such as New Zealand, which had allowed the importation of second-hand vehicles soon did not have a domestic industry at all.

He denied by not allowing the Lesotho vehicles into SA the department was creating a monopoly for Toyota. He said there were three manufacturers of minibuses which also imported new vehicles.

Trade and industry committee chairman Rob Davies said there was a clear clash of interests which needed to be confronted. He suggested that the members of the two committees interact with their respective ministers to promote dialogue on the problem.

Anglo Zimbabwe to retrench about 50 employees

BD 23/10/97

Michael Hartnack

(360)

HARARE — Anglo Zimbabwe CE Philip Baum yesterday disclosed negotiations were under way to reduce its 344 head office complement, with about 50 employees facing redundancy.

He said that the changes at Charter House in no way reduced the commitment of Zimbabwe's largest industrial conglomerate to a Z$4bn capital expansion programme in the next four years.

"On the contrary, the redeployment of skills, human resource development, and the focusing of group efforts are aimed at securing the long-term future of Anglo's business interests in Zimbabwe," he said.

Baum declined to discuss the effect on Anglo Zimbabwe of President Robert Mugabe's plans to redistribute about 2 000 farms, totalling 5-million hectares, to Africans.

"That we are not in a position to talk about," he said. "This is market-sensitive information. We cannot negotiate through the media."

Ruling Zanu (PF) party chairman Joseph Msika said in drawing up lists of farms for takeover by January 1 1998, party provincial officials had found one unnamed multinational owned 17 farms. It would be permitted to retain only one. Msika thus contradicted a May statement by Minister with Special Responsibility for Indigenisation Cephas Msipha that multinationals' large agro-industrial plantations would not suffer fragmentation.

Baum, asked whether he or Anglo vice-chairman Nicky Oppenheimer had been given any assurances at recent meetings with Mugabe that Anglo's holdings, including Hippo Valley Sugar Estates and its eastern highlands forests, would be left intact, noted Anglo's willingness to support construction of the Z$1,5bn lowveld Tokwe-Mukorsi Dam to boost sugar output, and its $200m partnership with Portugal's Sonae, regarding a chipboard plant at Chimanimani.

Oppenheimer's recent meetings with Mugabe resulted in agreement to offer 20% of Anglo's holding in Bindura Nickel to government, or to its approved "indigenous" nominees.

Baum noted that many of Anglo Zimbabwe's enterprises, estimated by some outside observers to total 30%-60% of the total economy, had been "developed from a green field" over a long period, through many fluctuations in business activity and risks.

He said negotiations with workers over the restructuring were proceeding well, and termination packages would be presented to Zimbabwe's labour ministry for approval on conclusion.

The focus of the change was on making group companies fully accountable for all operations and eliminating duplication in reporting. Company management teams would be responsible for bottom-line performance and not act as cost-centre managers.

Rationalisation of some functions meant "a little less than 50" employees' jobs would fall away without any immediate offer of alternative employment, but every effort would be made to find them jobs.

Baum said the move would not make Anglo Zimbabwe more reliant on outside expertise.

Farmers ignore Mugabe's threat

BD 23/10/97 (362)

Michael Hartnack

HARARE — Zimbabwe's 4 000 white farmers are preparing for the coming season regardless of President Robert Mugabe's threat to take over 2 000 properties, totalling about 5-million hectares, before the end of the year.

Agricultural industry sources said yesterday farmers had no alternative but to press ahead with cropping plans in view of their accumulated debt burden and legal commitment to pay interest and labour whether or not land was left unproductive.

The Commercial Farmers' Union (CFU), 75% of whose 4 500 members are white, yesterday declined to comment on Mugabe's statements.

Mugabe, who arrived in Edinburgh on Tuesday for the Commonwealth summit, plans to confront British Labour Prime Minister Tony Blair with an ultimatum to take responsibility for compensating evicted whites.

During his tour last week Mugabe said takeovers would be immediate "in the year of our Lord 1997" and that constitutional niceties would not be allowed to stand in his way. He said Britain must assume liability for any compensation offered "its children".

Farming sources said the lists of farms due for takeover referred to by Mugabe during his tour were not public property, and had no official status.

The properties to be seized were determined by the ruling Zanu (PF) Party and it was only when the departments of agriculture and lands confronted farmers with the information their land was to be repossessed that could they respond.

The Zimbabwe stock market's continued buoyancy was, the source said, the best proof that commercial agriculture — the country's main foreign exchange source — had had to ignore Mugabe's threats for practical purposes.

Political commentator Lupi Mushayakarara said Mugabe was unlikely to carry out threats which might be intended to whip up popular support.

CFU president Nick Swanepoel said members were facing increasingly unsympathetic bank managers as they planned for the present season.

The union's executive director David Hasluck said members had been given strong advice to monitor the predicted El Niño weather pattern — with current early rain likely to be followed by drier than normal conditions from January onwards.

Scepticism over new rail link

Martin Rushmere

BD 23/10/97 (362)

HARARE — Transport agents and shippers are sceptical about the viability of a 300km railway line in Zimbabwe that is to be built with SA funding.

The Z$1bn line will link Bulawayo with Beit Bridge via West Nicholson. Nedcor, Sanlam, First National Bank and Old Mutual are putting up several hundred million rands.

About 200km of the route will be new, while the rest will involve relaying the existing lightweight line to West Nicholson.

The main Zimbabwe backer is the New Limpopo Bridge company, which largely owns the toll road bridge at Beit Bridge and is said to be registered in Switzerland.

The government also has a stake, along with the National Railways of Zimbabwe, which will eventually take ownership of the line. The promoters are laying much emphasis on cargo coming from other countries such as Zaire and Zambia.

Executives of two of Zimbabwe's largest transport organisations, who declined to be named, describe the economic reasons for the line as "daft" and "illogical". They point out that a line to Beit Bridge already exists and say that copper from Zambia and Zaire will not be enough to make the route pay.

"The traffic from Bulawayo to SA is negligible anyway and there will have to be huge volumes coming from the north to make it worthwhile."

They say it is likely there is a strong element of SA government support, as part of Pretoria's drive to increase business with Africa.

In contrast, consultant economist John Robertson is in favour of the new line, though not for economic reasons. "It might not be cheap to start with, but the line will stimulate business in the areas through which it passes."

The Shipping and Forwarding Agents' Association is taking a non-partisan stance over the issue, merely saying that exporters and importers need to look carefully at the costs of going through other routes.

For Zambia, Beira is the cheaper option, with the cost of sending copper through there 20% lower than going through Durban. However, the SA port has been more reliable and efficient.

Zimbabwe pushes for land reform

Mugabe gets Blair to hear out demands

(362) C1(BE) 28/10/97

ANDREW MELDRUM

Harare — Zimbabwean President Robert Mugabe's winning of a hearing from British Prime Minister Tony Blair for his controversial land resettlement plan to take half the farmland owned by large-scale farmers, virtually all of whom are white, is a victory for Mugabe.

Observers in Zimbabwe and Britain believed that Blair would not even listen to Mugabe's demands. Now that Mr Blair has begun a dialogue on the land issue, it is thought he will insist that Zimbabwe's land redistribution be done as fairly as possible.

The two leaders discussed Zimbabwe's burning land issue on Friday in Edinburgh where both are attending the Commonwealth heads of government meeting. On Sunday, top British and Zimbabwean officials discussed Zimbabwe's new push for massive land redistribution and the possibility that Britain would fund the programme.

Mugabe said he was "hopeful" that the British government would financially assist the land effort. Speaking to the press in Edinburgh, Mugabe was considerably more moderate in tone than he was in speeches before the Commonwealth meeting.

He had threatened to seize 5 million hectares of privately owned land and vowed his government would "not pay a cent for the soil".

"We are going to take the land," he shouted in Zimbabwe. "If the British government wants us to compensate its children, it must give us the money or it does the compensation itself."

In Edinburgh, Mugabe said farmers would be paid for permanent improvements made to the land. He also modified his position by saying most land acquired by government would be adjacent to communal (black-owned) land or land deemed to be underutilised. Land would also be taken from people who owned more than one farm. Mugabe said young black university and agricultural college graduates would be settled on the land.

So far the British team has not publicly stated its position. The British negotiators include the minister of state in the commonwealth office, Tony Lloyd, and the parliamentary undersecretary of state, George Foulkes. The Zimbabwean side includes the minister of agriculture, Kumbirai Kangai, and the minister of local government, John Nkomo.

They believe Britain will offer considerable funding that Mugabe will not want to turn down, but Blair will require that the land be purchased from willing sellers at competitive market prices and that sellers will have the right to appeal to the courts if they do not believe they have been treated fairly.

Since Zimbabwe's independence in 1980, Britain has spent £30 million on returning land to black peasants forced off their land by British colonialists. But the land reform has been limited in scale and not very effective. — Independent Foreign Service

Govt 'insensitivity' frustrating investors

(362) BD 28/10/97

Michael Hartnack

HARARE — The Zimbabwean government's reputation for being insensitive to property rights and the needs of investors has left business promoters "dismayed and frustrated", says economist John Robertson.

He appealed to the immigration department to drop its resistance to the recruitment of foreign skills vital for the transfer of technology. Zimbabwe's 70 000 whites constitute less than 1% of the 12,4-million black population.

"If the government was to say it was going to allow them (whites) to become 2% of the total ... it could make a great difference," Robertson told a seminar on the Zimbabwe stock exchange.

Leading investment banker Nigel Chanakira told the same seminar, organised by David Harrison of human resources, that "undertones of racism and tribalism" were becoming a threat to future investment and the performance of the exchange. He said unless a new breed of professionals took an active interest in the political process, either by joining President Robert Mugabe's ruling Zanu (PF) or by forming a party capable of bringing the country abreast of modern thinking, Zimbabwe might be split into "tribal fiefdoms" or fall prey to dictatorship by a general or a black empowerment demagogue.

Large amounts of capital have been lost through delays in creating export processing zones, and in privatisation.

"Unfortunately for the majority of the population, the way the country is being run suits the rather narrow purposes of too many of the individuals who make up the current leadership," said Robinson. He warned that recent strikes and unrest showed "the patience of the masses was wearing thin".

He said the country was "without exaggeration, on a point of balance, and the wrong moves now could send it into a downward spiral".

Robertson said direct and indirect taxes had reached 58% of the total paid out in wages and salaries to the productive sector, and that investors were worried about placing savings where "government can get at them".

Investment analyst John Graham said he believed despite negative factors outlined by Robertson the exchange will still provide a "very exciting market" with sectors such as food and construction performing well.

"Markets go up and markets go down," said Graham. "Provided domestic investors are satisfied, foreign investors will follow".

Chanakira feared proposed land redistribution would have "very negative" implications for the fiscal market because investors would fear it reflected lack of respect for fundamental property rights.

The takeover of farms could reduce productivity if land is given to untrained peasant farmers but previous redistribution has seen farms reallocated to influential Africans — including ministers — without being broken into smallholdings. Export earnings and tax revenues could plummet.

Zimbabweans urged to take politics 'very seriously'

(362) BD 28/10/97

Michael Hartnack

HARARE — Political problems could have disastrous consequences for investment and Zimbabwe's stock exchange if its people did not "take political change very, very seriously", leading investment banker Nigel Chanakira warned a seminar here on the exchange's operations.

"The increasing militancy, corruption and decline in the social fabric, compounded by racial and tribalistic undertones, calls for an effective leadership in the 21st century, or else Zimbabwe could end up ruled by some dictator, or split into four or more tribal fiefdoms.

"This would obviously have a disastrous consequence for the ZSE (Zimbabwe Stock Exchange)," said Chanakira, 33, MD of Kingdom Securities.

He said recent strikes, a proliferation of "untransparent" tender awards, the land issue, the crisis over paying former guerrillas, and an economy "infested with tribalism" posed major threats.

He appealed to emergent Zimbabwean businessmen either to join President Robert Mugabe's ruling party or form a new party capable of moving the country "along with the times".

Chanakira said Mugabe had in the past achieved a stable political environment and, with it, a resilient economy.

Readmission of foreigners to the ZSE in 1993 resulted in gross inflows of Z$4,5bn, pushing up share prices and improving the country's balance of payments position. However, Zimbabweans were now becoming impatient about postponed growth and social development.

"Perceived political credibility of the leadership and economic performance will go hand in hand," he said, predicting that politics could overtake the weather as the key factor affecting ZSE prices.

"The traditional African leadership style — 'the white man is always wrong, the black man is right' — I do not think has any place in modern society, as well as blanket acceptance of socialism and attitudes of a self-righteous leadership that is beyond criticism."

In place of Kwame Nkrumah's "seek ye first the political kingdom", Africa had a workable modern model in the form of SA. An "African renaissance" was buttressed in SA by a constitution designed for a nation, not a party, and by clear succession planning. "Nelson Mandela depicts to me a serious shift from traditional African politics which has an economic dividend," he said.

Zimbabwe was caught in a "time warp" by not being able to discuss who would succeed Mugabe, 72.

Top of a poll was former cabinet minister Simba Makoni, recently ousted after a clash with Mugabe's cousin Charles Chikerema as head of the parastatal Zimbabwe Newspaper Company.

Other nominees were cellphone pioneer Strive Masiyiwa, Justice Minister Emmerson Mnangagwa and the head of the central intelligence organisation, Sydney Sekeramayi.

Land talks seen as Mugabe victory

(362) Star 28/11/97

By Andrew Meldrum
Star Foreign Service

Harare – Robert Mugabe's hearing with British Prime Minister Tony Blair over his controversial land resettlement plan is a victory for the Zimbabwean president.

The plan is to take half the farmland currently owned by large-scale farmers, virtually all of whom are white.

Many observers, in both Zimbabwe and the UK, believed Blair would not even listen to Mugabe's demands. Now that Blair has begun a dialogue on the issue, it is thought he will insist that Zimbabwe's land redistribution be done as fairly as possible.

The two leaders discussed the land issue in Edinburgh, where both are attending the Commonwealth Heads of Government Meeting.

On Sunday, UK and Zimbabwean officials discussed Zimbabwe's new push for land redistribution and the possibility that the UK would fund the programme.

Mugabe said he was hopeful the UK government would assist financially with the land effort. Speaking in Edinburgh, Mugabe was considerably more moderate than in Zimbabwe.

He clarified his position to say that farmers would be paid for permanent improvements made to the land.

He also modified his position by saying that most land acquired by his government would be adjacent to communal (black-owned) land or land considered underutilised.

Land would be taken from people who owned more than one farm. Mugabe also said young black university graduates would be settled on the land.

Manufacturing industry forecast to grow 7% (362)

HARARE — Zimbabwe's manufacturing industry was expected to grow 7% this year against a 2,1% rise last year, the central bank said in a report released yesterday.

However, the bank cautioned that to sustain growth the industry would have to expand its export markets.

BD 28/10/97

The Reserve Bank of Zimbabwe said in a half-yearly economic and statistical report the sector needed to produce more value-added goods. It should be given export incentives to expand further and to become the engine of growth the government wants it to be.

Agriculture, Zimbabwe's mainstay industry, contributes about 65% of inputs to the manufacturing sector. Manufacturing posted 2,1% growth last year after agricultural production jumped 45% and Gross Domestic Product rose 8,1%.

The central bank said it expected the manufacturing sector to grow about 7% this year after another good agricultural season, and also on the back of reduced import tariffs by SA.

SA, Zimbabwe's main trading partner in Africa, reduced duty on textile imports by about two thirds to about 30% earlier this year after heavy pressure from Zimbabwe.

"Reduction of the historical high dependence on the SA market will require that domestic producers diversify into other regional markets, such as Mozambique, which have remained largely untapped," the central bank said. — Reuter.

Zimbabwe expects upbeat report on Ngezi

BD 28/10/97 (362)

Martin Rushmere

HARARE — A strongly upbeat assessment of the Ngezi platinum prospect in Zimbabwe is expected from Australian mining company Delta Gold in its quarterly report, with predictions that it has even more potential than neighbour Hartley Platinum.

The quarterly report to the end of September is due for release before the month-end.

Delta has acquired the mining rights to Ngezi, which borders the Hartley mine being developed by Delta and Broken Hill Proprietary, and says test drilling shows that its potential is greater than that of Hartley.

In its just-released annual report for the year to end-June, total ore reserves are estimated to be 3-million tons, enough to sustain mining for 15 to 20 years. No details are given of ore grades or annual production, but they are understood to be above 3% and 240 000oz a year respectively — compared with about 2,8% and 150 000oz at Hartley.

The cost of developing a mine at Ngezi is estimated to be US$250m, slightly less than that for Hartley.

Work at Hartley is a year behind schedule and the mine is expected to be at full production only in September next year. Costs have risen steadily and the total cost of commissioning is now expected to be $287m, compared with the original $240m..

The first consignment of platinum in concentrate has been sent for refining to Johnson Matthey in England and according to GM John Grubb, weekly shipments will be sent, rising to twice weekly as ore production rises.

If Ngezi matches expectations, its production, plus that of Hartley, will account for 8% of world output. It is proposed to double Hartley's production, eventually, giving Zimbabwe about 12% of world output.

Airways, railways, forestry may be privatised to help finance looming budget deficit

Zimbabwe may sell assets

CT (BR) 30/10/97 (362)

KARINA ROBINSON

London — Herbert Murerwa, the finance minister of Zimbabwe, said the government may sell Zimbabwe Airways and other state assets to help finance a larger-than-expected budget deficit.

"A cabinet committee has been formed to look at privatising Zimbabwe Airways, the railways and the forestry commission," said Murerwa, in London for the Africa at 40 conference.

But analysts were sceptical about the government's success in selling these companies.

"I can't see them (Zimbabwe) in a hurry managing to sell off any of these assets," said James Whittington, the Johannesburg-based head of sub-Saharan research at ING Barings.

PAYING PENSIONS
President Robert Mugabe

Whittington suggested investors would be more interested in buying part of the government's stake in Wankie Colliery and Astra, the industrial conglomerate.

President Robert Mugabe recently decided to pay civil war veterans a pension, which is expected to push the budget deficit beyond the target of 8 percent of gross domestic product (GDP) for the year to June 30, 1998. The government is still determining how much will have to be paid.

For the past year to June 30 the budget deficit was more than 11 percent, compared with the 8,5 percent target.

However, the government also plans to recalculate GDP to include the country's unregistered, informal economy, which could leave the deficit unchanged as a percentage of GDP.

Murerwa insisted the 8 percent target was still achievable through further asset sales. He refused to rule out tax rises.

The International Monetary Fund (IMF) has been advocating increased taxes on energy, beer and tobacco. It recently suspended its $720 million loan to Zimbabwe after Mugabe's decision to compensate civil war veterans.

The IMF is waiting for the government to conclude its assessment of the amount it will have to pay before it resumes negotiations on the loan.

Murerwa insisted reports that the president had overruled him on the veterans' pension issue were unfounded.

"Our president fully supports the reform process we have put in place," he said. — Bloomberg

SA negotiators spare no holy cows in trade talks

BD 30/10/97 (376)

Linda Ensor

CAPE TOWN — SA's proposals for a free trade and development agreement with the European Union (EU) would require the union to address sensitive issues such as its subsidisation of agricultural products, trade and industry officials said yesterday.

No holy cows have been left out of the proposals which SA negotiators take to the table today. They want the agreement to be as all-embracing as possible even though the EU's original offer excluded 39% of current agricultural trade between the two countries.

Instead, the EU would be asked to reduce its agricultural subsidies over time and indicate when it would be ready to start discussions on this.

In a televised link-up from Pretoria with a joint sitting of Parliament's trade and industry, agriculture and water affairs and foreign affairs portfolio committees yesterday, officials outlined some of the details of the proposals for the first time.

SA has called for both parties to open trade on all products and sectors within a transitional period of 10 to 12 years.

Foreign trade relations chief director Faizel Ismail said several key principles had been adopted in formulating SA's offer.

First, SA believed the agreement should be about more than just market access, but should have developmental objectives as well. Market access was not enough to redress the trade imbalance between SA and the EU, which amounted to R12bn last year. An environment which encouraged investment and technology flows was needed.

Also, industries in SA such as the automotive and textile industries, in the process of being restructured, should be protected and other sensitive products included under special "developmental protocols".

Separate agreements, annexed to the main agreement, would have to be negotiated on fisheries and wines and spirits.

In terms of the proposals, 65% of all EU imports into SA would be duty free in 1999 when the agreement kicked in. Most of these products were already zero-rated, but Ismail said SA would offer a major concession to bind all products now coming in duty free (57% of the 65%) to a zero tariff, even though SA was not required to do this by 1999 in terms of the Uruguay Round.

The 8% differential would be made up of capital goods which currently had a duty of less than 5% and which were bound by GATT to 10%.

Reviews

Tariff reductions on a further 5% of imported EU products of a capital, intermediate and consumption nature, which now carried a duty of between 5% and 15%, would be cut to zero by 2003, so 70% of all imports would come in duty free by then.

A further 15% reduction between 2005 and 2011 would bring the total of zero-rated products to 85% by 2011. These agreements would be reviewed every few years in line with the progress made by the industries in adjusting themselves to competition. The EU was also expected to flag the products it wanted dealt with by way of special protocols.

In return, SA was demanding that 90% of its total trade be given duty free access into the EU from 1999 and 100% between 2005/2011.

All agricultural products now at a zero tariff would come in at a zero tariff in 1999, excluding maize, which was subject to a tariff band determined by the world price, and wheat, which SA believed should be included in a product protocol.

Special developmental protocols should be devised for all red meat and dairy products, which were subject to the EU's common agricultural policy, and all winter grain products such as wheat, which was undergoing a process of restructuring after the deregulation of its marketing system.

Agriculture department official Rolph Otto said government wanted this restructuring to be completed before including wheat in a free trade agreement. However, by the end of the implementation period there should be a low/zero tariff on wheat within the European Union.

Wheat and maize were currently zero-rated because of high prevailing world prices, but the maize tariff would increase as prices dropped.

A special protocol would be required, too, for sugar because of its complex worldwide system which was governed by quotas and market-sharing agreements.

Over and above the free trade proposals, Ismail said, the SA government had applied to the EU to offer concessional loans to assist in the process of trade liberalisation. It had asked EU development agencies also for a financial package to help build infrastructure and provide supply-side measures not only in SA but in southern Africa.

"We want a political commitment from the EU and the European Commission to put in place mechanisms and measures to support SA as it attempts to deal with the problems of adjustment in SA and the Southern African Customs Union, which could lose 5% to 15% of revenue because of this agreement," Ismail said.

SA objects to Zimbabwean criticism of trade fare

(362) BD 30/10/97

HARARE — SA on Tuesday objected to criticism from the Zimbabwean business community that its 12-day business exhibition in Harare was designed to secure domination of the local market.

Ziana news agency quoted the SA ambassador to Zimbabwe, Kingsley Mamabolo, as saying that the cultural and business exhibition, which started on Tuesday, intended to promote interaction and exchange between the two countries.

"Over the past week Bulawayo businessmen and their mayor were in Johannesburg, inviting investors. We can only hope that it continues to happen," he said.

"The question of tariffs is being tackled by the ministers of both countries, who have now gone a long way.

"The whole process has not been concluded. It is an ongoing process which is beginning to bear fruit," Mamabolo said.

The trade balance between Zimbabwe and SA swung in SA's favour three years ago after a 20-year-old preferential trade pact between the countries expired.

Since then Zimbabwe has been pushing for the restoration of its preferential trade status with SA. — Sapa.

AFRICAN BUSINESS

Weak investments, debts and shrinking aid are danger signs

Mugabe warns Africa 'may be marginalised'

(362) CT(BR) 4/11/97

FROM AFP

AFRICAN ALERT *Zimbabwean President Robert Mugabe warns the G15 of globalisation's 'mixed fortunes' for the continent* PHOTO: REUTER

Kuala Lumpur — Zimbabwe's President Robert Mugabe warned yesterday that Africa may be marginalised in the global economy because of weak foreign investments, crippling debts and shrinking development aid.

Mugabe told the opening session of the annual summit of the Group of 15 (G15) developing countries here that globalisation of economies and trade liberalisation brought "mixed fortunes to various countries".

Mugabe said: "In the case of Africa, which has 33 of the world's 48 least developed countries, there is a real danger that the continent may be marginalised in the unfolding process.

"In spite of the fact that most African countries have embarked on political and economic reforms aimed at creating an enabling environment for foreign direct investment inflows, the response on the ground has been far from satisfactory."

A world economic and social survey released in July showed Africa accounted for less than 5 percent of foreign direct investment in developing countries in 1996, Mugabe said.

Moreover, taking into account dividend and other profit payments on existing investments, the net transfer from direct investments in non-debtor African countries had resulted in a net outflow of over $1 billion last year, he said.

"This situation has been further exacerbated by the crippling debt burden and the ever-dwindling official development assistance, resulting in low economic growth in many African countries, particularly the least developed among them," Mugabe said.

Referring to "major structural impediments and inequalities in the international economy which remain unaddressed", he said the emergence of the World Trade Organisation "had brought much hope for a fair and equitable trading system.

"But alas, the developing world today finds itself confronted by new conditionalities on labour standards, environmental questions and other restrictive measures which negate any potential benefits from globalisation," Mugabe said.

The G15, set up in 1989 as an alternative to the Group of Seven (G7) industrial powers, groups Algeria, Argentina, Brazil, Chile, Egypt, India, Indonesia, Jamaica, Malaysia, Mexico, Nigeria, Peru, Senegal, Venezuela, Zimbabwe and Kenya, the newest member.

Tobacco affected by racial tension

(362) BD 4/11/97

Martin Rushmere

HARARE — Zimbabwe's tobacco industry, the country's biggest foreign exchange earner at 25%, has recovered some confidence after the anti-climatic entry of a black businessman who had claimed to be taking sole control of buying and selling.

Controversial entrepreneur Roger Boka this year gained government permission to set up the first independent auction floor since independence in 1980, boasting in a series of inflammatory advertisements that he was about to topple the monopoly of the long established Tobacco Sales Floor (TSF).

In the event he sold just 9,5% of the total Virginia crop.

A failed bid to monopolise the market blew up in his face when it became known that while he claimed to be getting higher prices for the commodity, they were actually 5% lower than the average of US$2,34/kg paid by TSF.

Many in the industry automatically assumed that Boka, who had made no secret of hating whites in an industry dominated by whites, had been written off as an inconsequential player.

The reality is that he will be back next year. Boka is seen as a symbol of a vehement black hunger cultivated by President Robert Mugabe's government's allegations of a sinister and secret plot by whites to control of the economy.

Boka publicly made claims that US President Bill Clinton would open his auction floor to his tobacco crop.

Politically this incident has become a raw wound given Mugabe's recent threats to nationalise white farming land with tobacco farmers the main target.

The voice of these farmers is the Tobacco Association, a very rich lobbying, research and marketing organisation which has a major stake in the TSF and is quiet hoping to allow Boka's politically sensitive embarrassment to blow over.

While the association publicly welcomes what it calls "fair and open competition", it is jittery over potential government plans to impose a compulsory selling system or to increase the current 5%/kg tobacco levy.

Amid growing fears of drought due to the El Niño wether phenomenon, farmers are preparing for next year's crop. Tobacco does better in poorer-than-usual rainy seasons.

NEWS DIGEST

☐ ZIMBABWE

eT (BR) 5/11/97 (362)

White farmers will have 'enough land to stay rich', state promises

The Zimbabwe government tried yesterday to reassure white farmers it would not embark on arbitrary forced nationalisation of land and promised that plans to seize 5 million hectares of white-owned land would leave them "with enough land to stay rich". Kumbirai Kangai, the lands minister, said in an interview in the Herald newspaper that the government did not want "to get rid of commercial farmers but rather to share the land that was available".

Kangai's remarks clash with the previous three months of hostile rhetoric from President Robert Mugabe who said there would be no government compensation for seized land, and compensation was the responsibility of the British government. The sudden softening of approach is seen by observers as an attempt to prevent the land reform programme being spoiled by the controversy over Mugabe's hardline rhetoric.

Mugabe met British Prime Minister Tony Blair on October 24 to ask for British assistance. Kangai said the British government had agreed to allocate money for Zimbabwe's resettlement programme. But he was immediately contradicted by a spokesman for the British high commission in Harare, who said Whitehall had "made no commitment to provide new aid for land resettlement" during the talks. The land issue has been one of the most volatile issues in this country for decades and is regarded as one of the main causes of the liberation war. — *Sapa-DPA, Harare*

Harare's investors remain unruffled

CT (BR) 5/11/97

ANDREW MELDRUM (362)

Harare — While the stock markets in the world's financial capitals suffered mini-crashes and jitters last week, Zimbabwe's tiny exchange has remained cool.

The Zimbabwe stock exchange (ZSE) has a market capitalisation of Z$64 billion (R25,6 billion). Despite signs of an impending drought and worries over the continuing budget deficit, the Zimbabwe exchange is heading for a record year.

"Turnover from January through September rose to Z$5,31 billion, four times more than the 1996 figure for the same period of Z$1,37 billion," said Antony Barfoot, the exchange's chief executive.

The Zimbabwe market opened up to foreign investors in June 1993. Since then the influx of foreign funds has been a large boost to the market. The 66 counters on the Harare exchange have attracted a net inflow from foreign investors of more than Z$1,65 billion.

"With overseas markets a bit nervous, investors are looking for new markets and we believe the ZSE will increase in size because of new listings," said Barfoot.

"If base metal prices firm, there will be interest from mining investors," he said. "We have received a lot of inquiries from mining companies, especially from Canada."

Not everything is so rosy on the Zimbabwe exchange, however. In the long run the government's continuing heavy budget deficit, estimated at 11 percent of gross domestic product, is seen as a significant worry.

The budget deficit is only going to increase, thanks to Robert Mugabe's pledge to pay disgruntled former liberation war fighters gratuities and pensions worth Z$4,5 billion. That figure was not included in July's budget. —Independent Foreign Service

ANALYSIS

Zimbabwe sows confusion about its land redistribution plan

BD 5/11/97 (362)

The UK has denied bowing to pressure to compensate affected white farmers in Zimbabwean President Robert Mugabe's proposed land grab, writes **Michael Hartnack** in Harare

CONFUSING and contradictory signals have been coming from President Robert Mugabe's government following his ultimatum on the takeover of white farmland to UK Prime Minister Tony Blair at the Edinburgh Commonwealth conference held last month.

A UK high commission spokesman said yesterday the British Labour government had made no commitment to fund Mugabe's threatened takeover of 2 000 white farms — contradicting earlier claims by Agriculture and Lands Minister Kumbirai Kangai.

The British spokesman said talks in Edinburgh between Blair, Mugabe and their ministers "took place in a friendly and sympathetic atmosphere". However, he said: "British ministers made no commitment to provide new aid for land resettlement."

In the past the UK has refused to fund any resettlement which is not conducted on a "willing buyer-willing seller" basis, and has insisted on Zimbabwe matching Britain pound for pound in paying compensation.

The British ministers "said that the request made by the Zimbabwean ministers raised complex technical and legal issues on which they would need to reflect before re-

MUGABE

sponding", the high commission spokesman said yesterday.

A top-ranking delegation from the Commercial Farmers' Union, representing 4 500 large-scale producers (75% of whom are white), was this week due to have confidential talks with ministers in Zimbabwe in the absence of Mugabe, who has flown to the G-15 summit in Malaysia. No announcement has yet been made about the talks by either side.

The state-controlled Herald newspaper said that at a report-back meeting on Sunday on his trip to Edinburgh with Mugabe, Kangai drew "deafening applause from his audience" by saying "the country's former colonial masters bowed to pressure to provide money to compensate affected farmers for the infrastructural developments on the designated farms".

Before leaving for the summit, Mugabe said owners of 2 000 farms totalling nearly 5-million hectares would not be paid "for the soil" and would be paid for infrastructure only if the UK paid for "its children".

However, Kangai told the official Ziana news agency on Sunday: "Acquisition of land is not going to depend upon Britain making money available. We will go ahead."

Kangai said Mugabe would use the controversial 1992 Land Acquisition Act and constitutional amendment, which curbs farmers' right of appeal to the courts against takeover, to press ahead with immediate land redistribution plans.

"The British government said they were going to look at the legal and technical implications, then they will come back to us," Kangai told Ziana. He reiterated that whites would receive compensation only "once Zimbabwe received money from Britain". However, in a front page interview yesterday Kangai told the Herald "the land acquisition programme would be handled rationally and only those commercial farmers who own more than one farm will be asked to give up some of their land when the next round of the resettlement programme, which the British government has agreed to fund, gets under way".

A Herald editorial, linked to the interview, announced for the first time that the government had set 1 200ha as the "standard size" farm for the fertile maize and tobacco belt extending north and east of Harare, so those farming this area or less will be unaffected.

"No commercial farmer is being forced off his land," the editorial says. The editorial does not quote any source for its details, but the Herald's editor, wing commander Tommy Sithole, is understood to have received a personal briefing over the weekend. "The final settlement of the land issue is now in sight with the government behaving many times better than (Cecil Rhodes's) British SA Company and assorted colonial and UDI (Unilateral Declaration of Independence) regimes," the editorial says.

Kangai told the Herald whites would be allowed to choose "the most suitable and productive" sections of their present holdings, preferably those "far away from communal areas" whose inhabitants would be resettled close to their present homes.

"This will help communal farmers overcome the problem of their livestock straying into the commercial farms, something which has caused problems in the past."

Kangai said the lists of farms due for takeover prepared by provincial officials of the ruling party throughout the country would soon be published.

He said it was not Mugabe's intention to "get rid of commercial farmers but rather to share the land". Kangai said he wished to "dispel growing fears that government is intent on grabbing land willy nilly".

KANGAI

to hold down a man's job, seen

Harare bracing itself for more power cuts

BD 5/11/97 (362)

Michael Hartnack

HARARE — Harare's central business district faces two months of power cuts like those that last week paralysed switchboards, lifts, tills, automatic teller machines and computers, commerce chiefs have been warned.

Stephen Pieron, Harare area manager for the parastatal Zimbabwe Electricity Supply Authority (Zesa), said it would launch a campaign to keep customers informed as repair work proceeded on an 11kV substation adjoining Harare Gardens which exploded on Wednesday morning.

For long periods on Wednesday, Thursday and Friday many businesses could not receive or make calls and hundreds of people were stuck in lifts, while the work of banks, supermarkets and many offices came to a partial halt. Court hearings were stopped by failure of recording machines and traffic was brought to a crawl by robots switching off.

Zimbabwe National Chamber of Commerce CE Wonder Maisiri deplored Zesa's lack of advance planning and standby generators which could at least have kept 50% of business ticking over. "It is a severe blow. We are losing exports because of this."

Employees were unable to draw salaries as a result of continuing blackouts, while long queues gathered at automatic teller machines and supermarkets reported a dramatic fall in turnover.

Zimbabwe land grab: it's up to British to pay, says Mugabe

(362)

ARG 5/11/97

Harare – A very large account for dubious business transacted in Zimbabwe by British agents over a century ago has become one of Prime Minister Tony Blair's first encounters with Africa since his Labour government came to power five months ago.

President Robert Mugabe of Zimbabwe gave Mr Blair an idea of the size of the bill at the Commonwealth summit which ended last week in Edinburgh, Scotland.

The charge is for nearly 1 800 farms, covering almost 5-million hectares, which the government says it intends to seize very soon from their current owners, who are all white farmers.

"We are going to take the land and we are not going to pay a cent to any soul," Mr Mugabe said during a tour of rural Zimbabwe just before he flew to Edinburgh. "If the British government wants us to compensate its children, it must give us the money – or it does the compensation itself."

The land issue has dogged Mr Mugabe's government since he came to power in 1980 after a 10-year guerrilla war, one of the major causes of which was the skewed distribution of farmland between white farmers and 800 000 peasant farming families.

Seventeen years later, the lot of the peasant farmer has worsened. The well-grassed pastures and the spread of even rows of healthy crops in the commercial farming areas are a stark contrast to the dustbowls and squalor in which the peasant farmers live.

In the week before the Edinburgh summit, Mr Mugabe told peasant audiences to "forget the constitution" and its protection against arbitrary confiscation of private property. The land was "grabbed by the colonisers" and this wiped out any right the present owners had to compensation.

In August, Mr Mugabe announced that officials of his ruling Zanu (PF) party had identified 1 772 farms, covering 4,8-million hectares, for confiscation. The list of properties has been kept secret, but the area is nearly half the 11-million hectares now owned by commercial farmers, most of whom are whites.

The country's diverse agricultural sector is the cornerstone of the economy, and commercial farmers account for 85% of formally marketed farm output. The cost of compensation for half of the land from which that output comes will be enormous, say analysts.

Late last week Mr Mugabe held his first meeting with Mr Blair, and the land issue was raised. Mr Mugabe said afterwards that he was "hopeful" the British would provide financial aid.

Previous British governments have quietly resisted Mr Mugabe's assertions that they should be responsible for the colonisation of land by millionaire Cecil Rhodes' British South Africa Company a century ago, and the subsequent distribution of land according to race by subsequent white minority Rhodesian governments.

Outspoken political commentator John Makumbe said: "Mugabe has no moral basis whatsoever for insisting the British have to pay. You can't unmake history. How many white farmers are British? A lot of them were born here and have citizenship here. They would be insulted if you call them children of the British."

At home there is increasing scepticism over Mr Mugabe's bitter rhetoric. Since he was swept into power on promises of major land reforms, a total of 70 000 families have been resettled – less than half the target at independence.

The government has bought 3,6-million hectares of land from white farmers for resettlement, but about 450 000 hectares of that is lying vacant, much of it vandalised or squatted on.

Few of the farms that have been bought for the resettlement programme have shown any success, according to audits carried out by Mr Mugabe's agriculture ministry. Mostly, once-prosperous farms have been reduced to primitive subsistence slash-and-burn agriculture.

At independence, the British government set aside £20-million to help finance the resettlement drive.

Later, with £3,5-million still to be spent, Britain suspended further aid out of dissatisfaction with the way Zimbabweans handled the programme.

In recent years, resettlement has all but ground to a halt, and the cash allocated by the Zimbabwean government for land purchase and the establishing infrastructure on new settlements has dwindled to a trickle. – Sapa-dpa

The Star ... Thursday November 6 1997

Tourism pressure could take toll on Vic Falls

(362) Star 6/11/97

By Emmanuel Koro

Harare – The number of tourists visiting Zimbabwe's premier tourist destination, Victoria Falls, rose to 300 000 last year, double the number from 1992.

With the opening up of southern African travel routes, the falls are now more accessible on a southern African package and this has increased visitor pressure considerably.

It is against this background that a Harare-based non-governmental organisation, The Zambezi Society, has expressed disappointment at the Zimbabwean government's reaction and lack of commitment to the recommendations made following a March 1996 World Conservation Union study on developments in Victoria Falls.

The study was conducted at the request of the Zimbabwean and Zambian governments. It recommended that visitors should not be allowed to exceed two to three times more than the present numbers. It also proposed a halt to developments within the Victoria Falls town until a master plan was completed.

While the Zambian government has shown its willingness to support the study, Zimbabwe is said to have rejected two of the key recommendations – the moratorium on development and the formation of a trust.

Having called for a 10-year management plan for the Victoria Falls area, the Zimbabwe government now finds that it is unable to commit itself to the study's recommended moratorium because of the political need to provide development opportunities for indigenous entrepreneurs in this lucrative tourism market.

The Zambezi Society says it is particularly concerned at the loss of biological diversity in the rain forest area next to the falls and in the riverine forest along the edge of the Zambezi River above the falls. – Star Foreign Service/AIA

► Livingstone awakening ... Page 15

Plan to harvest hardwood alarms conservationists

(362) BD 7/11/97

Michael Hartnack

HARARE — News that Vice-President Joshua Nkomo's Development Trust of Zimbabwe (DTZ) has obtained Z$65,9m offshore finance for a hardwood factory in the Zambezi Valley has further alarmed conservationists.

Nkomo, 81, secured a loan through Britain's Natwest that appears to have ignored ecological implications for the middle Zambezi Valley, already devastated by poaching, uncontrolled invasion by squatter settlement, and mining out of valuable timber.

Timber processing equipment was ready for immediate shipment to Zimbabwe, said an announcement.

DTZ, having special tax-free status and owning areas of land larger than Belgium, already operates the controversial Limpopo border toll bridge monopoly at Beitbridge and has mooted plans that horrified environmentalists for a similar one at Victoria Falls.

The Zambezi Bridge, upstream of the historic 1905 one over the first gorge, would smash a path through Zambezi riverine forest declared a United Nations "world heritage site".

Nkomo's plans for a hardwood processing plant at Muzarabani, 150km north of Harare, were mooted five years ago when disquiet was already being voiced about the European Union's funding of tsetse fly eradication in the area, leading to an influx of landless poor.

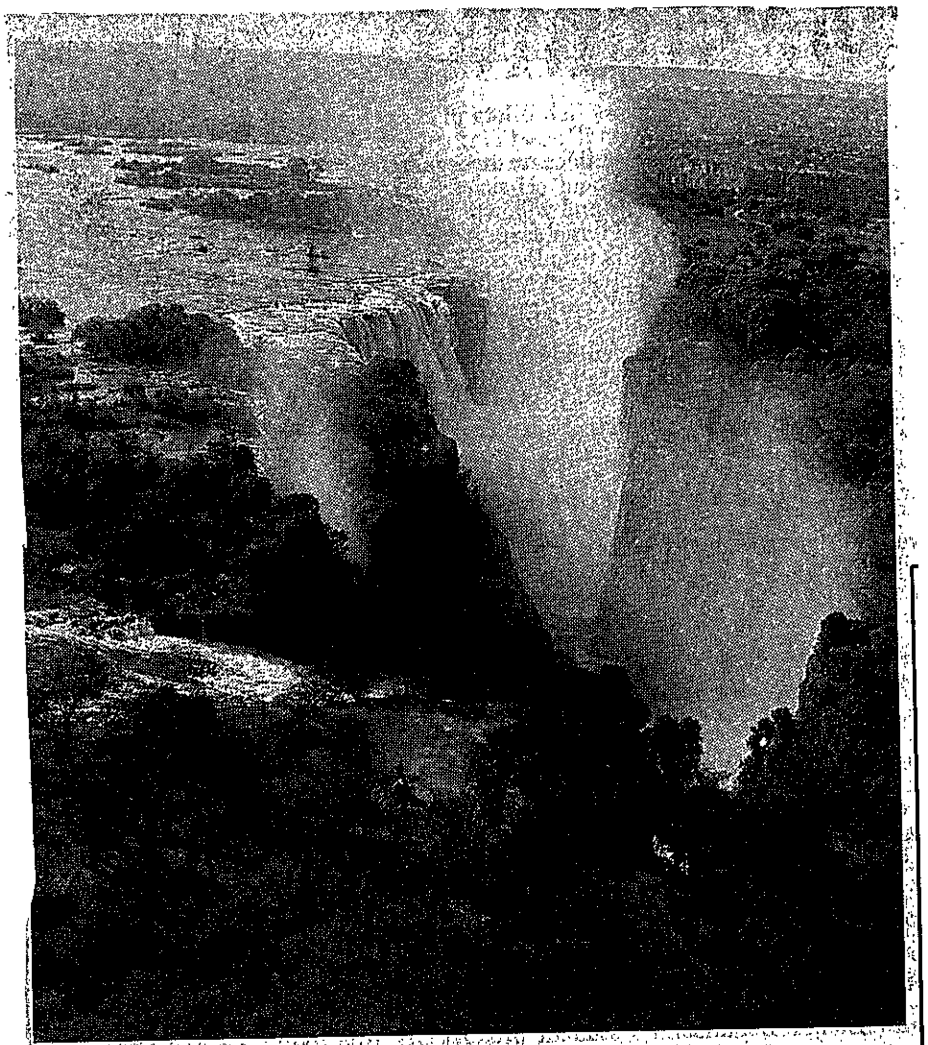
Conservation sources said yesterday cattle in the area had increased from barely 800 head to more than 30 000 since 1980 independence, with calamitous impact on a fragile ecosystem.

Dick Pitman, CE of the private pressure group, the Zambezi Society, which links activists in Britain, Zimbabwe, Zambia and Mozambique, said he welcomed development in the hitherto depressed area — but "there are a number of questions that need clarifying".

"The first is where the timber is expected to come from," he said, noting the destruction of much of the previous forest in the area. "The second is whether there is a sustainable extraction plan, and the third whether the impact has been properly studied."

Nkomo was also reported to have discussed building a toll bridge over the Zambezi at Chirundu and the establishment of a casino complex.

Nkomo reportedly went to Europe in September for medical treatment there.



DTZ already operates the controversial Limpopo border toll bridge monopoly at Beitbridge and has mooted plans for a similar one at Victoria Falls

Anglo denies axing 2 000

BD 7/11/97 (362)

Michael Hartnack

HARARE — Anglo American Zimbabwe denied reports yesterday that it had followed 50 layoffs at its Harare head office with 2 000 redundancies in the subsidiaries that made it the country's largest industrial conglomerate.

Spokesman Ezra Kanganga said there had been no retrenchments at Bindura Nickel, in which President Robert Mugabe's government had been offered a 20% stake, or at Zimbabwe Alloys, although both were "assessing their operations in view of the decline in world prices for both nickel and low carbon ferrochrome".

Anglo — heir to Cecil Rhodes's British SA Company and owner of a large chunk of Zimbabwe's economy — has stakes also in banking, manufacturing, and sugar and timber plantations, but is declining to discuss the possible effects of Mugabe's land redistribution policy.

The Financial Gazette — one of Zimbabwe's two weekly newspapers outside direct state control but with close ties with black business leaders in Mugabe's ruling party — claimed CE Philip Baum had begun implementing a plan to trim Anglo Zimbabwe's 15 000 work force.

Last week the paper carried a similar report attacking Anglo, saying retired director and public relations manager Oliver Chimenye had written memoirs disclosing the Oppenheimer family's plans to impose a "puppet government" on post-apartheid SA.

Kanganga said only a few head office staff had so far lost their jobs. The Financial Gazette said nearly 2 000 Anglo Zimbabwe workers were laid off or accepted voluntary retirement on October 31. "All these people walked away with wonderful packages ... and that is why there hasn't been any noise," an executive reportedly said.

Baum arrived from Johannesburg seven months ago, to replace Zimbabwean CE Roy Lander, who was retiring. Announcing Harare head office restructuring last month, Baum said Anglo was being as open as possible to check probable rumour-mongering.

IMF delegation in negotiations to resume help for Zimbabwe

Michael Hartnack

HARARE — A delegation from the International Monetary Fund (IMF) has begun talks with finance ministry chiefs on resuming support for Zimbabwe's ailing economy, which has been hit by mass unemployment, inflation, high interest rates and uncurbed state spending.

Hanging over the scheduled two weeks of discussions will be President Robert Mugabe's remark when he pledged Z$5bn to Z$10bn in gratuities to ex-guerillas: "Have you ever heard of a country that has collapsed because of borrowing?"

In the wake of Mugabe's capitulation in August to a violent lobbying campaign, the World Bank reversed an earlier decision to resume $65m in budget support.

Spokesmen said the bank wished to see how funding of the gratuities would affect agreement to curb the budget deficit to 8,5% of gross domestic product. Resumed World Bank support would have triggered renewed £30m in aid from other western donors, headed by Britain which has supplied £474m in total aid since independence in 1980.

The IMF cut off a $120m facility in June 1995 when Mugabe failed to meet agreed targets.

When Harare IMF bureau chief Robert Franco was approached for comment on the talks yesterday, a secretary said: "He is refusing to speak to the press." In the wake of the July budget, Franco was optimistic of an economic upturn.

Prof Tony Hawkins of the University of Zimbabwe department of business studies yesterday said recent comments suggested the IMF and World Bank might re-extend facilities without an initial "shadow programme" to confirm Zimbabwe would meet performance targets.

"Judging from the way in which the World Bank in particular has been willing to twist the figures in order to present a favourable picture it could be that the two Washington organisations have made a political decision to lend to Zimbabwe.

"The $600m swing in the balance of payments between 1996 and 1997 reported recently by the governor of the Reserve Bank, Leonard Tsumba, and the weakness of the Zimbabwean dollar which fell to nearly $13 against the US dollar, suggests that an early agreement is important, if not crucial."

Observers believe Finance Minister Herbert Murerwa will have more difficulty than his predecessor, Bernard Chidzero, in imposing economies on Mugabe, particularly in view of a rejection of ministry protests at the package for an estimated 45 000 to 90 000 ex-guerillas.

The effect of Mugabe's imminent takeover of 4-million hectares of farmland on incoming investment, agricultural production and state revenue inflows, also overshadows Zimbabwe's future.

David Hasluck, executive director of the commercial farmers union, confirmed that a 10 member delegation representing its 4 500 members met Lands and Agriculture Minister Kumbirai Kangai, Local Government Minister John Nkomo, and ruling party chairman Joseph Msika — who heads the party committees identifying 2 000 farms for scheduled takeover by January 1.

The union was still not presented with long-awaited definitive lists of farms to be redistributed to Africans.

"We had a cordial and constructive meeting on the land issue," said Hasluck, who refused to comment further.

(362) BD 10/11/97

IN

Tough times for Zimalloys

BD 10/11/97 (3629)

Michael Hartnack

HARARE — Anglo subsidiary Zimbabwe Alloys mines says the weakening price for standard low carbon ferro chrome continues to have an adverse affect but some cleaned ferrosilicom chrome, extracted by reprocessing non magnetic material, has been sold on a trial basis.

Negotiations for a regular offtake are under way, says a report on unaudited results for the nine months to end on September 30.

The directors — who were chaired by Anglo Zimbabwe's CE Phillip Baum — said the full preference share dividend of Z$18,2m at March 31 had been discharged.

However, the balance of retained profits brought forward together with earnings for January to September were "not sufficient to fully provide for the 18% cumulative preference dividend of $Z9,1m as at September 30.

"Available profits of $Z1 471 000 at September 30 have been fully utilised to provide for the preference dividend and the shortfall of $Z7 674 000 will have to be recovered from future earnings." Turnover was $Z41,4m for January-September.

In July the plant at the company's midlands mine dump was off-line for 14 days for modification and at the same time the receiving conveyor was resited to give access to a wider face of the dump.

The shutdown resulted in only 141 493 tons being processed during the July-September quarter, but the benefits were reflected in September's 64 863 throughput.

During the fourth quarter improved throughput has been maintained although the percentage metal recovered remains low with adverse effects on unit costs.

Recovery rate was 1,47% for the period June-September against a forecast estimate of 2,02% for the remainder of the dump life.

All Zimalloys mines output has to be sold through the parastatal Zimbabwe minerals market ing corporation's contentious monopoly.

Zimalloys mines — which specialises in recovery from dumps — is separate from Zimalloys, which is also an Anglo subsidiary.

Britain puts spanner in wheel of Mugabe's land acquisition plans

Star 10/11/97 (362)

By Jan Raath
Harare

Britain has rejected demands by the Zimbabwean government for about R1,2-billion to help confiscate nearly half of the country's white-owned farms for a high-speed programme to resettle black farmers.

A statement from the British high commission last week said the government had been informed that "the programme of rapid land acquisition that now seems to be envisaged in Zimbabwe would be impossible for Britain to support".

The rebuff follows a meeting some weeks ago in Edinburgh between British Prime Minister Tony Blair and President Robert Mugabe. The response is expected to elicit an angry reaction from Zimbabwe and mark the cooling of bilateral relations.

Mugabe has threatened to seize 1 800 farms covering 4,8 million ha in a new "one-man, one-farm" policy which would force farmers with multiple holdings to sell all their other properties. In the week preceding his meeting with Blair, he ran a campaign insisting that Britain, as the country behind the colonisation of Rhodesia a century ago, should bear responsibility for compensating white farmers.

No compensation would be paid for land, but the government would take into account improvements to farms, he said. Mugabe also said constitutional safeguards would be abolished if they stood in the way of his "revolutionary land reforms".

The high commission statement said Britain's policy on aid to developing countries was aimed at partnerships with administrations committed to eradicating poverty.

"It would not help the poor in Zimbabwe if land was acquired in a way that undermined agriculture or investor confidence," it said, a reference to fears that the massive expropriation of land envisaged would wreck the country's commercial farming sector. This accounts for 85% of marketed agricultural output.

Three months after Mugabe said officials of his ruling Zanu (PF) party had identified the farms to be seized, the Commercial Farmers' Union has still not been shown the list. Any programme could only be considered if a clear register of land was produced, acquisition was open and transparent, and resettlement schemes "were economic and benefited the poor", the statement said.

Diplomatic sources say the comments are a rebuke for the ill-prepared Zimbabwean delegation that met their British counterparts after the talks between Blair and Mugabe. – Times News Service

Zim war veterans go on rampage

CT 11/11/97 (362)

HARARE: About 300 veterans of Zimbabwe's liberation war took over a court room in the High Court building here yesterday, bringing to a chaotic halt the proceedings of a commission of inquiry into a multi-million dollar fraud of a war victims' benefit fund.

After the hearing adjourned, the mob danced on the teak tables, toyi-toyied on the railings of the dock, swigged water from the commissioners' bottles, sang war songs and made speeches denouncing the commission.

The secretary of the commission had to flee when women ex-guerrillas chased her out of the courtroom, one taking a swing at her with a bulky handbag.

"What we want is war," was the deafening refrain.

The adjournment was preceded by almost an hour of interruptions as the commission tried to examine Dr Chenjerai Hunzvi, chairperson of the Zimbabwe National War Liberation Veterans' Association, over allegations that he had forged documents to give relatives large cheques for compensation for allegedly fraudulent war injuries.

The state's War Victims' Compensation Fund was set up at independence to help civilians and ex-combatants badly handicapped by injury during the war.

Hunzvi, a Polish-trained medical doctor, appeared in court yesterday to answer charges that he had completed forms assessing the alleged disability of a cousin and an uncle from injuries allegedly inflicted by Rhodesian security forces and then forged the signatures of other doctors.

As he entered the court yesterday, almost the entire public gallery of ex-fighters stood up. He turned round at the front of the court and gave his supporters a clenched-fist salute. In silence, they returned the salute.

As the commission proceedings began, former guerrillas silently held up handwritten placards. One said, "We want our ZD50 000 today or else war", and another, "Back to square one 1962 — 1980 (the period of the Zimbabwean war) until liberation is achieved".

Then the public galleries appeared seized by fits of loud coughing that drowned out the proceedings.

Hunzvi refused to answer questions from the commission, claiming they would force him to incriminate himself. To applause from the gallery, he launched into an attack on the commission, accusing it of behaving like the colonialists and trying to destroy the war veterans.

The war veterans have taken centre stage in Zimbabwean politics in the past six months with a series of violent demonstrations that have challenged directly the authority of President Robert Mugabe.

In August they seized the headquarters of the ruling Zanu (PF) Party, jeered Mugabe's speeches, attacked and critically injured government officials.

The comrades claim the government has ignored their role as "liberators" during the independence war.

In August Mugabe gave in to their demands and promised a package of lavish benefits — a ZD50 000 (about R18 000) gratuity and a monthly pension of ZD2 000 (R715) pension — which economists estimate will cost the government up to ZD4,5 billion (R1,6bn) and wreak havoc with the economy. — Sapa

Delta goes for gold in Zimbabwe

(362)

ANDREW MELDRUM

CT(BR) 11/11/97

Harare — Delta Gold, an Australian mining company, said last week it would embark on a Z$500 million (R200 million) development of a new gold mine in Zimbabwe.

Delta Gold's board of directors has given the green light to the development of the Eureka mine, 150 km north of Harare. Initial indicators show the project may produce from 50 000 to 75 000 ounces of gold annually through an open pit operation. This will be at an estimated cash cost of Z$230 an ounce. Both heap leach and conventional carbon leach are being considered as treatment options.

"A construction contract will be negotiated in the near future, and the mine is expected to be operational by early 1999," said a Delta Gold spokesman in Harare. The development increased Delta's investment in Zimbabwe, which included an investment with fellow Australian firm BHP in the Hartley platinum mine. — Independent Foreign Service

Veterans force Harare court of inquiry to adjourn

CT (BR) 11/11/97 (362)

FROM AFP

Harare — Veterans of Zimbabwe's independence war forced a commission of inquiry into a corruption scandal to adjourn yesterday when Chenjerai Hunzvi, their leader, was questioned over allegations of forgery.

Judge Godfrey Chidyausiku suspended proceedings because of disruption by 250 veterans.

As he and the other commissioners left, the veterans took over the courtroom, dancing on the benches and singing.

Observers say it was an unprecedented display of lawlessness in Zimbabwe's courts and a demonstration of the power wielded by Hunzvi, who heads the Zimbabwe War Veterans Association, and his supporters.

Veterans recently staged a series of protests which forced President Robert Mugabe to agree to cash compensation for all ex-combatants.

The protests began when Mugabe stopped payments from a war victim's compensation fund after reports that senior government officials had looted the fund of millions of dollars.

Hunzvi was called to the commission of inquiry into these reports to answer allegations that he forged compensation claims for his two brothers.

Having said all veterans would receive payouts, Mugabe has to find the money somewhere.

International donor agencies supporting the country's economic liberalisation programme have said future aid would not be forthcoming if the payouts rocked Zimbabwe's shaky economy.

Mugabe discovers the truth behind Blair's 'surrender'

Recent British government responses to Zimbabwe could presage a new approach towards an erstwhile colony, writes **Michael Hartnack** in Harare

(362) BD 11/11/97

MUGABE

BLAIR

THE record of Britain's Conservative government dealings with Rhodesia/Zimbabwe from 1979 to 1997 reflects pluses and minuses.

At the outset, Tory pledges to back Bishop Abel Muzorewa's multiracial regime were ditched by Margaret Thatcher, capitulating to the foreign office mandarins. Significantly, the colourful former Labour foreign secretary George Brown had urged recognition of Muzorewa.

With "expediency" the watchword, Tory peer Christopher Soames flatly refused to do anything to secure future personal liberties or press freedoms while serving as last governor in Rhodesia. After a particularly bruising session with Soames (in my capacity as chairman of the Guild of Journalists), I had a pacifying talk with his aide, the formidable Sir Nicholas Fenn.

To my remark that Rhodesia was paying the price for not settling with Labour, which had always seen the Rhodesian issue as a moral problem, Fenn responded that perhaps only a Conservative initiative could have ended the war that had claimed 30 000 lives. We agreed to disagree.

After the April 1980 independence, outrages of misgovernance that would have aroused the pious condemnation of Her Majesty's foreign and commonwealth office (when it used to claim it was "responsible" for Rhodesia, were ignored by Thatcher and John Major. Queen Elizabeth was sent to give President Robert Mugabe her royal seal of respectability in 1991 — as if the Matabeleland horror never happened.

But on the plus side, the Thatcher-Major policy made possible the discreet and unpublicised work of the British military advisory and training team, the 50 members of which had a psychological effect far out of proportion to their size. They deserve much of the credit for plucking Zimbabwe out of the clutches of the North Koreans and reorienting it, as a new nation, towards western, civilised norms. In a nutshell, they reformed the "institutional means of violence" which loom much larger than economics in Mugabe's peculiar thinking.

Overall, 1979-97 records only one occasion when the Tories "stood up" to Mugabe.

At the Nassau Commonwealth summit 10 years ago, Thatcher flatly rejected his demands for an economic blockade of SA with the memorable words: "Go ahead and cut your own throat if you want to — but do not come crying to me for bandages."

At last month's Edinburgh summit, incoming Labour Prime Minister Tony Blair boasted to Mugabe of his boyhood sympathy with black rule for Rhodesia, his freedom from the heritage of empire. He listened sympathetically, according to official spokesmen, while Mugabe delivered an ultimatum that if Britain failed to provide money to compensate 2 000 white farm owners they would be thrown off their 5-million hectares anyway, to make room for blacks. Mugabe expected a payoff from Labour's old guilt complex towards Africa.

According to the state-controlled Herald newspaper in Harare, Agriculture and Lands Minister Kumbirai Kangai returned from Edinburgh to tell ecstatic constituents "our former colonial masters" had surrendered to the land ultimatum.

Then, on November 6, came the British reply, couched in terms no-one has used to Mugabe since he escaped from the late President Samora Machel's tutelage in Maputo. Blair told him Britain regarded whites as Zimbabweans, would not support the handover of their farms to wealthy blacks, and would only back land reform if it seriously addressed the problems of the rural poor within a legal, transparent framework. Departing land owners must receive compensation and there must be no interruption of farm production.

The Herald, notably, dismissed the humbling British message in three tiny paragraphs. Much more space will no doubt be given to the enraged reaction when Mugabe and Kangai return from their current globe-trotting and the contents have sunk in. A campaign of orchestrated anti-British and anti-white protest seems probable. The threat to investor confidence, of which the British note also warned, will be increased if such protest turns violent, as did the recent lobbying by ex-guerrillas for Z$5bn tax-free gratuities.

Despite his excellent brain, the bibulous George Brown was famed for his undiplomatic gaffes when he became "tired and emotional". Blair is not. His message was fresh and lucid.

It may be that there is now a British government that has rid itself both of colonial guilt and cold war expediency. Since it chairs the European Union caucus on Zimbabwe, it could carry massive weight in shaping a radically new western policy here.

Anglo advertises to press home its point

BD 12/11/97 (362)

Martin Rushmere

HARARE — Publicity shy Anglo American in Zimbabwe has become mired in a war of words with newspapers.

The group has placed advertisements to deny a newspaper report that the Johannesburg parent is unhappy with its efficiency and that as many as 1 000 workers must be laid off.

Renowned for refusing to make public comments, the change of tactic is being seen as a response to pressure from the government to show all is well.

Officially issued in the name of the deputy chairman of the SA parent, Nicky Oppenheimer, the advertisements come in the wake of an announcement by CE Philip Baum that up to 50 people will be laid off at the Harare head office.

The group has come in for criticism from President Robert Mugabe and ministers for refusing to "indigenise" — give shares and senior jobs to blacks. This reached a peak over the appointment of Baum last year. There were immediate demands for Baum's work permit to be refused.

Baum was appointed and at the same time it was agreed that the government should get a 20% stake in Bindura Nickel.

The government has since come in for criticism from its supporters for paying Z$150m, which they say is far too much. This has made the government more sensitive to criticism over getting involved in private business at a time when it is publicly claiming to be disinvesting.

It is understood that there have been repeated unofficial calls by senior members of the Zanu (PF) party for the group in Zimbabwe to prove that it is master of its own destiny.

Oppenheimer has been in Zimbabwe at least three times this year — meeting Mugabe twice — and is thought to be anxious to increase the group's operations in the country as part of a business drive in the rest of Africa. This week he is in Zimbabwe again to address a mining conference.

Zimbabwean businessman extends interests to SA

BD 12/11/97 (362)

Business Day reporter

ZIMBABWEAN businessman and chairman of former Lonrho subsidiary Northchart, John Moxon, has extended his business interests to SA through a R200m acquisition of a 22,9% stake in Real Africa Durolink (RAD).

Moxon is well-known for his diversified business interests in southern Africa, with a holding in Meikles Africa, Zimbabwe's leading retailer listed on both the Harare and London stock exchanges. Meikles Africa's Zimbabwe business operations include the famous five-star Meikles Hotel and TM supermarket chain.

In SA, Moxon is part of the controlling consortium in Rebhold, the food, freight and liquor company which listed on the Johannesburg Stock Exchange last year.

The deal between Moxon and RAD, concluded last Friday but announced yesterday, means that the financial services and advisory company's primary capital base is now in the order of R300m.

RAD, which is part owned by Real Africa Holdings, has applied for a banking licence. Its main activities are structured and corporate finance, privatisation and property financial services. RAD has also established a securities broking operation and a private equity fund. CE Michael Bolton said the deal was consistent with the company's strategy to move to full investment-banking status.

Real Africa Holdings and RAD management will retain joint control of the new structure.

IMF needs urgent answers from Mugabe

BD 12/11/97 (362)

Martin Rushmere

HARARE — Zimbabwe and the International Monetary Fund (IMF) have reached a stalemate over resuming balance of payments support, resulting in the IMF's audit team leaving after four days of a planned two-week stay.

Western diplomatic sources in Harare said part of the reason for the team's early departure was the fund's inability to meet, or to get any firm answers on budget financing from, President Robert Mugabe, who has been on yet another series of foreign trips.

In the past four weeks Mugabe spent only nine days in the country and on the day the audit team left he returned to Harare — only to leave for Gabon three hours later.

The IMF has been reluctant to resume budget support after Mugabe capitulated to war veterans and promised to pay them about Z$5bn in benefits. Economists say the veterans' payouts will push the 8% budget deficit up to 12%, which the IMF will not accept.

The government has intimated privately it will raise indirect taxes, mainly on items like petrol and diesel, to meet the extra payments.

A commercial banker in Harare said: "Apparently the finance ministry put forward its plans for increasing such taxes, but was unable to say whether this was definitely going to be undertaken." Diplomats say such assurances come only from Mugabe.

The private sector is pessimistic about the prospects, with stockbrokers reporting that industrial companies are more depressed about business conditions than they were, taking into consideration the probability of a drought brought about by El Niño.

The government has refused to comment on the outcome of the talks, a sure sign there is no good news. Previously, whenever there was an indication of a more positive outlook by international institutions and donors, government newspapers and television translated it into a resounding success for economic reform and unqualified international backing.

In a private briefing for local media, from which foreign journalists were excluded, the finance ministry would say only that the government had put forward plans for paying for the war veterans but declined to say how this had been received by the IMF. In Harare the fund's representative is referring all questions to the finance ministry.

The next step is the return of Mugabe to Harare for long enough to give the official seal of approval to the taxation proposals, which are certain to increase the unofficial inflation rate of 20% if not add to the budget deficit.

Meantime, the fund waits impatiently. At the back of its mind is growing desperation to come up with an African economic reform success story to convince increasingly sceptical western financiers.

Zimbabwean tourism indigenisation 'sensitive'

BD 13/11/97 (362)

Michael Hartnack

HARARE — The CE of the parastatal Rainbow Tourism group and incoming head of the Zimbabwe Council for Tourism said yesterday that the redistribution of permits and concessions on state land was the most explosive issue facing the industry.

Herbert Nkala's election as head of the body representing tourism in the private sector, was announced yesterday. He was asked to comment on reports of established white Zimbabwean operators having their permits and concessions redistributed to blacks, who were then selling them on to foreign interests.

The white operators allege the government's tourism "indigenisation policy" is pushing up costs and making Zimbabwe less competitive, while adding no value.

"That is explosive," said Nkala. "As a very sensitive issue it is not one I would want to debate through the media."

Outgoing council chairman David Chapman said it had to be clearly understood there was not one person in the tourism sector who was not in favour of levelling the indigenisation playing field. "Everyone recognises it has to happen and by far the great majority take an active role in the process."

Chapman said the tourism council — representing hoteliers, travel agents, safari operators, restaurateurs and transport — had its own indigenisation committee which had helped newcomers to the sector.

Nkala said it was equally important to assist newcomers and ensure blacks who had invested did not go under.

He expressed concern for Victoria Falls, where environmental issues were most acute. Nkala said all future development at and around Victoria Falls should take place within a comprehensive plan now being worked out, including regular consultations with the Zambians.

Nkala said he hoped to see expanded co-operation between the national airlines of the Southern African Development Community.

Zimbabwe Sun's income increases

BD 14/11/97

HARARE — Hotel group Zimbabwe Sun recorded a 43% increase in net income to Z$90m (R34m) for the six months to the end of September.

An associate company of SA Breweries, which owns 23% of the Delta Corporation parent, Zimbabwe Sun is the biggest hotel and resort owner in the country.

Turnover rose 43% to Z$423m, which chairman Eben Makonese attributes to a substantial improvement in business from the southern African region. Occupancy rates were 66%.

The chairman forecasts a "positive" trend for the second half year, "and profit should grow ahead of the rate of inflation". Net profit for the whole of last year was Z$130m.

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Restructuring boosts PG's profit

HARARE — Zimbabwe building materials and glass-making group PG Industries recorded a 156% increase in net profit to Z$33m (R13m) for the six months to the end of September over the same period last year.

The company, which is 40% owned by the SA group of the same name, attributes the improvement to a restructuring of divisions and acquisition of a former competitor, Johnson & Fletcher.

Turnover rose 48% to Z$484m.

REPORTS: AP-DJ, Sapa-AP, Own Correspondent.

Zimbabwe exchange falls on uncertainty

BD 14/11/97 (362)

Michael Hartnack

HARARE — The quality of investor returns on the Zimbabwe Stock Exchange (ZSE) was likely to be poor over the next six months, brokers Quincor James Capel said in their latest newsletter and they wondered if "the big sell-off might still be looming".

"The ZSE unflinchingly held its own this fortnight while global markets attempted harikiri in response to the Hang Seng bungee jump," said the review.

The exchange lost only 1% in contrast to the overall 12% decline in the emerging-market invisible index since October 21.

"The general consensus among Zimbabwean investors was that they would weather the storm for the moment, however, uncertainty in the fundamentals remains and the big sell-off might be looming.

Quincor said Zimbabwean investors were now tending to look to one another for direction, with market sentiment driving decisions. Volumes traded had fallen off sharply amid uncertainty.

The brokers said the Zimbabwe dollar remained under pressure (falling to 14 against the US dollar in the past week). Import cover was low, only two months, while interest rates were climbing with 90-day treasury bills now 25,3. "We maintain our recommendation for a defensive portfolio with blue-chip stocks being the major component," Quincor said.

Cops crack down on war vet protest

(362)

Compensation fund 'defrauded'

ARG 15/11/97

Harare – Hundreds of riot police sealed off Harare's High Court to prevent a repeat of the previous Monday's violence, when rioting ex-guerrillas forced a judicial inquiry to abandon its hearing into a multimillion fraud of a war victims fund.

Yesterday barbed wire was stretched around most of the block in the centre of Harare and riot police with shotguns, dogs, teargas canisters, shields and batons stood guard.

Traffic jams developed when Samora Machel Avenue, the main boulevard, was closed to vehicles.

Journalists were turned away by the police, although it is understood that reporters from the state-controlled press were allowed in.

The inquiry, into rampant embezzling of the War Victims' Compensation Fund, was examining Hitler Hunzvi, chairman of the Zimbabwe National Liberation War Veterans' Association, over allegations that he had forged documents to enable two of his relatives to be awarded compensation for non-existent wounds.

On Monday about 300 ex-guerrillas, protesting that Hunzvi was the victim of a government conspiracy, ran riot in the courtroom, drowning out the proceedings with singing, jeering and wailing.

They toyi-toyied around the courtroom and danced on tables.

The fraud scandal has turned into a major controversy for President Robert Mugabe's government – already plagued by claims of human-rights abuses – after evidence that most of the senior officials of his ruling Zanu(PF) party, the armed forces and the civil service had been paid huge sums of money in compensation on the strength of inflated claims of injury.

Mugabe's brother-in-law, Zimbabwean diplomat Reward Marufu, also appeared before the commission for receiving compensation after allegedly forging claims. The inquiry has heard that Mr Hunzvi carried out nearly all medical assessments that resulted in the claims. – Sapa week

CT (BR) 17/11/97

Zimbabwe dollar gets bank help

(362)

ANDI SPICER

Johannesburg — The Zimbabwean dollar slumped against the US dollar on Friday, forcing the central bank to intervene heavily in the market to support its beleaguered currency.

At one point it touched Z$25 to the dollar, after having closed on Thursday at Z$14,25, but central bank intervention valued at more than $2 million brought the currency back to about Z$15,50 at the close. It closed against the rand at Z$3,34.

"The market sentiment has been the same: if the Zimbabwean dollar keeps on getting support from the central bank, it will appreciate. But if it does not, we will see it sinking again ... the ball is now firmly in the central bank's court," a Harare dealer said on Friday.

Speculators are targeting emerging world currencies after the recent stock market and currency crisis in Asia, and the Zimbabwean dollar and rand have been buffeted recently.

Economic uncertainty has knocked confidence in the dollar as the country's foreign exchange reserves have slipped from five months' cover in June to two months. Some analysts believe the reserves could now be as low as 1,5 months' cover.

This has been caused by lower revenue from gold since the price of the metal declined this year. More than 40 percent of Zimbabwe's foreign exchange comes from bullion exports.

The reserves were also depleted when the World Bank withdrew $62,5 million in balance of payments support two months ago.

Zimbabwe to tighten currency rules

(3625) ET (FOR) 17/11/97

EMELIA SITHOLE

Harare — Zimbabwe's central bank was likely to tighten its supervision of financial institutions after the local dollar plumbed new depths on Friday, economic analysts said yesterday.

The Reserve Bank intervened on Friday to support the plunging currency as worry over the state of the nation's foreign reserves provoked panic selling and drove the local unit to a record Z$25 low against the US dollar.

Hefty intervention hauled the currency back to close at Z$15,50 — 10 percent firmer than Thursday's close. The currency was also hit hard by heavy import demand and speculative buying of foreign currency in a short market.

Leonard Tsumba, the Reserve Bank governor, on Friday declined to comment on the local dollar's woes, but the Zimbabwe Broadcasting Corporation announced at the weekend that the central bank and finance ministry would hold a news conference today.

Analysts said the central bank was likely to announce a clampdown on commercial banks, which it suspected of hoarding foreign currency.

"So there's likely to be a reprimand in terms of the bank tightening up its supervisory role of financial institutions," said Edmore Tobaiwa, an economic analyst. — Reuter ployers supported the emergence United ...

Zimbabwe's campfire projects seek to profit from ecotourism

(362) BD 17/11/97

Josey Ballenger

THE concept of conservation in southern Africa was changing from one of isolated "green islands in a human sea" to an integrated plan of hunting and conserving wildlife and sharing profits between parks boards, surrounding communities and the private sector, a Zimbabwean conservationist said at the weekend.

Clive Stockil, a ward committee member in southeastern Zimbabwe's Mahenye, the pioneer site of Conservation and Management Programmes for Indigenous Resources (Campfire), says Campfire has fully exploited its mission to put wildlife's value "back into the hands of the community".

Campfire is a government-supported programme started in 1982 to settle the "bloodbath" between national parks and bordering communities over disputes regarding wildlife. Even after Zimbabwe won independence in 1980, the communities saw wildlife only as a "cost", as the animals destroyed their very livelihood — crops and cattle. "There has been a trend in southern Africa (whereby) communities have been allowed to have domestic animals, but not wildlife. Campfire is reversing that," Stockil told an audience at the annual Big Shot Show in Midrand at the weekend.

Campfire has given communities a direct stake in "managing" those animals which spill into their areas (there are no fences on the parks' boundaries) by having a community-elected council grant limited hunting licences.

Now, Stockil says Campfire faces the further "added-value" goal of implementing ecotourism in order to grow both in Zimbabwe and throughout southern Africa. This will put cash in the community's pockets and provide jobs and infrastructure to the area.

An example is Mahenye, where Zimbabwe Sun (no affiliation to SA's Sun International) has entered into a joint venture with the community (which provided the land) to invest about Z$17m in two "nonconsumptive" lodges and infrastructure. The community eventually stands to reap 15% of the company's profits.

Dave Bunyard, Zimbabwe Sun's GM in SA, said the community earned more than Z$600 000 per annum from its present 10% stake of the ecotourism profits.

Safari operator caught in 'indigenisation' crossfire

BD 17/11/97 (362)

Michael Hartnack

HARARE — Zimbabwe's leading safari operator, Touch the Wild, is trailing a bloodspoor after being caught in the crossfire of the state indigenisation policy.

Earlier this year Touch the Wild was forced out of the world-famous resort it had built up since 1980 in Hwange National Park at its $250-a-night Makololo Camp. Following a controversial tender process, the concession was passed to a local entrepreneur, Alexio Chiyasa, who leased it to SA's Wilderness Safaris.

With the long-term future of three other Touch the Wild camps around Hwange dubious and in view of the government policy of passing leases over to black entrepreneurs, the parastatal Rainbow Tourism group announced it had taken over the company from September 1. The deal is now in doubt because of Reserve Bank refusal to approve a partnership between Rainbow and the Mauritius-based Ireland Blyth Group, which would have assumed management responsibility.

Touch the Wild's owners — wildlife expert and ruling party MP Alan Elliott, Harare businessman Rhett Butler and Zimbabwe Sun Hotels — gave Rainbow until October 31 to secure Reserve Bank approval. Tourist industry sources said this was re-extended to November 13, without result.

Zimbabwe Sun and Rainbow board members were on Friday locked in separate meetings.

Sources said bookings for Touch the Wild had fallen off as the global travel market got wind of its politically inspired problems. White tourist operators are bitter that Elliott, having had the camp he built up passed to a black competitor, saw it then go immediately to a foreign operator.

Sources say this and similar government actions are adding to costs, while doing nothing to expand black expertise, and at a time Zimbabwe risks losing traffic to other destinations in the region.

Rainbow, chaired by Zanu (PF) mogul Ibbo Mandaza and due for privatisation next year, hailed the takeover as a step forward for indigenisation. The Reserve Bank has given no hint why it barred its deal with Ireland Blyth.

Touch the Wild was 50%-owned by Elliott and the Butler family, and 50%-owned by Zimsun. Nigel Butler is embroiled in a protracted court battle to try and save his farm, bordering President Robert Mugabe's rural home, from takeover by government.

Elliott's expertise is likely to be seized on by would-be partners in Zambia or Mozambique if he is forced out of Zimbabwe. In addition to Makololo and three other camps around Hwange, Touch the Wild built up camps in the Mapotos and at the Zimbabwe Ruins.

Sources said that Touch the Wild also risked having its entry permits for Hwange blocked if it attempted to defy the indigenisation policy. It has 300 employees.

Zimbabwe warned on foreign capital flight

Michael Hartnack BD 17/11/97 (362)

HARARE — Prof Tony Hawkins of the University of Zimbabwe yesterday warned of the danger that foreign owners of $180m shares on the Zimbabwe Stock Exchange would take flight, fearing further inflation, and so place further pressure on the Zimbabwe dollar.

Local commentator John Robertson said Mugabe's imminent takeover of 1 772 white-owned farms, totalling nearly 5-million hectares, and the planned Z$4bn payout to ex-guerrillas were the most important factors undermining confidence.

"Nobody is buying anything from farming suppliers. Everything is just dead," said Robertson, contrasting this with importers' rush to obtain stocks for the expected ex-guerrillas' spending spree.

"With El Niño, farmers do not expect a harvest and they don't know whose farm the harvest will be on anyway."

Attacking Robertson, the Sunday Mail newspaper said that "inflation was designed by the capitalist system" and payments to tobacco producers were more inflationary than those to ex-guerrillas.

Lukanyo Mnyanda reports that Standard Corporate and Merchant Bank said that the crisis had been a direct result of economic policy and sociopolitical uncertainty and Zimbabwe's leaders were faced with the big challenge of satisfying both the needs of the general populace and international markets if the fall was to be contained. "It would take great political skill to navigate the choppy waters between these two rocks. It is unclear whether the political establishment in Harare has the appropriate white-water rafting skills. If they are found wanting, further depreciation can be expected," the bank said.

Hawkins said good might come of the crisis if it induced the International Monetary Fund (IMF) to relax conditions and caused Mugabe to "go cool" on farm takeovers while cutting back state spending.

However, the IMF would be fearful of setting a precedent for other African states and Mugabe would have political difficulty backing down on land for which British Prime Minister Tony Blair has refused aid.

Hawkins noted predictions on world prices for Zimbabwe's major export, tobacco, would be lower this year and the Zimbabwe Reserve Bank governor Leonard Tsumba's admission that there had been a $600m balance of payments swing from surplus to deficit in the first seven months of this year.

Zimbabwe's exchange rate has been allowed to lag 40% to 50% behind inflation since 1991.

Hawkins said the reserve bank governor lacked the resources to respond. An increase in the bank lending rate — 25,5% — might be announced.

The Sunday Mail "understood from reliable sources there should be no panic as negotiations with the IMF are on course with every possibility a satisfactory agreement will be reached".

No immediate impact was expected on Zimbabwe's exports to SA.

Last month 30% increases were announced in the price of maize meal and 7% in the price of bread, reviving fears of the unrest seen during the 1992-1994 drought crisis when riot police had to be called to check looting of shops and supermarkets.

Zim dollar plunge linked to jitters over Harare policy

ARG 19/11/97 (362)

Harare – Nervousness about Zimbabwe's economic prospects is eroding confidence in local markets and this contributed to the Zimbabwe dollar's historic falls this week, according to economic analysts.

"There's a flight of confidence. There are a great many things of concern in the economy," said private analyst John Robertson.

The Reserve Bank of Zimbabwe had to intervene heavily to haul the currency back from a 76% plunge on Friday. It was battered by immense import demand, panic and speculative buying in a market short of foreign exchange.

Foreign exchange dealers said at one point the Zimbabwe dollar fell to a low of Z$25 to the US dollar before recovering to Z$13 from Z$14,25 at Thursday's close.

Mr Robertson and other analysts said the uncertainty centred on worries about where President Robert Mugabe's cash-strapped government was going to get an extra Z$5,3-billion (R1,9-bn) to pay disgruntled war veterans.

The sum was unaccounted for in the 1997/98 budget unveiled in July.

The payouts led the World Bank to withhold two months ago, for the second time in two years, $62,5-million (R300-m) in balance-of-payments support until it was satisfied with a revised budget taking into account the extra burden.

Finance Minister Herbert Murerwa said he was working on it, pledging that he would try to raise the money in a way which would keep the country's budget on track.

"With speculation about the war veterans' payouts, residual worries about El Nino and the seeming deadlock in negotiations with the International Monetary Fund, everyone is nervous," said Tony Hawkins, a business studies lecturer at the University of Zimbabwe.

Mr Hawkins said the government needed to provide a clear idea of how it was going to come up with the money to pay the war veterans.

"Confidence is lacking in the economy at present," said Zimbabwe National Chamber of Commerce economist John Makamure.

Mr Makamure and Mr Hawkins said confidecne was also being eroded by lingering fears that Zimbabwe was headed for an El Nino-induced drought and recent tough remarks by Mr Mugabe that his government would not pay a cent in compensation to white farmers whose land would be seized for compensation.

Mr Mugabe said a fortnight ago that the government intended to forge ahead with long-standing plans to seize white farmland to resettle thousands of landless peasants.

He said his cash-hit government had no money to compensate the farmers, adding that Zimbabwe's former colonial master Britain should fund the programme so the farmers would get paid.

Britain said last week it would not fund the programme.

"Commercial farmers are worried about land and they are delaying their investments in new crops or any new agricultural activity and that's very depressing for the business sector," Mr Robertson said.

The analysts also said poor management by the central bank had helped to sink the local currency this week.

"It's difficult to understand why the rate has been allowed to be so volatile. Why has the central bank allowed this to happen?" Mr Hawkins said, adding he saw the currency weakening again if the bank did not review its handling of the currency.

Mr Makamure said the Zimbabwe dollar's fall would have a severe impact on commerce and industry. – Reuter

Zim dollar falls abruptly

(360) Sowetan 17/11/97

THE Zimbabwe dollar fell heavily to a record low against major international currencies on Friday. The currency fell from 14,0 to 25,0 Zimbabwe dollars to one US dollar by Friday afternoon. No official announcement came from the government about the currency situation by on Friday. The national central bank had been absent from the foreign exchange market before the currency slumped.

The Zimbabwe dollar has been declining under pressure from import demand in recent months, while exports decreased. Analysts said a gradual slide was anticipated until next year, but Friday's sudden slump came as a shock to many.

It is traditional for the currency to depreciate against the world's currencies at this time of the year, when the tobacco selling season ends and export receipts fall. Tobacco is Zimbabwe's top foreign currency earner.

Observers noted the presence of a visiting IMF team in the country, which has been pressuring the government to explain how it would fund huge and unbudgeted gratuity payments to veterans of the country's liberation war. The government is to submit its plans to finance the veterans compensation fund, amounting to more than five billion Zimbabwe dollars.

Two months ago, the World Bank and IMF withheld 62,5 million US dollars in balance of payments support until Zimbabwe explained how it was going to fund the hefty gratuities to more than 40 000 liberation war veterans. – *Sapa-AFP*

Zimbabwe dollar claws back most of its losses

Harare talks key to ending money crisis

(36a.)

e7(70R) 18/11/97

FROM REUTER AND AFP

Harare — The Zimbabwean government was negotiating to unfreeze balance-of-payment supports, and analysts said yesterday the outcome of talks in Harare would be crucial to resolving the country's currency crisis.

The International Monetary Fund and the World Bank froze balance-of-payments support to Zimbabwe in mid-1995. Negotiations began two weeks ago under a cloud of secrecy, and officials from both sides have persistently refused comment, feeding speculation that the discussions were deadlocked.

The Zimbabwe dollar, which crashed against major currencies on Friday before clawing back most of its losses, continued to fluctuate yesterday.

Soon after trading began yesterday morning, the local currency was quoted by a leading commercial bank at Z$11,8958 against the US dollar, but was down sharply to Z$13,6518 by early afternoon.

After opening at Z$2,47/3,10 against the South African rand, it was quoted weaker at Z$3,47/4,00 by lunchtime. It closed on Friday at Z$2,97/3,71.

At one point on Friday the Zimbabwe currency fell to a record low of Z$25 to its US counterpart before intervention by Zimbabwe's central bank.

Industrial stocks slipped 1 percent yesterday in response to the currency woes, but minings firmed, traders said.

The benchmark 58-counter industrial index lost 98,84 points to close the day at 9635. Traders expected it to scale back further if the Zimbabwe dollar remained volatile. The seven-counter mining index gained 20,84 points to end at 691,17.

"There's nothing more nerve-wracking than a situation of instability on the exchange rate," a trader said.

Another trader said: "Until the dollar stabilises, the market will continue to weaken."

Yesterday economists, dealers and central bank sources expected the Reserve Bank of Zimbabwe and the ministry to announce a series of measures, including an increase in the key rediscount rate by 3 percentage points to 28,5 percent, to boost the dollar.

Dealers said the central bank had already directed that corporate foreign currency denominated accounts be liquidated, in a move expected to bring the market between $100 million and $150 million.

Equity traders said it was too early to say what effect these planned measures would have on the exchange. They said they were also waiting for details from the bank and the government.

Commercial banking executives said the order was given at a meeting between the Reserve Bank and commercial banks on Sunday.

A bank treasurer said that Leonard Tsumba, the central bank governor, "strictly stressed" at the meeting on Sunday that there was some money in the market and that it was needed to help stabilise or boost the local currency.

Zimbabwe announces expenditure cuts

Michael Hartnack

ZIMBABWE's Finance Minister Herbert Murerwa last night announced cutbacks of Z$900m in recurrent expenditure and Z$200m in capital expenditure, plus a Z$2bn raid on the money market to fund gratuities for former guerrillas this year.

Murerwa told a news briefing the rediscount rate might be pushed beyond yesterday's leap from 25,5% to 28,5% to stem any further run on the Zimbabwean dollar which on Friday fell to 28 against the US dollar before coming back to 11,4 on Monday.

He said he would soon announce revenue-raising measures to complete a Z$3,8bn "austerity programme".

He said moves to force banks to offload US$160m foreign currency holdings onto the market should make unnecessary a repeat of Friday's US$20m intervention by the reserve bank to protect the Zimbabwean currency.

Murerwa acknowledged the former

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Zimbabwe

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guerrillas' payments were the root of Friday's crisis but said a programme to find money for them — estimated at Z$4bn maximum — had been put to an International Monetary Fund team.

The team would leave today with "no reason to refuse" resumption of US$62,5m budget support, he said.

Reserve bank governor Leonard Tsumba said Zimbabwe retained 2,5 months import cover of foreign currency reserves.

Murerwa accused banks of using foreign currency accounts, introduced under post-1991 economic liberalisation laws, to speculate rather than fund development as intended.

They would now be barred from holding more than US$5m in foreign currency balances.

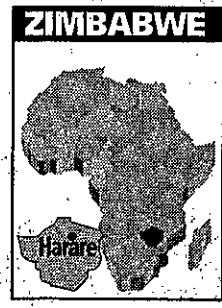
Reuter reports economists said SA was not at risk of infection from the currency crisis in Zimbabwe.

"To imagine a direct impact on the SA market because of what is happening in Zimbabwe is ... unrealistic," said Neil Anderson, forex trading head at UAL Merchant Bank in Johannesburg.

"If the rand gets hit then the other currencies in the region catch a cold, but it doesn't work the other way around," said sub-Saharan analyst James Whittington at ING Barings.

The rand also took comfort on Monday from Reserve Bank governor Chris Stals' assurance that the rand had little to fear from falling gold prices or economic slowdown in east Asia.

Stals said the days of gold calling the shots for the SA economy were long gone and dismissed reports that the rand would suffer from east Asian economic slowdown.



The silent women MPs of Zimbabwe

Star 18/11/97

Lack of confidence is seen as their main weakness, writes Mollyn Ngoni from Harare

(362)

Are Zimbabwe's women parliamentarians and municipal councillors doing justice to their constituencies or do they take the sittings of the house and council too literally, in that they never rise to speak?

According to observers, most of the women MPs work exceedingly hard for their constituencies, with only a few apathetic exceptions. Women occupy 21 of the 150 parliamentary seats, which at 14% is higher than most countries in the world.

While there are no female mayors in Zimbabwe the Harare City Council has nine women out of a 42-member council.

Women seem to contribute little to debates in parliament. Rudo Ruzvidzo, a gender researcher, says this could be because some women MPs are unsure of their role and seem not to know they can use vernacular languages if they are not confident speaking in English.

"For others it's a question of: 'Do I bite the hand that feeds me?' because they got in through party support."

The best known is independent Margaret Dongo. Her constituency has been denied a high school by government while sewage problems are left unattended. Crime is ignored because government claims the constituency is a no-go area for police.

Despite the odds, she feels she has made an impact and says her outstanding contribution has been the setting up of housing co-operatives and income generating projects.

She also cites lack of confidence as the main weakness of many women politicians.

A woman represents the residents of Mbare, the oldest township in Harare. Verna Chitumba thinks she has achieved what men have failed to do in some respects, such as having refuse removed regularly.

"You know, the best person to represent her people is the one who is involved in the situation, like I am. This has nothing to do with whether one is a woman or a man," she said.

MP Olivia Muchena, representing Mutoko south, a large rural and farming constituency, says she is no saviour, but a facilitator who will help the people implement their priorities.

"If what people of Mutoko south need is information on where and how they can get resources, I will facilitate. If what they need is a voice, I will be the voice."

There have been suggestions of a quota system to increase the number of women in parliament and councils. This has been criticised by many voters. The argument is summed up by Petros Murungweni, a villager in a rural constituency, who says this will derail development.

"We need to look at whether these women are doing justice by representing both women's interests and their constituencies, which are made up of both men and women."

Shilla Kanyangara, national co-ordinator of the Zimbabwe Women Lawyers' Association, which works a great deal with women MPs, says the status of parliament is hampering women's efforts.

"I think parliament as a whole is playing second fiddle to government because it is simply reacting to what government is doing. So what the women have done so far is to react to bills introduced by the executive. I am not aware of women or of male MPs who have introduced bills on their own initiative."

Two issues that women have been involved in are the matter of marriage and inheritance, and the law on penalties for deliberate HIV/AIDS infection.

"You hear people saying women MPs are not knowledgeable, but I think parliament as a whole is beginning to wake up. Parliamentarians have not been fully playing their role. They believe the executive must take the lead and their role is to rubber stamp it, so women are working in an environment that was already there. We should blame the history of our parliament rather than just women MPs," says Kanyangara.

But she cites the Administration of Estates Bill as an example of women's contribution to parliament. Women MPs forced the government to change the bill to allow a widow to be the executor of her deceased husband's estate. – Star Foreign Service/AIA

ZIMBABWE *Interest rate rise to defend dollar seen as a threat*

Business warns of disaster

CT(BR) 19/11/97 (362)

CRIS CHINAKA

Harare — Major industry groups warned yesterday that government measures to defend Zimbabwe's battered currency would severely damage business and investment.

Confederation of Zimbabwe Industries (CZI) chief economist Farai Zizhou said the central bank's raising of its key rediscount rate by 3 percentage points to 28,5 percent on Monday would force financial institutions to raise their lending rates.

"Interest rates were already high in the mid-20s, and this new measure is going to push them up above 30. That's disastrous for companies," he said.

"Borrowing will be very difficult, especially in a situation where companies are going to compete with the government for whatever little money is available," he said.

Finance Minister Herbert Murerwa said on Monday the government would raise Z$2 billion (about R700 million) from the local money market to help finance a Z$4 billion payment to war veterans, expected by next month.

Murerwa said the government would take part of the veterans' payments — which President Robert Mugabe promised in August after facing months of violent protests — from the 18-month budget to December next year presented in July.

He said the Reserve Bank of Zimbabwe (RBZ) had raised its rediscount rate in a move to cut speculative trade in the Zimbabwe dollar, and might increase it again if this did not stop.

The Zimbabwe dollar crashed by 76 percent against the US dollar last Friday under buying pressure from importers and panic buyers on reports Zimbabwe's foreign currency reserves had fallen to a four-year low.

Heavy central bank intervention later pulled the unit back up to Z$12/13 to the US dollar. Central bank governor Leonard Tsumba said on Monday currency reserves were enough for two-and-half months' imports.

The CZI's Zizhou said the bank's order to firms to liquidate their foreign currency accounts would damage the country's investment image and seriously affect local business operations.

"The convenience of falling back on your own money is gone ... and has left many exposed to import contracts," he said.

John Makamure, an economist at Zimbabwe's National Chamber of Commerce (ZNCC), and John Robertson, a leading economic consultant, said the government's new measures would stifle economic growth.

"In an environment in which companies are already threatened by El Niño, you need a more relaxed set of rules, not more stifling," said Makamure.

There are fears that Zimbabwe's agriculture-based economy will be hit by a severe drought in the new 1997-98 November-April farming season because of the freak El Niño weather.

Robertson said an increase in the rediscount rate would not help improve foreign currency availability because foreign investors were not allowed to invest in the domestic money markets.

The CZI and ZNCC say many companies are operating at below 60 percent of capacity because of high interest rates. — Reuter

More than 1 700 farms to be seized under Mugabe plan

Michael Hartnack (362)

BD 19/11/97

HARARE — White Zimbabweans gathered at district meeting places yesterday to learn from Commercial Farmers' Union (CFU) leaders whose land would be taken under President Robert Mugabe's plan to redistribute 1 772 properties totalling nearly 5-million hectares to blacks.

"This is a nightmare. Some of the most productive farms in the land have been taken," said a farming source. "And it is not people who have more than one farm or whose land is derelict as Mugabe said. Some people have lost everything."

CFU president Nick Swanepoel, executive director David Hasluck and their deputies were said to be away all week touring rural areas and addressing their 4 500 members, three quarters of whom are white.

Lists of farms were presented to Swanepoel and Hasluck at a meeting at the weekend with Agriculture Minister Kumbirai Kangai, sources said.

Under the 1992 Land Acquisition Act and a special constitutional amendment, the state has up to 10 years to complete the take-over, curbing farmers' right of appeal to the courts against the level or manner of compensation tendered.

Neither the CFU nor the government commented yesterday on the move.

Legal sources expect owners of the farms will receive formal "designation for compulsory acquisition" notices shortly. These will bar them from undertaking any alterations without government approval until the takeover takes place.

Mugabe vowed two months ago that transfer to blacks would take place this year and said it was up to Prime Minister Tony Blair's British government to compensate "its children". Blair refused to fund any scheme not linked to poverty alleviation.

British diplomats noted ambiguity in Mugabe's remarks on whether he might pay for improvements or whether all compensation for farmers would have to come from Britain.

Zimbabwe says SA did not cause blackout

Michael Hartnack

BD 19/11/97 (362)

HARARE — SA was yesterday exonerated by Zimbabwe's state power utility of responsibility for the electrical side of last week's "black friday" when the country suffered six to 10 hour power cuts while the country's dollar plummeted.

Zimbabwe Electricity Supply Authority (Zesa) officials on Saturday blamed "power swings on the SA grid" for the blackout.

However, Zesa spokesman Sam Mahlanza said yesterday the power loss was "triggered by vandalism of high voltage transmission lines near Kafue Gorge hydro-electric power station in Zambia. (This) caused problems on the interconnector grid in southern Africa with Zimbabwe being worst hit". The thieves were understood to have stripped the pylons of copper wiring.

Three Kafue towers collapsed, creating a massive fault which led to the "tripping" of all lines linked to it at about 3pm — just as Zimbabwe's banks closed their doors after a day of nightmare trading in their currency.

IMF makes no promises to Zimbabwe

BD 19/11/97 (36a)

Michael Hartnack

HARARE — A seven-member International Monetary Fund (IMF) team left Harare yesterday without making any concrete promises of restoring $62,5m budget support for President Robert Mugabe's battered economy.

The Zimbabwe dollar fell slightly against all major currencies during early trading yesterday, despite drastic "austerity measures" announced late on Monday.

Economists noted the IMF team had given Finance Minister Herbert Murerwa only reassuring words in the wake of Friday's disastrous fluctuations in the value of the Zimbabwe dollar. Murerwa said the IMF had urged other western bilateral and multilateral donors to resume aid, but could give no timetable for the IMF itself.

They were sceptical the "austerity budget" announced late on Monday by Murerwa would either hold the value of the Zimdollar in the medium-term, or impress foreign investors. The government forced banks to sell $180m of foreign exchange holdings, breaking longstanding pledges to free dealing.

The Reserve Bank of Zimbabwe injected $20m on Friday, but governor Leonard Tsumba felt further intervention would be unnecessary after Murerwa's increase in bank rate to 28,5% and the liquidation of the banks' foreign currency assets.

Murerwa warned of impending further revenue raising measures to help find Z$4bn for ex-guerillas who were promised Z$50 000 tax-free gratuities and Z$2 000 a month pensions for life.

Other plans include a Z$2bn raid on the local money market and cutbacks of Z$1,1bn in budgeted recurrent and capital expenditure.

Reuter reports major industry groups warned yesterday that government measures to defend Zimbabwe's battered currency would hurt business and investment severely.

Confederation of Zimbabwe Industries chief economist Farai Zizhou said the bank rate increase would force financial institutions to raise their lending rates.

"Interest rates were already high in the mid-20s and this new measure is going to push them up above 30 and that's disastrous for companies," he said.

"Borrowing will be very difficult, especially in a situation where companies are going to compete with the government for whatever little money is available."

Zizhou said the bank's order to firms to liquidate their foreign currency accounts would damage the country's investment image and seriously affect local business.

"The convenience of falling back on your own money is gone ... and has left many exposed to import contracts," he said.

John Makamure, an economist at Zimbabwe's National Chamber of Commerce, said the government's new measures would stifle economic growth.

"In an environment in which companies are already threatened by El Niño, you need a more relaxed set of rules not more stifling," Makamure said.

Zim begins seizure of white farm land

(362) ARG 19/11/97

Harare – The Zimbabwean government has launched its controversial plan to seize millions of hectares of land from white farmers for resettlement of blacks, agricultural sources said yesterday.

A spokesman for the Commercial Farmers Union (CFU), which represents most of the country's 4 000 white farmers, said the union had received a list of farms that the government wants.

He would not say how many farms were on the list, but President Robert Mugabe said recently the government was targeting 1 775 farms totalling five million hectares for takeover before Christmas.

The spokesman said CFU president Nick Swanepoel had begun a nationwide tour to inform affected farmers of the government's designs on their land.

Mr Mugabe has said his government will not pay for the land, but only for the improvements, such as houses and barns.

"We are going to take the land and we are not going to pay a cent for the soil," the president said last month.

He said British colonisers seized the land from blacks more than 100 years ago, and the white farmers were the "children of Britain".

"If the British government wants us to compensate its children, it must give us the money," he said.

Mr Mugabe took the issue up with British Prime Minister Tony Blair during the Commonwealth Heads of Government Meeting in Edinburgh last month, but Britain said later it could not support the programme.

Britain has always said it would only provide aid for land acquisition from willing sellers.

The CFU resents its members being labelled "children of Britain" and says the vast majority of white farmers are Zimbabwean citizens.

'The Zimbabwean government will not pay for land, only improvements like houses and barns'

It points out also that around 95% of the land would have been traded in the last two generations – meaning that the present owners paid for the farms and did not seize them from blacks.

The government's takeover plan comes at a time of economic turmoil in the country, which saw Finance Minister Herbert Murerwa on Monday announce a drastic series of financial measures designed to restore stability after the currency crashed.

The measures include the freezing of more than a billion Zimbabwe dollars (some R360 million) in government expenditure budgeted for this year – leading analysts to ask where the government will get the money to pay for even the infrastructural developments on farms.

One economist said the land seizure could have "an imploding effect of horrible proportions".

The CFU says it agrees on the need for land reform in a country where white farmers own around 30% of the country while millions of blacks live impoverished lives in overcrowded communal areas.

But it disagrees with the way the government is going about it, saying enough land can be obtained from willing sellers and a liberalised subdivision policy which would see intensified use of farmland.

The union points out that the government has already acquired some 3,55 million hectares since independence in 1980, of which 340 000ha remains unused.

The land reform programme, which has been a major plank in Mr Mugabe's policies has been dogged by failure and corruption.

Britain has said acquisition and resettlement must be "open and transparent". But the Zimbabwe government's presentation to the CFU of the list of farms it wants appears to indicate that it intends to go ahead with or without British support. – Sapa-AFP

Zimbabwe scheme to seize farms under way

(360)

Star 19/11/97

Harare – The Zimbabwean government has launched its controversial plan to seize millions of hectares of land from white farmers for resettlement of blacks, agricultural sources said yesterday.

President Robert Mugabe said the government was targeting 1 775 farms totalling 5 million hectares for takeover before Christmas.

Mugabe said last month that his government would not pay for the land, but only for improvements on it such as houses and barns. "We are going to take the land and we are not going to pay a cent for the soil," he said.

A spokesman for the Commercial Farmers Union (CFU), which represents most of the country's 4 000 white farmers, said a tour had begun to inform affected farmers of the government's designs on their land.

Mugabe said colonists seized the land from blacks more than 100 years ago and the white farmers were the "children of Britain". "If the British government wants us to compensate its children, it must give us the money," the president said.

Britain has said it could not support the Zimbabwean government's programme but that it would provide aid for land acquisition from willing sellers.

The CFU resents its members being labelled "children of Britain" and says the vast majority of white farmers are Zimbabwean citizens.

It also points out that about 95% of the land would have been traded in the past two generations – meaning that the present owners paid for the farms and did not seize them from blacks.

The government's takeover plan comes at a time of economic turmoil which saw Finance Minister Herbert Murerwa announce on Monday a series of financial measures designed to restore stability after the recent currency crash.

Leading analysts have asked where the government would find funds to pay for even the infrastructural developments on farms.

The CFU says it agrees on the need for land reform in a country where white farmers own 30% of the land while millions of blacks live impoverished in overcrowded areas.

But it disagrees with the way it is being done, pointing out that the government has already acquired about 3,55 million hectares since independence of which 340 000 remains unused, and that enough land could be obtained from willing sellers and by a liberalised subdivision policy. – Sapa-AFP

AFRICAN

Your cash is safe, Mugabe says

CT(BR) 20/11/97 (362)

FROM REUTER

Gaborone — Zimbabwe's President Robert Mugabe said yesterday investors should not be concerned about his government's ability to make about Z$4,5 billion (about R1,5 billion) of payments to war veterans.

Funds "will come from taxes and from our own sources, but they won't come from investment capital. If you are investing we won't say part of the portion should go towards creating a fund for war veterans," he told a trade and investment conference.

"We are to cut the budget's allocation to various ministries ... We are privatising some of our assets and through that we will get some funds."

But Mugabe, who restated the cost of the veterans' bill above the government's previous estimate of Z$4 billion, evaded a question on the payments' likely effect on the fiscal deficit. "We only need about Z$4,5 billion, but we don't think we should have any headache about it. I don't."

On Tuesday the International Monetary Fund strongly endorsed Zimbabwe's latest efforts to resolve its financial woes, saying it had cleared the way for $100 million in crucial balance-of-payments aid from the World Bank and other donors.

The Zimbabwe dollar remained weaker against most major units yesterday on insignificant inflows from liquidated foreign currency accounts. It was indicated at Z$14 from Z$12,50/15,00 against the US dollar on Tuesday, but firmed against the rand.

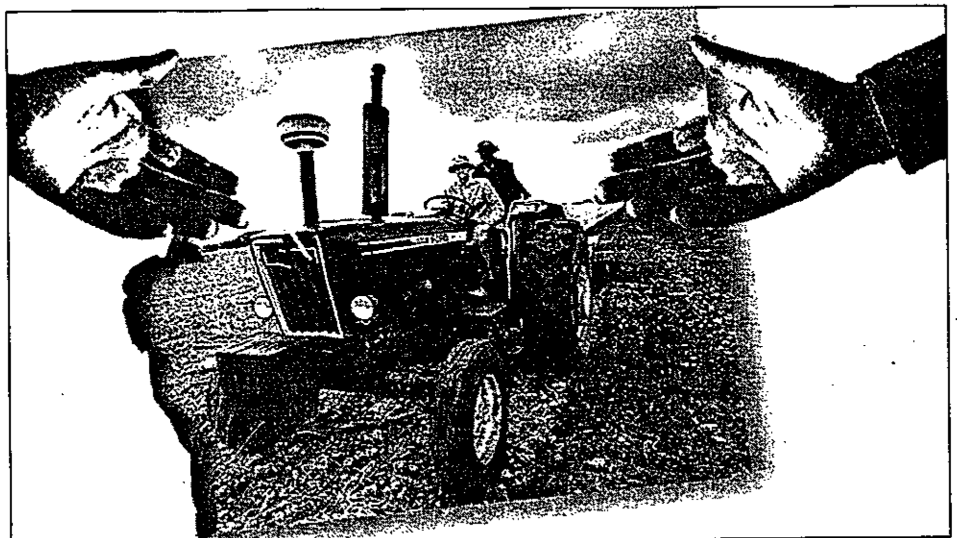
LAND REDISTRIBUTION

CT ~~30~~ (BR) 20/11/97

Mugabe's list is a national threat

(362)

ANDREW MELDRUM



The publication of a list of 1 732 farms for government seizure in Zimbabwe is a decisive step by President Robert Mugabe to speed up redistribution of land from whites to his black supporters. In a series of angry speeches last month, Mugabe vowed his government would take 5 million hectares (12 million acres), roughly half of the land owned by white farmers.

It is not clear, however, how quickly the government will seize control of the land. Last month Mugabe said his government would take the land before the end of the year, and the publication of the lengthy list appears to confirm such a rapid move. Some government sources say the list of farms will be published in its official gazette in the next seven days.

According to the 1992 constitutional amendment and legislation pushed through parliament, once a farm is designated for purchase by the state, the farmer loses title to the land, cannot sell it, borrow money on it or even harvest crops on it.

Although the state takes immediate title, it can take its time in paying. The state can buy whatever land it wants at whatever price it wants. If a farmer is unhappy with the terms offered by the government, the constitutional amendment specifically denies appeal to the courts.

The farmers are clearly frightened. The Commercial Farmers Union will not issue any comment, except to say it is meeting all the farmers on the list to discuss "the land issue and other topical matters".

Seventeen years after Zimbabwe's independence, the prospect of nationalisation of such vast tracts of land shows Mugabe has dropped the policies of reconciliation and moderation that won him international recognition, in favour of more vindictive and extreme measures.

Mugabe's new land grab may well win him the approval of Zimbabwe's poor black peasants, who make up 70 percent of the country's 12 million people, but the way in which his government is taking the land is very likely to bring the country to the brink of economic ruin.

"Land reform is an urgent priority, but it must be a planned programme with built-in safeguards against abuse," said Iden Wetherell, the assistant editor of the Zimbabwe Independent.

"The present arbitrary approach is calculated to jeopardise agricultural self-sufficiency and undermine investor confidence. In South Africa, with even more glaring anomalies in the pattern of land distribution, they are going about this completely differently, providing for judicial appeal and full transparency."

Land has been a burning issue since the white Rhodesians first pushed blacks off their ancestral land in the 1890s. At the end of World War 2 the Rhodesian government systematically seized the best farmland from blacks for resettlement by white British immigrants.

Land was the main motivation for black peasants to support the 1970s guerrilla war to end Rhodesian rule. And better land for peasants has been the main promise that Mugabe has offered his followers since 1980.

Since independence, Zimbabwe's land reform has been slow. In October Mugabe gave a series of angry speeches in which he vowed his government would take 5 million hectares of land from the country's commercial farmers and redistribute it to blacks. The speeches were widely seen as a campaigning ploy by Mugabe to regain flagging popularity.

True to his word, the government has produced a list of farms to be nationalised. And it does not appear that the farmers will be paid the market value of their properties. According to Mugabe, the farmers will be paid only for the buildings and other permanent improvements, but not the soil itself.

There is no question that sweeping, well-planned land reform is needed. But the rapid and unplanned action being taken will cause the population, both black and white, substantial economic problems. It is being done by political committees that have already been exposed for corruption. It is not poverty alleviation for those at the bottom, it is wealth accumulation for those at the top.

Economists warn that the Zimbabwe government's action will be disastrous. "It is a self-inflicted wound of ghastly, gigantic proportions," says John Robertson, a leading independent economist.

"It is an unprecedented act of economic sabotage by the government against all the people of Zimbabwe." Robertson said the farmland was "being removed from productive ownership and being put in the hands of a ... system that has demonstrated it does not deliver in terms of production".

The commercial farms are Zimbabwe's largest export earners. Any drop in tobacco production causes a drop in the economy's gross domestic product growth. At the very least, the seizure has disrupted the planting of new crops, which is supposed to take place right now. The commercial farms produce Z$12 billion (R4,4 billion) of commodities a year, much of which is exported. With half the farms taken out of production this year by the seizures, it is estimated that at least Z$6 billion will be lost.

The commercial farms are also the country's largest employers. It is estimated that 100 000 farm workers will lose their jobs and their 500 000 dependents living on the farms will lose their place to live.

"There has not been such a dramatic dispossession since Idi Amin evicted Uganda's Asian population in the 1970s," said Robertson. "Of course no one is being force to leave the country, but this is going to cost the Zimbabwean economy a great deal."

Mugabe is trying to win back credibility and respect among his disillusioned followers by seizing the land. Unfortunately for Zimbabwe, it is unlikely this act of political grandstanding will result in improved economic conditions for many. The mass of Zimbabweans, both black and white, will no doubt have to pay for this arbitrary action for years to come. — Independent Foreign Service

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South African cities.

The company spends R5 million a year on 24-hour security which, as Jack points out, is an expense waterfront companies in other parts of the world don't have. It also uses a 24-hour cleaning service to avoid the build-up of litter we have grown used to.

Jack says the proliferation of pavement hawkers in Cape Town's CBD is one of the reasons department stores and speciality shops were so eager to relocate to the Waterfront.

He thinks another of the Waterfront's great strengths is that it is still a working harbour, with fishing boats and repair work for visitors to watch. "One of the things we learned from looking at waterfronts in other parts of the world is that it is a mistake to abandon a real environment in favour of a theme development," he said.

There might be a lesson here for those companies bidding for gambling licences, many of whom have suggested struggle-related and politically correct themes as part of their proposals in a bid to win a gambling concession.

The November edition of Vodaworld, Vodacom's cellular magazine, carries an interesting article on the environmental impact of cellphones, and particularly on recycling their batteries, under the heading "How Green is Your Cellphone?".

The piece opens with a cross-reference to a TV series called, the article says, "How Green Is My Valley". While Vodacom is undoubtedly pushing forward the frontiers of science, it seems to have its literary wires crossed. Before it became a TV series, "How Green Was My Valley" was first a novel and then an Academy Award-winning film.

The Diary hopes the educational impact of cellphones, and particularly the recycling of literature, will not corrupt the minds of students of English.

Pylon girder theft caused huge power grid failure

ARG 20/11/97 (362)

Harare – The power failure which reverberated throughout the southern African power grid and plunged Zimbabwe and Zambia into darkness at a cost of millions was caused by a Zambian thief who removed a girder for slicing up into bracelets.

The removal of the length of steel from the 30-metre high pylon south of Kafue in southern Zambia last Friday caused it to collapse, said Sam Mahlanza, spokesman for the Zimbabwe Electricity Supply Authority.

As it toppled over, it pulled over another two of the massive pylons on the 330 kv powerline from Zambia's Kafue Gorge power hydro-electric station and broke the circuit. The sudden absence of power started a reaction of massive swings of current in the regional power grid that also links the power generation systems of Zimbabwe, South Africa, Mozambique, Botswana and the Democratic Republic of Congo.

Zimbabwe's Hwange 960 mega watt thermal power station, which supplies 60% of the country's electricity, tripped out, as did the 1100 mega watt turbines on Kariba Dam over the Zambezi River.

South Africa lost its connection with Mozambique's giant 2000 mW Cahora Bassa hydro-electric dam. The connection with South Africa's Matimba thermal power station cut out.

Nearly 12 hours later, supplies were restored in Zambia and Zimbabwe.

"It's incredible," Mr Mahlanza said. "These people are not afraid of being electrocuted. I don't know how they remove the struts because they are bolted on to the pylons.

"They sell them. They cut them up for steel bracelets. They use them for scotch carts (donkey carts), and all sorts of welding.

"The incident at Kafue was not isolated," he said. "It's getting out of hand. It's increasing and it's turning into a regional problem."

The first recorded incident of a pylon collapsing took place in the former Zaire two years ago.

Two months ago, a tower near Bulawayo on the line linking Zimbabwe with Botswana was brought down, but it fell on the man trying to steal a girder supporting the tower, killing him.

No one was hurt in the collapse of the Kafue pylon, Mr Mahlanza said. – Sapa

(362)

ZIMBABWE

FM 21/11/97

Emergency chute deployed

New monetary package attempts to halt currency free fall

With the Zimbabwe dollar on the ropes — down nearly 30% in 1997 and 20% in the past two months alone — government has hastily cobbled together a financial and monetary package. But it is unlikely to stabilise the exchange rate more than temporarily.

Not only that, but Harare has been forced to renege on some of its earlier economic reforms, by commandeering — the State media euphemistically calls it "freeing up" — about US$150m of domestically owned corporate foreign exchange accounts.

Other minor aspects of exchange control have also been tightened, rediscount (bank) rate raised 3% to 28,5%, government borrowing targets increased by more than US$140m, and public spending cut by $75m. Further revenue measures to raise $50m are promised, and higher fuel taxes are anticipated.

The main economic influences underlying the currency's collapse were the US$600m swing in the balance of payments from surplus to substantial deficit in the first seven months of 1997, reflecting lower exports and rising imports; a decline in donor assistance, and a 50% appreciation in the real exchange rate since 1991, which has undermined the competitiveness of Zimbabwean exports.

The main negative influence on confidence has been President Robert Mugabe's threat to designate about 1 770 white-owned farms and start acquiring them by the end of the year. He has repeatedly called on Britain to finance the resettlement programme — London has declined — warning that if need be government will expropriate the land, paying only for improvements.

There is no money for this, nor for the Z$4bn (U$275m) war veterans compensation package. Finance Minister Herbert Murerwa's package announced on Monday closes this gap primarily by domestic borrowing and spending cuts. He says this will satisfy the IMF, whose team left Harare on Tuesday. But analysts have doubts, warning that the IMF is unlikely to resume lending until mid-1998 at the earliest.

Murerwa's immediate task was to placate the markets rather than the IMF. The takeover of the foreign currency accounts (excluding those owned by nonresident companies and individuals, local or foreign) will boost foreign reserves from the US$350m (10 weeks of import cover) revealed by central bank governor Leonard Tsumba to be about US$500m. This should help stabilise the exchange rate in the short term, but at the high, long-term price of going back on previous reforms and scaring off foreign investors.

Murerwa's financial package is full of holes. Few believe government can — or will — cut spending as projected. But nothing is said about paying for land, or of the Z$2bn in new spending plans, mostly for stockpiling maize, announced since the budget. Nor does he take account of the budgetary cost of servicing foreign debt which has gone up 30% as a result of devaluation and which adds an unbudgeted Z$1bn to the deficit.

Higher interest rates — Stanbic has already raised its prime lending rate to 30%, almost double the 16,6% inflation rate in October — reduced government spending and higher taxes all point to slower economic growth and increased inflation next year. Business and the markets are in for a bumpy ride.

Special Correspondent

ZIMBABWE

Customs crackdown finances war pensions

Zimbabwe's customs authorities had launched a major crackdown on smuggling, Ranga Munyaradzi, the director of customs and excise, said in an interview published on Wednesday.

The targeting of individuals and companies trying to evade import duty was expected to net about Z$100 million (R34 million) a month, and had raised 80 percent of that in the past two weeks. "Millions of dollars have already been recovered" through the operation, which began last month, said Munyaradzi. The exercise is aimed at raising funds needed to finance pensions to tens of thousands of war veterans. CT (BR) 21/11/97

The authorities, who previously physically examined just 1 percent of an import consignment, now examine up to 50 percent of the cargo. Munyaradzi cited one case in which 11 000 pairs of shoes were falsely declared as oriental spices, and another where 1 000 colour televisions sets were described as old tractor tyres. — *Sapa-AFP, Harare* (362)

Compensation plan blamed for sudden slump

Mugabe defends decision to pay ex-combatants

FROM AFP (BD) 21/11/97 (362)

Gaborone — Zimbabwe's President Robert Mugabe on Wednesday defended his cash-strapped government's decision to pay compensation to ex-combatants, saying the money would come from "taxes, our resources and investments".

Addressing the second day of a southern Africa trade and investment summit in Gaborone, Mugabe said the ex-combatants were part of Zimbabwe's population, "and they need assistance like any other citizen".

Harare's decision to pay unbudgeted pensions and gratuities to tens of thousands of liberation war veterans has been blamed in part for the loss of confidence in the Zimbabwean economy and the resulting currency crisis.

Responding to the currency crisis, Herbert Murerewa, the finance minister, announced a "painful programme" to restore economic stability.

A rise in interest rates and the offloading of all foreign currency held by companies on to the foreign exchange market were among measures he announced.

Questioned at the summit on the future of southern Africa, Mugabe said he was confident the crisis would be weathered.

"The money that is going to pay (the war veterans) will come from taxes, our resources and investments, and we are currently putting in place definite measures ... as was announced by the minister of finance," he said.

"The country is also undergoing ... privatisation, and we hope part of the money we would make through the privatisation process will go towards that."

Mugabe said co-operation between southern African countries was stronger than ever before and this augured well for the success of the region.

He said the 14 countries that make up the Southern African Development Community needed to embark on a combined, aggressive marketing campaign in face of dwindling foreign investment.

The two-day summit, which ended on Wednesday, attracted 350 participants from Africa, Europe, North and South America, and Asia.

It was attended by Botswana's President Ketumile Masire, Mugabe and Hage Geingob, Namibia's prime minister.

Harare exchange slides on panic sales

Harare — Zimbabwean stocks continued their slide yesterday, diving more than 7 percent, hit by a crisis of confidence and some panic selling triggered by a shaky currency, traders said.

The industrial index tumbled a record 668,51 points, or 7,3 percent, crashing below the psychologically important 8500 point barrier to end at 8457,99, a level it last tested last December.

"The market is coming off in big chunks now. It's a crisis of confidence in the currency primarily," said a Quincor James Capel trader.

She said measures by the central bank on Monday to bolster a shaky currency had failed to boost confidence in the country's markets.

In addition, the exchange's seven-counter mining index dropped 103,20 points to a three-year low of 561,34. — Reuter

Zimbabwe stock exchange hurt by a crisis of confidence

BD 21/11/97 (3b2)

Business Day Reporter

HARARE — Zimbabwe's stock exchange suffered another record slide yesterday, falling 668 points, or 7,3%, in what analysts saw as a crisis in market confidence.

The slide — which analysts attribute to a combination of factors including a run on the currency and concerns about land and economic policy — follows Wednesday's 559-point (5,8%) loss, and amounts to a cumulative 22% drop since the onset of the crisis. The 22% drop amounts to Z$13,5bn of the total capital value set last Thursday at Z$61,2bn ($3,5bn on that day's rates).

Following a Reserve Bank move to force banks to offload $130m in corporate foreign exchange holdings, the Zimbabwe dollar yesterday went to 12,15/14,85 against 13,05/15,95 (buyers/sellers) offered the previous day by the largest bank, Standard Chartered.

However, market analysts were concerned about the Zimbabwe dollar's ability to hold in the longer term. "Foreign investors just want to move out, and local investors are following suit," said a broker with Edwards Pooley.

A broker with Quincor James Capel said the market "has lost confidence with everything pointing towards the negative". There was a currency crisis, serious concerns over the land issue and concerns about government's fiscal deficit in the light of payments to war veterans.

Brokers heeded warnings that the prime rate was likely to be pushed beyond Monday's 28,5% while all counters linked to Zimbabwe's agro-based economy looked vulnerable, they said.

Meanwhile, leaders of the Commercial Farmers' Union (CFU) reportedly told owners of 5-million hectares targeted by Mugabe's ruling party they were confronted "only by a Zanu (PF) wish list", and that many political and legal loopholes remained for them.

Sources in the CFU yesterday tried to play down the crisis and stressed the government list had no force of law yet. A government gazette and notices to farmers may be months away.

MAIL & GUARDIAN
November 21 to 27 1997

Zimbabwe confidence shattered

(362) M+G 21-27/11/97

Iden Wetherell

The collapse of the Zimbabwe dollar and pressure from the International Monetary Fund (IMF) have forced President Robert Mugabe's government to disclose how it intends to fund the substantial payouts it has promised veterans of the country's liberation war.

But it is unlikely that this week's announcement of far-reaching budgetary revisions and drastic measures to damp down market speculation will be sufficient to calm fears about Zimbabwe's precarious fiscal condition.

Minister of Finance Herbert Murerwa disclosed this week that the government would raise Z$2-billion (R700-million) from the local money market and a further Z$2-billion by freezing existing Budget programmes and enhancing revenue collection to pay the veterans, who carried their noisy demands for state pensions to the gates of Mugabe's Harare residence in August.

A growing shortage of foreign-exchange reserves, which saw import cover reduced to two-and-a-half months, led to a frenzy of panic dealing on what has been dubbed Black Friday a week ago. At one point the Zimbabwe dollar — at par with the British pound in the 1970s — fell to Z$45 against sterling — an effective 80% depreciation from the previous day. Against the United States dollar it fell to a record Z$26. The Reserve Bank hiked its key rediscount interest rate by three percentage points to 28,5% while also compelling corporate holders of foreign exchange to offload their accounts on to the local market.

Economists have said that the Reserve Bank's move, which is sure to see commercial banks raise their lending rates, will prove damaging to business and impact particularly upon black entrepreneurs already struggling under debt burdens.

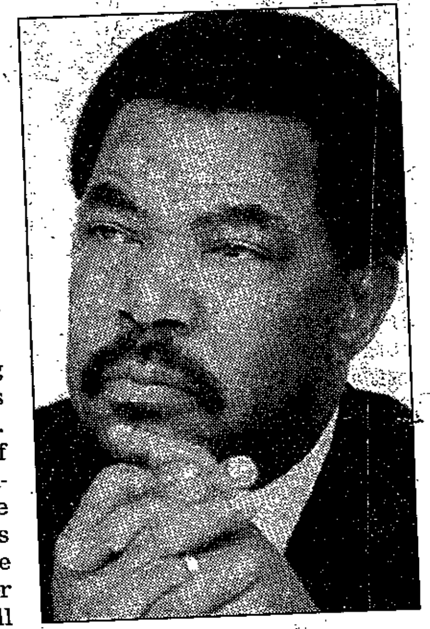
At the same time, mugging established companies of their forex is likely to undermine investor confidence — already fragile as concerns grow about an upwardly mobile Budget deficit currently at 10% of gross domestic product.

The reluctance of Zimbabwe's rulers to rein in a pattern of promiscuous state expenditure has been at the centre of protracted negotiations with the IMF, which suspended balance-of-payments support to Zimbabwe over the spending issue in 1995. Aid was resumed this year but suspended again when Mugabe promised to pay the 70 000 war veterans Z$50 000 each plus monthly pensions of Z$2 000.

An IMF team left Harare on Tuesday expressing cautious optimism about steps taken to stabilise the deficit. But while opening the door to donor support, the IMF significantly did not promise any new money.

The perception remains among investors that economic policy is hostage to populist demagoguery. Mugabe is openly contemptuous of IMF strictures and declared in August that no country had ever gone bankrupt through borrowing. His government is a borrower of note and the decision to raise a further Z$2-billion from the market will squeeze out business if interest-rate hikes haven't already done so.

The Confederation of Zimbabwe Industries' chief economist Farai Zizhou said the move would be disastrous for companies. Other economists agree. Tony Hawkins, professor of business studies at the University of Zimbabwe, said the government's measures would "push up interest rates, push up inflation and fuel the Budget deficit".



Budget freeze: Murerwa.
PHOTO: SARAH JANE POOLE

MAIL & GUARDIAN
November 21 to 27 1997

Mugabe speeds up land grab

(362) M+G 21-27/11/97

Andrew Meldrum in Harare

President Robert Mugabe of Zimbabwe took a dramatic step this week towards nationalising half the country's commercial farms, almost all white-owned, by distributing a list of 1 732 he intends to acquire by force.

His decision to speed up redistribution of land to his black supporters will put him on a collision course with the white farmers.

Mugabe has vowed that his government will take roughly half of the land owned by white farmers. The 4 500 commercial farmers currently own 24-million acres, about 40% of Zimbabwe's arable land. More than eight million peasants are crowded on the remaining arid land.

The president's new land grab will boost his popularity across the black community, but is likely to bring the country to the brink of economic ruin.

It is not clear how quickly the government will seize control of the land. Last month, Mugabe said his government would take the land "in the year of our Lord 1997", and the appearance of the list appears to confirm a rapid move. Government sources say the list will be published in the official gazette within seven days.

Once a farm is designated for purchase by the state, the farmer loses title to the land, the right to sell it, the right to borrow money on it or even to harvest crops, according to the 1992 constitutional amendment and legislation pushed through Parliament by Mugabe's government.

Although the state takes immediate title, it can take its time in paying. The state can buy whatever land it wants and at whatever price. If a farmer is unhappy with the terms, the constitutional amendment specifically denies appeal to the courts.

It appears that the farmers will not be paid market rates for their property. According to Mugabe, they will be paid for the buildings and other permanent improvements, but not for the soil.

"If the British government wants its children to be paid compensation for their land, then it will have to pay them itself," said Mugabe shortly before the Commonwealth summit in Edinburgh last month. Mugabe discussed the land issue with Tony Blair, but the government refused to back his move, saying the plan threatens agricultural production and investor confidence, and is unlikely to alleviate poverty.

The farmers are clearly frightened. The Commercial Farmers Union said it was meeting all the farmers on the list to discuss the issue.

"Land reform is an urgent priority but it must be a planned programme with built-in safeguards against abuse," said Iden Wetherell, assistant editor of the Zimbabwe *Independent*. "In South Africa ... they are going about this completely differently, providing for judicial appeal and full transparency."

Land has been a controversial issue since white Rhodesians first pushed blacks off their ancestral land in the 1890s. At the end of World War II, the Rhodesian government systematically seized the best farmland for resettlement by white British immigrants.

Since independence in 1980, Zimbabwe's land reform has been slow.

Economists warn that precipitous action by the government will be disastrous. "It is an unprecedented act of economic sabotage, by the government against all the people of Zimbabwe," said John Robertson, a leading independent economist.

The commercial farming sector, notably tobacco, is Zimbabwe's largest export earner. The planned seizure has disrupted the planting of crops which usually takes place now.

Commercial farmers are also the country's largest employers. It is estimated that 100 000 workers will lose their jobs.

362

Mugabe's ad libbing on reform fails to coax cash out of Britain

Harare – Robert Mugabe's latest push for land reform has run smack into the British government's new guidelines on international aid and development.

Britain will not finance the scheme for compulsorily buying land from white farmers because, it says, there is no guarantee that Zimbabwe's poor would be the benefactors.

Seventeen years after Zimbabwe's independence, ownership of land remains grossly inequitable. About 4 500 white farmers own more than half the country's arable land.

Nor is this the result of ancient history. Much of the land grab by British colonialists happened after World War 2.

The burning desire of Zimbabwean peasants to get back their ancestral land fuelled the guerrilla war in the 1970s. Land was a main issue at the 1979 constitutional talks. And land is the issue the president returns to whenever he goes campaigning.

Britain's Conservative governments maintained that Zimbabwean land reform would receive British support only if the land were purchased voluntarily at fair market prices. Since independence in 1980, British taxpayers have paid nearly £30-million to acquire 3 million hectares on which 62 000 families have been resettled.

This was not enough for Mr Mugabe's government which, in 1992, altered the constitution to allow for the compulsory purchase of any land it wanted, at any price it wanted. That authority has been exercised but, so far at least, market rates have been paid to the white farmers.

Before last month's Commonwealth conference in Edinburgh, Mr Mugabe gave a series of angry speeches on land reform in each of Zimbabwe's provinces. In front of party officials and peasant supporters, he promised to take control of 5 million hectares of privately owned farmland by the end of this year.

"We are not going to pay a cent for the soil," he said. "If Britain wants compensation paid to its children, then it must pay them itself."

Rolling into Edinburgh on a head of steam, Mr Mugabe asked Britain's Prime Minister, Tony Blair, for financial support for his new land drive. Clearly, he was hoping for easier terms from the Labour government than he had got from the Tories. Rather prematurely, Farm Minister Kumbirai Kangai announced that British cash would pay for the redistribution.

He was wrong. At the end of last week, the British government stated unequivocally that the proposals made by the Zimbabwean government did not meet the requirements of the new White Paper on international development, published on November 5.

ARG 22/11/97

This paper says eradicating poverty has to be the main purpose of British aid. The Zimbabwean scheme could be supported only if it ensured that "a proper land register was established, that the process of acquisition and resettlement was open and transparent and that resettlement schemes were economic and would benefit the poor".

Such criteria are not met by Mr Mugabe's ad hoc ideas. There is not even a document detailing a plan for land redistribution, only Mr Mugabe's speeches to go by. In recent years the government has used land to punish its critics, both black and white, and to reward its favourites. Identification of land for resettlement has been by political committees, not agricultural specialists. Poverty eradication has taken a back seat to wealth accumulation by a few.

Although there has, as yet, been no public response from the Zimbabwean government, Mr Mugabe is understood to be seething at the British government's stand.

His cabinet is pondering whether to go it alone and carry out large land seizures without British or other international support. This, if it happened, would mean minimal compensation for farmers. Or, perhaps, Mr Mugabe will have another go at producing a land-reform plan that meets British criteria. – The Economist.

The Zimbabwean government's announcement that it intends seizing more than 1 700 white-owned farms for redistribution to blacks has left the country's white farming community in a state of panic

White farmers head for no man's land

(362) ARG 20/11/97

Harare – A wave of shock is running through Zimbabwe's white farming community this week as they are told whose farms are among the 1 775 the government plans to seize for redistribution.

Leaders of the Commercial Farmers Union (CFU), which represents most of the country's 4 000 white farmers, are touring the country informing their members which farms have been targeted for takeover.

"It was like the last muster before a war," said one agricultural company director who spoke to farmers as they prepared for a meeting in the Trelawney area north-west of Harare.

"I don't mean they were planning violence or anything, there was just a lot of tension and alarm and despondency."

Both the CFU – which received the list of targeted farms earlier this week – and individual farmers are reluctant to speak publicly on the issue for fear that anything they say could only make things worse.

But the wife of one farmer who has been told that he is to lose his farm – which has been in the family for more than 40 years – agreed to speak to journalists on condition of anonymity.

"We were flabbergasted," she said.

"We have only one, small farm that is totally productive from end to end.

"We didn't think we would fit the criteria for takeover."

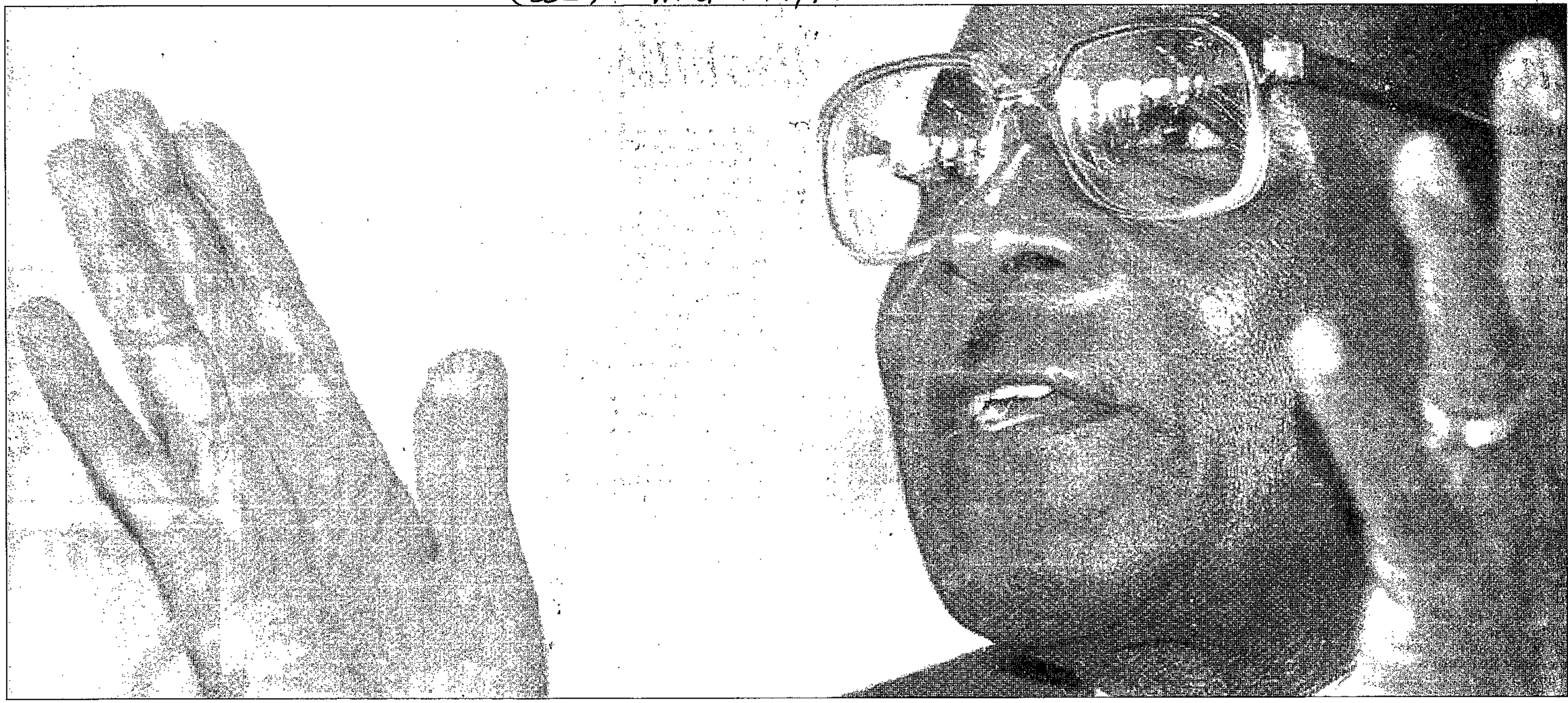
President Robert Mugabe's government has said under-utilised land and that owned by those who have more than one farm will be prime targets in its plan to take 5 million hectares from whites.

The government argues that it is entitled to grab the land because it was stolen from blacks by British colonists more than 100 years ago.

Also, Mr Mugabe has vowed that the government will pay only for improvements on the farms, not for the land itself.

"My husband's father bought this farm in the early 1950s and the family has been on it ever since.

"We didn't steal it from anybody," said the farmer's wife.



Land grab: Robert Mugabe has vowed that his government will pay only for improvements to the farms it seizes – not for the land itself

Asked what they would do if they were moved off the land she said: "I don't know.

"It depends if we get paid. If we don't get paid we will be destitute.

"This is all we have. Even if we do get paid what do we do then?"

She said they had been told by the Commercial Farmers Union that they would soon receive a letter detailing the government's plan, along with a form on which they could object to the takeover.

However, the government has passed legislation which allows it to take any land it wants.

The CFU admits that there is a need for land reform in a country where its members own 30% of the land and millions of blacks live in overcrowded communal areas.

However, the CFU disagrees with the government's choice of methods.

They say there is enough land available from willing sellers and from a liberalised sub-division policy which would make farming more intensive.

Land reform has been a main plank in Mr Mugabe's platform since he came to power at independence in 1980.

But events this week show that it appears to be moving finally from the realm of rhetoric into reality. – Sapa-AFP

Mugabe dismisses charges of poor economic management

Speculators blamed for Zimbabwe dollar crash

LT (MR) 24/11/97 (36a)

FROM REUTER

Harare — Zimbabwean President Robert Mugabe has blamed what he called "dishonourable" speculative trade for last week's crash of the local currency, state media reported.

It said Mugabe told reporters that the Zimbabwe dollar's 75 percent plunge against the US dollar on November 14, before heavy central bank intervention hauled it back to around Z$13 to the US dollar, was purely a result of speculation.

"There was some dishonourable trade on the part of our financial institutions, speculation which created an artificial great demand and shortage," he said.

Mugabe dismissed charges that the Zimbabwe dollar's woes were a result of poor economic management by his government.

Zimbabwe took sweeping measures last Monday to bolster the currency, which was depressed to record lows last week by high import demand and panic and speculative buying of foreign exchange in a short market.

Finance minister Herbert Murerwa announced a hike of three percentage points in the central bank's key rediscount rate to 28,5 percent and the liquidation of corporate foreign exchange accounts among measures aimed at stemming speculative trade in the dollar, which he also largely blamed for the dollar's woes.

Traders say the Zimbabwe dollar had fallen on speculation that the southern African country's foreign exchange reserves had dropped to a four-year low of just two months' import cover.

Although central bank governor Leonard Tsumba confirmed that the import cover was at that level on Monday, he said the market was in surplus when the Zimbabwe dollar was battered.

"There was no justification whatsoever for the currency to come down that much. Most of the activity was purely speculative," Tsumba said.

Intelligent Information targets Zimbabwe farmers

(362) CT (BR) 24/11/97

Matt Getz

Johannesburg — Intelligent Information, a Kempton Park-based software developer and distributor, hoped to break into the Zimbabwean agriculture market, Schalk de Klerk, the co-founder, said this week.

The company, founded in 1989, provides FARMS (financial, accounting and reporting management systems) agricultural software to 42 companies and organisations in South Africa, Swaziland and Malawi. De Klerk said Intelligent was migrating FARMS users to the company's Radical Accounting software.

He said the software would fit in well in Zimbabwe because of the crops prevalent there, which include tobacco, maize and wheat. "We believe Zimbabwe is an ideal market for Radical Accounting and although we have, until now, not focused attention there, we will be launching a concerted drive from the first quarter of 1998," he said.

Intelligent would also look for a distributor there. "Zimbabwe is close and easy to monitor," he said.

De Klerk said agricultural software was difficult to develop because different organisations had different crop cycles, and the database had to store large amounts of financial and physical data for some time.

There are a few competitors in South Africa, including Acpac and PDS Management Control Systems, but De Klerk said his software was more up to date and had a friendlier user interface.

Beyond Africa, the company has been involved in talks with farmers in California and Israel. He said the company had been looking at similar crops to those found in South Africa, like grape and citrus products.

Intelligent has revenue of about R6 million a year and is growing at about 17 percent. De Klerk said he was happy with growth between 15 percent and 20 percent. "We don't want to outgrow ourselves," he said.

Mugabe's move to grab farms raises the question of why now?

(362) BD 24/1/97

Despite a failing economy and the threat of drought, Mugabe has released a list of white farms to be taken over,

writes **Michael Hartnack**

HARARE — An outside observer might be puzzled by President Robert Mugabe's timing last week when he gave the Commercial Farmers' Union (CFU) lists of 1 700 properties, totalling nearly 5-million hectares, that are to be taken over and given to blacks.

This will happen "in the year of our Lord 1997" and if Britain will not provide funds, no compensation will be paid, Mugabe said recently.

White farmers — who constitute 75% of the CFU's 4 500 members and are the only ones affected by the exercise so far — say viable agricultural units have been bisected arbitrarily by ruling Zanu (PF) provincial party "land committees" which drew up the lists with no regard for agronomy.

Land near farm dams or rivers with irrigation potential has been a prime target.

Anglo American says it has yet to hear, while former Rhodesian prime minister Ian Smith seems to have escaped, at least for the time being, because his 2 000ha ranch borders Gweru's water reservoir and constitutes a protected catchment area.

Farmers say they fear that as soon as lists become public, some of the 8-million land hungry peasants from the 21-million hectare communal areas will move onto their farms, stripping timber, fencing and building materials, claiming "squatters' rights". For this reason, as well as fear of political victimisation, farmers refuse to talk to the press.

"But why now?" the observer repeats, noting the parlous state of the economy, the threat of famine with an El Ninõ drought, the wild fluctuations of the Zimbabwe dollar, and the strong possibility the World Bank and International Monetary Fund will not re-extend $162m budget support.

Former US chargé d'affaires Ed Fugit coined an apopthegm while serving here in the turbulent '80s, still quoted by veteran Zimbabwe-watchers: "There is no policy except to make rhetoric, and the rhetoric makes the policy."

To an extent, Mugabe got caught in a political auction started in 1992 by his old rival, Vice-President Joshua Nkomo. Nkomo railed at continued white ownership of farms and Indian ownership of urban property. He lashed out at critics of the vast estates he had acquired since his 1987 unity pact with Mugabe, saying he had done this to secure blacks' heritage. Nkomo, in fairness, warned as early as 1958 (when the population of the then southern Rhodesia was a mere 3-million): "It is land that causes all the bitterness."

With 62% of Zimbabweans living in poverty, according to United Nations figures, it has served government's ends to present redistribution of land as an easy remedy. Partly as a result of Zanu (PF) quasi-Marxist propaganda, many believe that "black empowerment means getting rid of the 70 000 whites", said a western diplomat.

The history of planned peasant resettlement has not been a happy nor easy one since 1980 independence, when Mugabe vowed to move 160 000 of the 600 000 peasant families into what was then 14-million hectares of commercial farmland. Only 56 000 were moved to 3-million hectares taken over on a "willing buyer-willing seller" basis before Mugabe's 1992 Land Acquisition Act and constitutional amendment, curbing farmers' right of appeal to the courts, halted £30m British aid.

Another 1-million hectares lies idle, awaiting infrastructure before it is attractive to peasant farmers. Much of the land taken over on the pretext it was needed for subdivision for peasant resettlement ended in the hands of politicians.

Both Mugabe and the CFU now find themselves caught in a problem of timing. The farmers' union is frantically assuring disbelieving members that Zanu (PF) has only a "wish list", years away from translation into factual dispossession and eviction. Mugabe, in turn, wants his people to believe the time of social justice, a decent standard of living, is at last at hand.

Next month he is assured of a standing ovation when 5 000 Zanu (PF) delegates gather in Mutare for their annual "people's consultative conference". But what happens after that? Whom to believe?

CATCHING a Molotov cocktail thrown at you is just as fatal as letting it fall at your feet. This sums up the "Catch 22" situation Western Cape premier Hernus Kriel has handed the African National Congress (ANC) in the province.

Certification of the Western Cape constitution by the constitutional court last week opened the way for Kriel to reshuffle his cabinet, an opportunity he said he would use to create a multiparty executive by shrinking the representation of the ANC, which holds four cabinet positions.

The new constitution provides for a 12-person cabinet, compared with the current 10, two of whom may be nonvoting members brought in by Kriel from outside the legislature.

The dilemma for the ANC is whether to accept a reduction in their numbers and, if so, by how much. If they take an all-or-nothing approach, what implications will this have for the party, specifically in the run-up to the 1999 general election and more generally for politics in the province?

The ANC has always held that the government of provincial unity should continue until the next elections. It believes the arrangement has worked well and that the performance of its MECs, who hold critical "delivery" portfolios, has been good.

However Kriel has made it quite clear that some of the four ANC MECs will lose their portfolios. Not

Zimbabwe to issue farm list

CT (BR) 25/11/97 (362)

Cris Chinaka

Darwendale, Zimbabwe — The Zimbabwean government is this week expected to publish a list of over 1 700 farms it plans to buy forcibly from white commercial farmers, farming officials said at the weekend.

The plan has stirred anger and anxiety in the country's commercial farming heartland, where many say there is enough land on the open market for the government's programme to resettle landless blacks.

At closed-door meetings across the country last week Commercial Farmers' Union (CFU) leaders listed the farms the government has identified for compulsory acquisition.

One official said the list may be gazetted on Friday.

The CFU is telling the 4 500 farmers to keep quiet until the designations are published and to trust Agriculture Minister Kumbirai Kangai, who has given assurances no productive farms will be taken.

But some farmers are speaking out nevertheless. "We certainly are not taking this lying down," said John Jones, who could lose two of three family farms. "I have put more than 40 years into this country."

"It's all political. Nothing is reasonable," said another farmer who asked not to be identified for fear of victimisation. "It's to keep Zanu PF in power," said the farmer, who owns a 1 740ha farm in Darwendale, west of the capital Harare.

Farmers have been shaken by the CFU list showing 1 772 farms to be designated under government plans to compulsorily acquire some 5,5 million hectares — about half the land owned by the white farmers.

Their farms occupy about 70 percent of the fertile land designated by previous governments for commercial farming.

President Robert Mugabe, Zimbabwe's sole leader since independence in 1980, has repeatedly raised the spectre of land acquisition without compensation, but had not followed this through before this year.

Mugabe says he will not pay a cent for the land and has been demanding that Britain — the country's former colonial master — pay for the land which was seized by "its white children" when they colonised the country over 100 years ago.

"We are going to take the land, and we are not going to pay a cent to any soul. If the British government wants us to compensate its white children, it must give us the money or it does the compensation itself," he has said.

Britain has flatly refused to do this, saying the white farmers are now Zimbabwean citizens and the controversial programme was unlikely to benefit the country's poor.

Political analysts say the cash-strapped government is unlikely to acquire most of the farms on the list, and may try to revise the programme to win crucial donor support with a willing-seller, willing-buyer scheme.

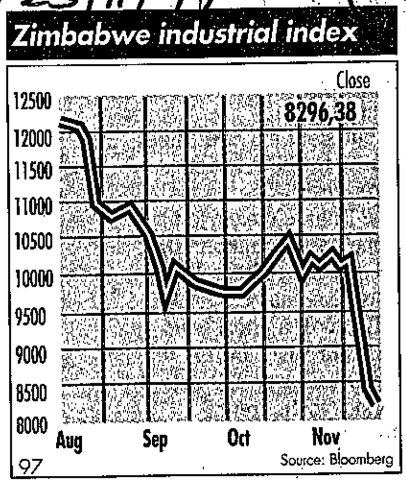
The government is negotiating with the World Bank and the International Monetary Fund (IMF) and other western donors to give it balance-of-payments aid in the wake of the currency crisis last week.

The Zimbabwe dollar crashed by 75 percent against the US dollar on November 14 before the central bank intervened. Bank officials and market analysts say the crisis is far from over because the country's foreign exchange reserves are at their lowest in four years. — Reuter

CT(BR) 25/11/97 (362)

ECONOMICS *Zimbabwe's credibility clouds over*

Mugabe smudges air of renaissance



At a time when African renaissance is the flavour of the year, Zimbabwe, once regarded as one of the continent's better-managed economies, is on the ropes.

Government ministers, the state-owned media and even the Harare representative of the IMF blame foreign and independent media and the banks for Black Friday (November 14), when the Zimbabwe dollar plummeted 40 percent in a few hours.

But the writing had been on the wall for months, with a disappointing rainy season, a smaller tobacco crop, a 20 percent fall in leaf prices, a 6 percent decline in mineral production in the first half of the year, the slump in the price of bullion (the country's second largest export), an increased budget deficit in 1997-98, the after-effects of years of excessive monetary growth, a wages explosion and the worst outbreak of industrial strife in 16 years.

Taken together, these fundamentals were evidence of a fast-deteriorating economy, reflected in falling foreign reserves, a 12 percent decline in exports and a 10 percent rise in imports. The markets misread the problem too. In August, the industrials index reached a record high of 12 082 — and a bullish emerging market pundit predicted 14 000 by Christmas.

But fears that El Niño would bring a 1992-type drought, along with President Robert Mugabe's unexpected capitulation to the war veteran lobby and his promise of an unbudgeted Z$4 billion (R1,38 billion) compensation package started the rot. The overvalued Zimbabwe dollar began a gentle, if necessary, slide while share prices retreated.

The World Bank hastily backed down on an offer to resume lending until it knew the details of the funding of the veterans' package. But the real killer came when Mugabe promised the acquisition of about 1 770, mainly white-owned commercial farms this year. Confidence collapsed.

This mixture of a crisis of confidence, an overvalued currency, fears over the possible effect of El Niño and an ailing mining sector gave rise first to the collapse of the currency and then to last week's 18 percent fall in the bourse, which wiped US$800 million off the value of shares.

The currency has since stabilised, though only after the state reimposed some exchange controls, most notably commandeering the foreign currency accounts of domestic corporates and raising the bank rate three percentage points to 28,5 percent. Prime lending rates have been increased to 30 percent and more. So, with inflation averaging 19,5 percent this year, business faces real borrowing rates of about 11 percent, further eroding confidence and investment.

The stock market may stabilise, even rebound, this week — although how confidence can be restored until the land takeover threat is clarified is unclear. The farm acquisition list is due to be gazetted on Friday, in time for Mugabe to be greeted with enthusiasm at next month's congress of his ruling ZANU-PF party. Emotion will dominate the meeting and rational economics will be suspended.

The hard questions remain unanswered: Who will pay? What will be the basis of valuation? Will the state pay for improvements only and not the soil as Mugabe has said? What will happen to the 150 000 or so farm workers who stand to be displaced? How will the banks and the financial system be affected, bearing in mind that farmers owe billions of dollars?

Some believe the government has taken the country to the brink to test the resolve of the donor community. It may be calculating that when the crunch comes, Britain will come to the aid of her kin and finance the programme. Donors certainly would help finance a planned, coherent and viable land resettlement programme, but the government's current plans do not fit into this category.

Already the economy is feeling the pinch: cattle sales have been cancelled, stocks of unsold agricultural equipment have built up, housing schemes for farm workers have been cut back.

Mugabe may yet pull back from the brink. He has done so before, but this time, having built up such a head of steam behind the policy, a climbdown would irrevocably undermine his credibility. Whatever the long-term consequences, the near-term effects on business and investment confidence will be dire.

And not only for Zimbabwe. The sight on their television screens of Mugabe being cheered for taking over white land will not be lost on populist politicians in South Africa.

□ *Tony Hawkins is a professor of business studies at the University of Zimbabwe*

Anglo, Lonrho land 'set to be swallowed'

Michael Hartnack (362) BD 25/11/97

HARARE — Anglo American and Lonrho, two of the biggest foreign investors in Zimbabwe, have emerged as targets of the Mugabe government's planned takeover of white farms.

Anglo is set to lose its 30 000ha southeastern lowveld Mkwasine estate and Lonrho the bulk of its 41 000 Eastdale ranch near Gutu, central Zimbabwe, say sources who have seen a schedule for the takeovers prepared by ruling Zanu (PF) party land committees.

Lists of 1 700 properties totalling 5-million hectares were presented last week to the Commercial Farmers' Union, but have not yet been released publicly. Anglo's vast Hippo Valley sugar estates and eastern highlands timber forests do not appear to be targeted. Farming sources said the corpo-

Continued on Page 2

Zimbabwe

(362) BD 25/11/97

Continued from Page 1

rations seemed to be losing far less, proportionately, than many of the 3 800 smaller-scale white farmers.

Between them, Anglo and Lonrho own 2-million hectares of Zimbabwe's commercial farming area. An Anglo spokesman said yesterday the firm had not received written notification.

Sources claimed some emergent black commercial farmers who had not conspicuously supported Zanu (PF) were also targeted. The state-controlled Sunday Mail quoted a government spokesman saying "reasonable" appeals would get a hearing, and production would not be disrupted.

Meanwhile, the white Nicolle family from Chinhoyi, who joined Zanu (PF) after 1980 independence and donated land for a provincial "heroes acre", stood to lose most of their maize, tobacco and horticultural farms. Golf courses owned by the Enterprise Country Club, 30km outside Harare, also figure on the lists.

AFRICA

Sithole pleads not guilty to treason charge

(362) BD 25/11/97

HARARE — The Rev Ndabaningi Sithole, the once-fiery black nationalist leader credited with starting the guerrilla war against white minority-ruled Rhodesia, pleaded not guilty in the Harare High Court yesterday to charges of trying to overthrow President Robert Mugabe's government.

Sithole, 79, now the leader of the small opposition Zanu (Ndonga) party, is alleged to have plotted to blow up Mugabe with a landmine as Mugabe's motorcade sped over the mine on his way to his rural home in August 1995. The attempt failed.

He is also alleged to have sent recruits into the Chimwenje movement, his party's military wing, for training with the former rebel Renamo movement in Mozambique, and to have been caught with a cache of military weapons.

Treason carries a maximum sentence of death.

Sithole was arrested in November 1995 after a passing soldier spotted William Namakonya, one of Sithole's aides, holding the mine and hiding under a bush next to the road that was due to be taken within minutes by Mugabe's motorcade.

Namakonya is serving a 15-year jail term and in his trial he repeatedly identified Sithole as the chief conspirator. Sithole was put on bail. It has taken two years for his case to come to trial. Previous attempts were halted repeatedly by challenges from his defence team.

During yesterday's proceedings Sithole, seated in the dock in a dark blue striped suit, was observed to close his eyes and appeared to drop off to sleep. His counsel, Tendai Biti, has told previous hearings that Sithole is senile.

Director of public prosecutions Augustine Chikumira told the court of Renamo training camps inside Mozambique where Chimwenje recruits were being trained by instructors of the former SA-backed guerrilla army, which he said was part of Sithole's strategy to overthrow Mugabe's government.

The former Marxist preacher with a gift for inspiring oratory rose to international prominence in 1963 when, with a young schoolteacher called Robert Mugabe as his aide, he ousted the burly Ndebele figure Joshua Nkomo from the leadership of the black nationalist movement.

It is the second time Sithole has been in court for allegedly plotting the death of a government leader. In 1969 he was sentenced to six years in prison for conspiring to murder Ian Smith, then the Rhodesian prime minister.

Five years later, while most of the black leadership was in detention under a Rhodesian state of emergency, it was Mugabe's turn, in a coup organised inside the Central Prison in Harare, to oust Sithole and take charge of the struggle against Rhodesia. — Sapa.

Businessmen 'should leave if laws are unjust'

BD 26/11/97

(362)

Michael Hartnack

HARARE — Multinational businesses should withdraw from societies where the law was so unjust that it could not be observed by reputable businessmen, Anglo's Jonathan Oppenheimer said yesterday.

"Businessmen should be less afraid to exercise that sanction," the 27-year-old grandson of Harry Oppenheimer said during a discussion on "Communication in Africa". He said Anglo had acknowledged to the truth commission that it had tried to oppose apartheid, but that it had not done enough.

Business had to work within the law and be law-abiding, said Oppenheimer, making only his second public appearance since coming to Zimbabwe two years ago.

"If you are forced into a position where the law is so unjust, you must close your business and leave that society," he said, noting that Anglo had interests in many African states as well as on other continents.

"Taking one's capital out of a country certainly has economic costs, but in the long term it has economic benefit," he said. "You will always find a place to reinvest it."

Oppenheimer assured Trevor Ncube, editor-in-chief of the Zimbabwe Independent, that Anglo did not withdraw advertising from newspapers that carried reports of which it did not approve.

Taking part in the discussion with Oppenheimer, independent MP Margaret Dongo said she had been disappointed to find herself on a list of persons who were banned from being reported on in Zimbabwe's state-owned media.

She said those outside the establishment were often condemned for being negative "yet the ugly has to be heard before it creates negative effects in society".

Plot to kill Mugabe denied

(362)

Harare – Zimbabwean opposition leader Ndabaningi Sithole pleaded not guilty in the High Court yesterday to charges of treason and plotting to assassinate President Robert Mugabe.

The 78-year-old Methodist clergyman is alleged to have planned to blow up Mugabe's motorcade, to have possessed arms of war and to have sent young men for military training with the aim of overthrowing the government.

Two men alleged to have been his co-conspirators in the August 1995 plot have already been jailed on lesser charges, one for 12 years and the other for 15.

Sithole faces a possible death penalty if convicted.

Dressed in a dark pin-striped suit and supported by family and members of his Zanu-Ndonga party, Sithole appeared to nod off as he sat in the dock and the prosecutor read an outline of the State's case.

Sithole, who is one of only two opposition members of parliament, is a veteran nationalist who was once an ally of Mugabe's in the fight against white-minority rule. – AFP

Star 26/11/97

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...space station Mir was ...yesterday despite the ... of its main computer, ...ntrol spokesman ...he breakdown occurred ...lled by the station's ...beginning of October.

Many rebels killed

Bujumbura – Burundi's army said yesterday it had killed about 100 rebels in an operation south of the capital in which its only casualties were two wounded soldiers. Army spokesman Lieutenant-Colonel Isaie Nibizi said troops killed the Hutu rebels on Saturday in Mudende zone, about 60km south of Bujumbura. He said heavy weapons as well as small arms were recovered.

Murderer executed

Riyadh – A Pakistani convicted of murder was beheaded in Saudi Arabia yesterday, raising to 119 the number of people executed this year in the Gulf Arab kingdom. Mohammad Rafiq Amir Bakhsh killed a compatriot by smashing him on the head with a hammer. Under Islamic laws, the kingdom also beheads convicted rapists, armed robbers and drug traffickers.

Zimbabwe's arms order triggers speculation

BD 26/11/97 (362)

Michael Hartnack

HARARE — The state-owned Zimbabwe Defence Industries (ZDI) says it has received an export order for 1-million rounds of AK-47 ammunition, sparking speculation that the Democratic Republic of Congo will be the recipient.

Zimbabwe supplied the rebels, led by new leader Laurent Kabila, in the face of a supposed international arms embargo during the civil war in former Zaire.

The contract for the AK-47 ammunition was placed by an unnamed Southern African Development Community country and its value is not being disclosed due to "fear of competition from China".

A ZDI spokesman says that exports now constitute 65% of every production run.

Technical and production manager Jacob Mukasa said US-based Vector Arms had ordered 36-million rounds worth of ammunition over the next five years. It is believed the contract may be for 7,62mm Nato standard ammunition, but this was not confirmed.

Mukasa said the US order reflected "international acclaim" for the Zimbabwean government, factory which has been heavily subsidised since independence in 1980. However, total export orders for ammunition had to remain secret to retain customers' trust.

The Chinese government helped President Robert Mugabe establish the factory at Domboshawa, 30km north of Harare, after independence, when he feared an international arms embargo and a shooting war with PW Botha's government. In addition to producing ammunition, mortar rounds, bombs and anti-vehicle mines, it makes a wide range of medical and logistical equipment.

ZDI company secretary and marketing manager Douglas Mrewa said the company had earned more than Z$100m from sales around the world in the previous financial year. He acknowledged Zimbabwe had sold arms to the Colombo government.

Earlier this year the company admitted to "losing" a consignment of mortar bombs bound for the Sri Lankan civil war. However, it has attacked reports that Sri Lanka's Tamil Tigers hijacked the shipment.

Defence sources claimed the rebels attacked the ship carrying it or sent a vessel with fake papers into Mozambique's Beira port to collect it.

Danes warn against Mugabe's land policy

BD 26/11/97

Michael Hartnack (362)

HARARE — Denmark has issued a warning to Zimbabwe's government on human rights and particularly land redistribution with its latest pledge of R114m.

A Danish delegation said it recognised the need for land reform to alleviate poverty, but had expressed concern about "the lack of clarity regarding policy principles guiding the government's plans for land acquisition, including the issue of compensation to farmers", according to minutes released by the Danish embassy.

The minutes were released after the state-controlled newspaper The Herald claimed unqualified Danish endorsement of its policies during two days of negotiation last week.

Denmark is not extending budget support, but is assisting a variety of projects in health, farming, transport, communication and environmental protection.

At a conference in Harare this year, journalist and human rights activist Iden Wetherell attacked "the Dutch and the Danes" for helping to provide services that President Robert Mugabe should be funding from money spent on political patronage.

Despite pleas from the Zimbabwean negotiators, the Danes followed the recent British refusal to fund land compensation.

Mugabe says the government will not pay 1 700 farmers, on nearly 5-million hectares, now listed for takeover.

"The Danish delegation underlined that the transparency of the whole process could be of great importance, including openness of the criteria for selection of farms to be acquired and allocation of leases," the minutes said, alluding to past diversion of land for peasant resettlement to government ministers' private use.

The Danes asked whether 2-million hectares already taken over by the state could be used for resettlement.

"It was pointed out that the economic consequences needed to be taken into account both regarding the effect on the investment climate if land was acquired without compensation, and regarding the financing of necessary investments in infrastructure for resettlements."

The Zimbabwean delegation responded saying the issue had "an important social dimension in order to reduce poverty and create equity", and it did not expect this to have a negative effect on investments.

The Danes also deplored the lack of public debate on the report published this year by human rights lawyers on atrocities committed by security forces in Matabeleland in the 1980s, and continued judicial hangings. They urged Mugabe's government to ratify conventions against torture.

New instant-win lottery a big hit in Zimbabwe

BD 26/11/97 (362)

Janet Parker

INSTANT win lottery seems to have captured the imagination of Zimbabweans since its launch in the country with the help of an SA company last week, despite — or possibly because of — the weakness of the country's currency, the Zimbabwean dollar.

Moribo Leisure subsidiary Games Africa — which markets the Viva, ZamaZama and Ithuba scratch card games in SA — is providing the startup services for the Zimbabwe State Lottery to facilitate a successful launch of its national instant scratch-card operation.

Games Africa public relations GM Dave Neppe said the instant win lottery game, called Scratchers, had been launched in Harare last week and in Bulawayo at the weekend. Demand had "exceeded all expectations", he said. Tickets had sold "brilliantly", and the print reorder for tickets had grown to 3-million from the original estimate of 1-million.

Games would be changed every few weeks in order to maintain public interest.

The top prize in the lottery was Z$250 000 with a winners' fund of Z$2,5m per game.

Startup services included a supply of tickets via international manufacturer Scientific Games International, and computer and software services.

Zimbabweans would be trained in all facets of the instant lottery business, and also in providing marketing packages, Neppe said.

The Zimbabwe instant lottery was Games Africa's only operation outside SA. It was, however, regarded as a long-term investment and an extension of its market and expertise into Africa.

The company's main focus, though, was on gaining the contract to operate the SA national lottery, Neppe said.

Tenders for the lottery were expected to be released early next year, and would be awarded from June.

Heiress speaks out on Zim farms list

(362)

ARG 26/11/97

Grahamstown – A Zimbabwean heiress has broken the silence which has gripped many of the families threatened by President Robert Mugabe's decision to redistribute farms to landless Zimbabweans.

She has told of how two Zanu-PF officials approached her father as he walked off a golf course on Sunday and tried to force him to sign his farms away.

Speaking yesterday on condition of anonymity, the 38-year-old Grahamstown businesswoman and mother of two, said families linked to the 1 700-odd farms which had been placed on the Zanu-PF-inspired list of "designated" farms, were living under "intolerable" stress as they awaited the outcome of the political process.

She said: "This is my father's worst nightmare. It is pandemonium up there."

She said her family owned more than two farms in the Banket District north of Harare which were productive, profitable and employed about 500 people.

This year's crop of one fruit alone, had brought in R900 000, of which 60% would go to government taxes.

She put the value of her family's farms at over R8-million and estimated conservatively that farmers on the list owed banks R3,4-billion.

"Nobody will benefit. What about the families of the workers who are dependent on the farms?"

She said farmers on the list were terrified that once the banks got wind of the fact, "their cheques will be bounced just like that".

She said her father was shocked on Sunday when two Zanu-PF officials approached him outside his golf clubhouse in the northern Zimbabwe district and tried to get him to sign his farms away.

"As he came off the course, one of them handed him a form and told him to sign. It was right in front of the whole clubhouse.

"His signature would have served as confirmation that he agreed to have his farms taken.

"He refused."

She said the list had divided the Zimbabwe commercial farming community in two with those left off it maintaining a strict silence, while those on the list were "gnashing their teeth".

She said that her father was a founding member "the only party" to oppose Ian Smith's government during the Rhodesian Bush War in the late 1970s.

A liberal of the period, she said he had fought for a qualified, but non-racial franchise.

"No one can find a pattern as to who gets placed on the list and who does not. There are black farmers on the list."

She said farmers believed President Mugabe was being motivated by a need to please war veterans prior to the 1999 election. – ECN

ZIMBABWE

Mugabe turns gold into dross

(362)

Concern over land issue sends the stock exchange tumbling

FM 28/11/97

After the foreign currency markets, it was the equity market's turn.

In five days' trading, the Zimbabwe Stock Exchange tumbled 18%, wiping over R3,5bn off the value of shares. Ironically, the industrials market slump had more to do with land than the foreign currency crisis.

After the November 14 (Black Friday) crash, the Zimbabwe dollar stabilised at around Z$14 to the US unit — down only modestly from the Z$13,6 level on November 13 — regaining most of the ground lost during Friday's panic.

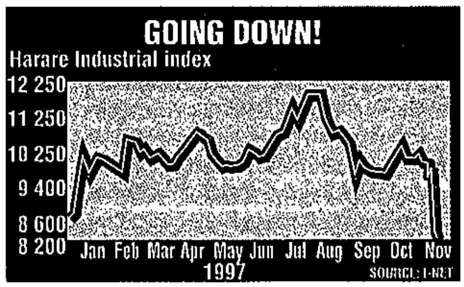
Industrial shares, which had hit a record high of over 12 000 in August, had looked to be consolidating around the 10 000 level in early November. But, as stories of the planned takeover of 1 770 mainly white-owned farms began to circulate, consolidation turned to stampede and on Thursday the ZSE suffered its largest daily decline (7,5%) for at least 25 years.

By the weekend, industrial shares were at their lowest since last December and minings had touched a four-year low. Brokers expect the market to stabilise and possibly even recover this week, but with details of the land grab due to be gazetted this Friday, rumour, fear and speculation will stalk the markets. In relatively thin trading, volatile conditions are likely.

Nor is the collapse of confidence confined to land. Last week, representatives of the Indigenous Business Development Council (IBDC) announced plans to buy control of SA-based clothing retail chain, Truworths. A spokesman for the indigenous business group, Jane Mutasa, said negotiations were under way with Zimbabwe Truworths chairman David Lewis. "It's now just a matter of them releasing the shares to us." Another spokesman for the IBDC added: "Indigenous people would like to take control of as many key industries as possible."

Last Friday a delegation from another indigenous lobby — the Affirmative Action Group — visited Truworths to demand that the white expatriate from SA be sent home and replaced as CE by a black Zimbabwean. The delegation then visited a second listed company, Meikles Africa, demanding to know why "none of the company's subsidiaries was headed by a black." These events are having a devastating impact.

The criteria set out by Ministers for the takeover of land stipulate there must be absentee landlords, deserted or under-utilised farms, farms owned by a person who has more than one farm, and farms close to overcrowded communal lands farmed by peasant producers.



Farmers who have seen the list say more often than not these criteria have been ignored. Many farms to be taken over are the sole property of the owners; few on the list are under-utilised and there are many instances where absentee landlords and farms owned by foreign companies have been ignored. "It's cherrypicking" says a farmer. "The list contains many of the country's most profitable farms."

No-one knows yet how much government will pay and how; what timetable it will follow; and whether it will agree to arbitration.

But whatever President Robert Mugabe decides, the damage has already been done. Zimbabwe's chances of attracting foreign investment have been dealt a severe — potentially fatal — blow. Even if Mugabe were to climb down after his day of glory at next month's congress of the ruling Zanu-PF party — and it is difficult to see him doing so, given the momentum and popularity among black people of the campaign — it will take years to rebuild morale.

When the IMF slipped out of Harare last week, leaving behind a confusing, contradictory statement, there was no mention of the land issue. Corruption, cited as a serious problem in Zimbabwe by a High Court judge last week, was carefully ignored and there was no indication of any firm plan to resume lending to Zimbabwe.

The fund thought that other donors and the World Bank might resume disbursements. But the land crisis is likely to make even the most sympathetic Mugabe supporter among the donor community — and there aren't many — wait to see what happens next.

Confusion arose from discrepancies between the fund's assertion that the Z$4bn (US$275m) war veterans payout would be covered "in full" by fiscal measures and Finance Minister's Herbert Murerwa's statement that half of it would be met by borrowing. Which of the two turns out to be right will make a huge difference to interest rates, inflation and taxes next year.

The fund's position is clear enough on one point, however: If Zimbabwe wants a new IMF facility it had better take the tax route — equivalent to a 9% tax hike — soon.

Special Correspondent

CAPE TIMES
FRIDAY, NOVEMBER 28, 1997

1 503 FARMS EARMARKED

Mugabe firm on land handover to peasants

(362)

CT 28/11/97

HARARE: Even though it is not only white farmers opposing Zimbabwe's land resettlement programme, need and grass-roots pressure are forcing Mugabe's hand.

ZIMBABWEAN President Robert Mugabe has vowed to press ahead with a controversial land reform plan which he believes is crucial for social justice.

But some political and economic analysts say it is likely to damage the country's fragile economy and its chances of getting badly needed international donor aid.

The government will publish a list today of 1 503 farms earmarked for compulsory purchase from white commercial farmers to resettle landless peasants.

Mugabe has said he will pursue the programme even after Britain's refusal to fund it.

Land has been controversial since whites first pushed blacks from ancestral land in the 1890s, and successive governments systematically seized the best farmland to settle British immigrants.

Britain has flatly refused to pay for the land, arguing the white farmers were now Zimbabweans and the controversial programme was unlikely to benefit the poor.

Although Mugabe hinted he might be able to modify the plan in coming months, some political analysts said he seemed determined in coming days to put up a show and to boost his popularity with peasants, the backbone of his 17-year tenure in office.

"Mugabe really believes he is cornered and is looking at the land question as an issue of political survival," said Mr John Makumbe, a political scientist at Harare's Zimbabwe University.

"His own comrades have him by the collar ... and he is looking at easing the pressure," he said in reference to guerrilla war veterans, whose violent protests for compensation earlier this year put Mugabe's rule under close scrutiny.

> *'Whites pushed blacks from their land in the 1890s.'*

"He is doing this at a great expense to the economy," Makumbe said of warnings that a quick and massive change in land ownership would in the next two years severely affect agricultural output, which contributes over 40% of Zimbabwe's export receipts and 60% of inputs to its manufacturing sector.

Mugabe did not say on Wednesday when he would actually take control of the 1 503 farms earmarked so far.

However, in October he said this would happen "in the year of our Lord 1997".

Once a farm is designated for purchase, the farmer loses title to it, and the right to sell it or to borrow money on it, according to a compulsory land acquisition law passed by Mugabe in 1992.

"That is the area in which the whole programme is most painful and damaging," said political scientist Mr Masipula Sithole.

"The morality of making fertile land available to a wide cross-section of the Zimbabwean community is defeated by the means."

Mugabe's plans have stirred anger and anxiety in the country's commercial farming heartland, where many say there is enough land on the open market for the resettlement programme. The government wants to compulsorily acquire some 5,5 million hectares — about half the land white farmers own.

Their farms occupy about 70% of the fertile land previous governments designated for commercial farming.

Mugabe, in power since independence in 1980, has rejected calls to obtain farms on a willing-seller, willing-buyer basis, saying it was against national pride and sovereignty.

He says he will pay only for equipment and improvements, but not for the land itself, which he has demanded that Britain, the country's former colonial master, should pay for. — Reuter

Zimbabwe lifts taxes to pay ex-fighters

Michael Hartnack

HARARE — Zimbabwean Finance Minister Herbert Murerwa yesterday raised sales tax from 15% to 17,5% and imposed an extra 5% levy on personal and corporate tax to help fund gratuities to former guerrillas.

Trade unions and business groups are likely to criticise the measures, expected to raise about Z$2bn. Each ex-guerrilla is due to receive Z$50 000, plus a monthly Z$2 000 pension.

A row erupted at the start of parliamentary proceedings yesterday when ruling Zanu (PF) backbencher Dzikamai Mavhaire accused Murerwa of trying to steamroller the measure through in a day. However, Mavhaire withdrew his objections when told the Zanu (PF) caucus had agreed on Monday the bill would be rushed through so the house could adjourn to prepare for next week's party conference.

With its 147-3 majority, Zanu (PF) has virtually unlimited power in the legislature. No opposition members were in the chamber when the tax proposal was introduced.

The bill — in effect a "mini budget" modifying the one tabled in July — was referred immediately to the parliamentary legal committee. It was certain to go through all its readings late yesterday after the committee's routine report was received back.

(362)

The new levies will apply in both the current April 1-December 31 tax year and the January 1-December 31 1998 year.

Zimbabweans currently pay tax of 20% on incomes of more than Z$12 000 a year, rising to 40% on Z$80 000, plus a 5% "development levy".

Company tax is a flat 40%, plus the development levy.

Local economists and the International Monetary Fund have expressed concern at the impact of the gratuities on Zimbabwe's budget deficit, already running at about 9% of gross domestic product. BD 28/11/97

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Mugabe's land grab going ahead

Michael Hartnack

BD 28/11/97 (362)

HARARE — President Robert Mugabe told leaders of the Commercial Farmers' Union yesterday that the British government's refusal to fund land takeovers, and the current lack of money for compensation, would not avert the takeover of 1 503 farms which are to be listed in a special government gazette today.

"It is the land we want, that we must find, have found, and will designate," Mugabe said he told farmers' union president Nick Swanepoel and executive director David Hasluck.

Mugabe told representatives of the 4 500 commercial farmers, including about 3 800 whites, that "there is no way we could go back to accepting a willing-seller settlement or accept to pay compensation to farmers for the purchase of the land. We are prepared to pay for improvements to the land."

Banks worry about farm bonds

(362) BD 28/11/97

Michael Hartnack

HARARE — Farmers owe Zimbabwe's banks and finance houses Z$4,8bn to Z$5bn in mortgage bonds, and banking sources fear they could be left holding these bonds if land takeovers leave farmers unable to pay their debts.

A government list detailing 1 503 farms is expected today. Letters have been sent out to many of the owners telling them they have until December 28 to lodge appeals, or, if they decide not to resist the government's move, until January 28 to obtain their own valuations to contrast with the compensation, if any, offered by the state.

President Robert Mugabe has said he will not pay for the land itself. He has made contradictory statements about whether or not he will compensate for improvements such as roads, dams and barns if Prime Minister Tony Blair adheres to his refusal to provide the funds.

Sources said the 4 500 commercial farmers' recurrent short-term debt totalled Z$1bn-Z$1,2bn, while the total debt of the farming sector, including black small-scale farmers, was about Z$6bn. Default on even part of the debt could have grave repercussions throughout the economy.

They also emphasised that far more than 1 500 landowners would be affected, because there was a great deal of cross-ownership in the industry, and because currently viable complexes could be rendered unviable when a farming unit was removed.

The Zimbabwe Tobacco Association, representing 1 400 mainly white growers, yesterday announced the controversial 10% levy on every bale sold had raised the government Z$497m revenue despite the slump in prices in the past season. Last year the levy raised Z$540m at a time when the Zimbabwean dollar was worth 25 times more in real terms.

Meanwhile, banking sources said owners of corporate foreign currency accounts were furious they were forced last week to convert holdings worth US$130m into local currency at rates of Z$12 to US$1, which they regarded as "ludicrously high" in the wake of the slump from US$1-Z$14 to US$1-Z$28 on November 14. The rate was revived by a reserve bank injection of US$20m.

With the Zimbabwe customs department yesterday levying duty on incoming goods on the conversion rate of US$1-Z$17, corporate foreign currency account holders believed they had been cheated and would hold future monies offshore, said a banker.

Companies were given permission to hold foreign currency under post-1991 liberalisation urged by the World Bank.

Permission was withdrawn after the run on the dollar, blamed on currency speculation by importers who feared further devaluation and inflation caused by the Z$4bn handout to ex-guerrillas.

CAPE ARGUS, FRIDAY, NOVEMBER 28, 1997

Mugabe reveals land grab list

ARG 28/11/97

Oppenheimers lose ranches

(362)

Harare – The Zimbabwean government has gazetted a list of 1 503 farms – mostly owned by white commercial farmers – that it plans to buy forcibly for a controversial programme to resettle about 100 000 peasants.

The list comprises farms belonging to individuals – both black and white – private companies and some government parastatals. It includes property such as Nuanetsi Ranch Ltd (whose 310 000ha farm in southeastern Zimbabwe is the largest single block to be earmarked) and ranches in the south-west owned by the Oppenheimers of Anglo American Corporation.

The government – which says it will pay only for equipment and improvements but not the land – has invited those with "genuine grounds" for objecting to designation of the farms to lodge their complaints by December 28.

■ The Zimbabwean government has presented plans to parliament for a new tax to pay back impoverished veterans of the country's independence war.

The War Veterans Levy bill is expected to be rushed through the parliament before its end of year recess after President Robert Mugabe said the 45 000 former independence fighters should get the first payments by the end of next month.

Earlier this year he promised to pay each of the veterans a Z$50 000 (R17 314) gratuity and a Z$2 000 (R693) monthly pension for life. That promise prompted the International Monetary Fund to suspend $62,5-million in aid, until his government announced where it would get the money. – Reuter, Sapa, Sapa-AFP

A fatally flawed land-grab plan

(Tob2)

Star 28/11/97

Politically driven, it contains seeds for disaster, writes Peter Fabricius

WINDOW ON AFRICA

Zimbabwean President Robert Mugabe's plan to seize about 1 770 white-owned commercial farms and give them to black farmers – due to be gazetted today – is somewhat reminiscent of the soothsayer Nongquase's plan to save the Xhosa nation in 1856.

Acting on instructions from the ancestors conveyed through her, the Xhosa slaughtered all their cattle, and planted no crops, believing that the ancestors would then arise from the dead and help them throw off the colonial yoke. The ancestors didn't show up and within 15 months the Xhosa had virtually wiped themselves out as a nation.

Mugabe's plan may seem just the opposite since he plans to take away the land of about half of the country's white farmers and give it to blacks, so apparently delivering his people into prosperity not ruin.

The grossly distorted farmland distribution in favour of whites in a country ruled by blacks for 17 years is understandably offensive to blacks at large and to the government. About 4 500 large-scale, mostly-white commercial farmers own 11 million ha of the best privately-owned land, while just over a one million mostly black households farm 16 million ha of communally-owned land, some 3,3 million ha of resettled land and 1,2 million ha of medium-sized farms.

Something clearly needs to be done about this. But Mugabe's scheme is so ill-conceived and poorly planned that it would almost certainly do severe injury to the Zimbabwean economy and to both whites and blacks.

The Zimbabwean economy relies heavily on farming. Agriculture provides an income to almost 75% of the population, accounting for 30% of formal sector employment and over 40% of total national exports.

And export earnings are particularly important as the shortage of foreign currency is a major constraint to growth in Zimbabwe. The large influence of agriculture was dramatically demonstrated during the last El Niño-induced drought in the early '80s. Real growth was an impressive 12,5% in 1981, fell to 2,6% in 1982 at the start of the drought and was negative by 1984.

Thus, policies which affect agricultural development, affect national development. And the mainly-white commercial farms produce more than 70% of the value of agricultural output in most years, and support about 150 000 black workers and their families.

It follows that any plan to change farmland ownership must be handled extremely delicately if it is not to injure the Zimbabwean economy severely and if it is to help the people for whom it is presumably intended – the poor.

But the government has presented no such plan. A year ago it accepted in principle such a plan drafted by a joint commission of Zimbabwean and British experts but nothing happened.

The British government has declared itself ready to provide financial aid to a coherent plan dedicated to the eradication of poverty, but has flatly refused to support the present moves because it sees no such dedication.

"It would not help the poor in Zimbabwe if land was acquired in a way that undermined agriculture or investor confidence," the British High Commission in Harare said on November 6.

It would need to be ensured that a proper land register was established, that the process of acquisition and resettlement was open and transparent, and that resettlement schemes were economic and would benefit the poor.

"It follows that any programme which Britain might support would need to be carefully planned and phased over time and likely to include support from other donors."

Reading between the lines of British understatement, that means that Her Majesty's government is not prepared to pour good British sterling into a poorly-conceived land-reform plan which might well redistribute white farmland to Mugabe's political cronies rather than the poor (as in the past).

And where it did transfer land to the genuine poor, might well do so in such a way that they were unprepared to maintain the necessary high levels of production, causing ruin to both themselves and the country.

This move by Mugabe is the kind of action which, when analysed, serves to determine just how genuine he is about serving the interests of his people. Seizing white farmland, "stolen from our ancestors" as he put it, will win him standing ovations from the party faithful gathered at the Zanu-PF congress next month where he needs to bolster support because of the declining economy and rumblings from ex-combatants.

At the level of ideology the plan is perfect. At the level of the real welfare of his people it is likely to be a disaster. Just the prospect of it has already contributed to a crash in the currency.

Mugabe has been threatening the white farmers with this for 17 years. In that time he could have instituted a rational plan to phase in genuine productive, black farm ownership – through acquiring unused land, fallow government land, willingly sold land, extensive training and maybe joint ownership, mentoring programmes or whatever, that would have totally changed the face of Zimbabwean agriculture by now.

Instead he has grandstanded for 17 years, strongly suggesting that his own political survival rather than the welfare of his poor people is his real motive. Nongquase was at least sincere.

■ *Fabricius is Indepedant Newspapers Foreign Editor.*

Harare lists farms for sale by force

(362)

Blow to securing crucial aid

ARG 29/11/97

Harare – Zimbabwe has published in the Government Gazette a list of 1 503 farms – owned mostly by whites – that it has earmarked to forcibly buy for a controversial peasant resettlement programme.

Political and economic analysts say the drive has severely undermined the southern African state's investment image and is likely to damage its fragile economy and its chances of securing crucial aid from Western donors.

The government list includes company-owned property such as Nuanetsi Ranch Ltd, whose farm of more than 310 000 hectares in southeastern Zimbabwe is the largest single block to be earmarked for the resettlement programme.

It also includes ranches in the southwest owned by the Oppenheimer family of South Africa's gold mining group, Anglo American Corporation.

The government – which says it will pay only for equipment and improvements on the farms, but not for the land – invited, through the Government Gazette, those with "genuine grounds" for objecting to designation of the farms to lodge their complaints by December 28.

The government list contains more than a dozen farms owned by black farmers but does not include those of senior government officials, some of whom own several farms.

President Robert Mugabe said he was pressing ahead with the controversial land-reform programme because it was crucial to achieving social justice.

The mainly white Commercial Farmers' Union (CFU) said yesterday it had told the government that any land reform programme must be judged on how it contributes to economic growth, greater food security, job-creation and stability.

Mugabe has rejected calls to obtain farms on a willing-seller, willing-buyer basis

"It must be seen as a means to improve agricultural efficiency and contribute to increasing farm incomes, the eradication of poverty and the promotion of an economically, socially and environmentally sustainable path for development," the CFU said.

The government did not say when it would take control of the 1 503 farms earmarked so far. But in October Mugabe said it would happen "in the year of our Lord 1997".

Once a farm is designated for purchase, the farmer loses title to it and the right to sell it or to borrow money against it, according to a compulsory land acquisition law passed in 1992.

Mugabe's plans have stirred anger and anxiety in the country's commercial farming heartland, where many say there is enough land on the open market for the resettlement programme.

The government wants to forcibly acquire some 5,5 million hectares, about half the land owned by the CFU's white farmers.

Mugabe, in power since 1980, has rejected calls to obtain farms for the resettlement programme on a willing-seller, willing-buyer basis, saying it is against national pride and sovereignty to do so.

Private economic consultant John Robertson said the current resettlement plans, besides affecting production in the coming year, would also leave thousands of workers jobless. – Reuters

Harare holds its 100th birthday bash

362

CP 30/11/97

FROM a small colonial fort and trading settlement dotted with shacks, and a population of about 2,000 people in 1897, Zimbabwe's capital city, Harare, has blossomed into a huge metropolis characterised by highrise buildings and a population of more than 1,5 million people a 100 years later.

Reminiscing on Harare's colonial past, in which the majority black population was denied access to many facilities while the whites enjoyed first-class treatment, current mayor of Harare Solomon Tawengwa said: "Today is a different situation altogether, and Harare has reason to celebrate."

The centenary bash kicked off with hundreds of residents sweeping the streets and planting trees in their wards.

Traditional healers, spirit mediums and chiefs held an all-night "bira" (traditional ceremony) at Cornation Park, performing cultural activities at the former ancestral prayer site.

The original settlement at what is now Africa Unity Square is where the Pioneer Column of the British South Africa Company established Fort Salisbury in September 1890. The settlement was renamed Salisbury and subsequently Harare. The tents pitched around the fort soon gave way to rondavels constructed out of poles, mud and thatch.

By 1892, these were being replaced by brick buildings, and with the advent of the railway to Beira in 1899 came cast iron and more skilled builders.

The marshy land along what is now Julius Nyerere Way, was then drained and developed. The city did not follow the typical organic African forms of other cities, but adopted a European style and pattern.

Africans had to live outside the city in a separate location named Harari, now Mbare. Settler occupation, exacerbated by oppressive laws, led to the first Chimurenga War of 1896, in which the Ndebele and Shona were defeated.

Salisbury Municipality was established in 1897. Then followed a lull in development of the city, until the building boom of 1910-1911.

The city had its first water supply in 1913 with the buildings of Cleveland dam. Technical innovations were seen in the 1920s with the introduction of the lift and reinforced concrete framed buildings.

During the 1930s a water and sewerage system was constructed. By 1935, Salisbury had been elevated to city status.

The period of Federation, 1953-1963, saw significant development of the city centre with many large office blocks. There was very little new development during the 1970s, especially in the later years under UDI and the Second Chimurenga War.

The 1980s and 1990s have seen the construction of many highrise prestigious buildings which have totally transformed Harare's skyline.

Harare's historic buildings are protected by the National Museums and Monuments Act.

The oldest surviving building is Market Hall, built in 1893 which housed the first council offices.

The first mayor was William Fairbridge, in 1897. Solomon Tawengwa is the 70th mayor and there are now 42 councillors compared to nine in 1897.

Some people have noted that although blacks were not in control of the city's affairs until after independence, celebrating the centenary was part of a history which cannot be ignored. – Africa Information Afrique

Mugabe puts Smith's lands up for grabs

ST 30/11/97 (362)

CHRIS BISHOP: Harare

ZIMBABWE's President Robert Mugabe has announced that he will confiscate a large part of the family farm of his old rival Ian Smith.

Smith is among hundreds of mainly white farmers whose property is being nationalised and handed over to landless blacks as part of a controversial land reform programme.

An official list of the first 1 503 farms to be seized was published on Friday.

Smith, 78, led Rhodesia from 1964 through his unilateral declaration of independence and a bloody civil war until shortly before independence in 1980 when the country became Zimbabwe.

Last weekend he denounced the scheme, warning that it would plunge the economy into further chaos.

He also said that it was a cheap political trick aimed at winning votes and he predicted that most of the farms would go to government ministers and officials.

According to Friday's list, almost 4,4-million ha of agricultural land are to be taken. Farmers claim that this could cut annual production by one-third.

In seizing part of Smith's farm, President Mugabe has struck a wounding blow to his old political opponent.

The former Rhodesian premier will lose more than a third of his Gwenoro Farm at Shurugwi in central Zimbabwe, a property that he bought in 1948 with his wartime RAF pension.

The government is seizing 577ha of Smith's 1 620ha holding, where the former prime minister, who is in semi-retirement, farms fruit and crops and breeds Brahman bulls.

The government will pay compensation for farm buildings, but not the land, on the grounds that it was stolen by British colonialists a century ago.

Sources said that the Smith property was not on the original list handed to the Commercial Farmers' Union last week.

Smith's son, Alec, who grew up on the farm and is now an Anglican priest in Harare, was trying to contact his father who, he said, was in South Africa on a book promotion tour.

Alec Smith said: "It is one of the most productive farms in the province, and acknowledged to have the best labour relations. We thought the government had promised to take only unproductive land.

"My father bought this farm with his war pension and paid it off through a 25-year bond with hard work. Now he has developed it; it is a little bit ridiculous to take any of it away."

Nicky Oppenheimer, the head of South Africa's Anglo-American mining group, is another prominent casualty of the land designation, losing at least 255 000ha. He is classed as an absentee landlord under the designation criteria.

Sources in Johannesburg, where Oppenheimer is based, said the ranches and farms were often used to entertain business clients.

The Commercial Farmers' Union broke its silence to criticise the land seizures, warning of many job losses and a drop in foreign earnings.

Nick Swanepoel, the CFU president, said that many of the farms listed for acquisition bore little or no resemblance to the criteria.

"Some of the listed farms are among the most intensively utilised and highly productive farms in the country," he said.

The state press said that farm owners had until December 28 to appeal. — © *The Telegraph, London*

Sowetan 1/12/97 (362)

Zimbabwe approves new levy, hikes tax and petrol

THE Zimbabwe government has approved a new levy and hiked sales tax and duty on fuel in a bid to raise additional revenue to fund gratuities and pensions for impoverished veterans of the country's war of independence.

The taxes and price increases have gone into effect despite opposition from members of parliament.

On Thursday last week, MPs in the ruling party blocked attempts by the finance minister to fast-track the Bill allowing for the tax measures before the end of year recess.

But in a statement published on Saturday, the finance ministry said it had already approved the hike in the price of petrol and diesel by 3,9 and five percent respectively, with immediate effect, while sales tax on goods and services went up 2,2 percent.

The country's laws empower the finance minister to set new tax rates and even collect them without the approval of parliament.

In addition to those rises, a new War Veterans levy will be imposed on individuals from next year, which will be backdated to April this year for companies.

The proposals were criticised by the deputies, many of them ex-freedom fighters who felt that the government was running out of ideas to raise funds and that it risked losing public popularity if it proceeded with its plans.

"We cannot sacrifice the 11 million people (the country's total population) for the sake of satisfying the concerns of a few thousand (war veterans)," said independent MP Margaret Dongo, herself a celebrated ex-combatant.

The additional taxes come after drastic measures implemented two weeks ago to combat an economic crisis that saw the currency crash to record low levels.

The measures included the liquidation of R777,6 million held in corporate foreign currency accounts and a hike in interest rates.

The crisis was seen to have been precipitated by president Robert Mugabe's pledge to pay tens of thousands of former guerrillas in the country's independence struggle a package of hefty gratuities and lifetime monthly pensions.

The immediate cost of the lump sum of about R17 490 gratuity payments will be R1 458 billion.

The promise has prompted the International Monetary Fund to suspend R303,7 million in aid until the government announced where it would get the money from. – *Sapa-AFP.*

Parents of fallen heroes take dim view

(362)

Harare – Parents of combatants who died or disappeared during the liberation struggle are aggrieved by the government's decision to impose further taxes on Zimbabweans to raise revenue for ex-combatants' pensions, Ziana reported yesterday.

Former Zimbabwe Teachers Union president, Felix Mafa, who lost a son in the war, said the move was retrogressive.

He said he viewed the introduction of the war veterans' levy as punishment of the masses and the workers.

This, he said, was opening up old wounds and there was a growing feeling of resentment among relatives of dead and missing combatants. – Sapa

Star 1/12/97

...lt in Portugal, which becomes
...nt under John IV.
...ugal secures the secession of Macao.
...land is annexed to Natal.
...itia becomes part of Kingdom of
... Transylvania, formerly under
... rule, unites with Romania.
...comes an independent nation.
...rno Treaties are signed in London.
...ng Kai-Shek is elected president of
...g, China's ruling party.
... conference at Jericho proclaims
...f Transjordan as King of Palestine.
...atian Spring", movement for more
independence within Yugoslavia, crushed.

1988 Benazir Bhutto is named Pakistan's prime minister, becoming first woman to lead modern-day Muslim nation.

1991 Ukrainians vote 9-to-1 in favour of independence from Soviet Union in referendum.

1993 Across the globe, most nations mark World Aids Day.

Thought For The Day

The only people who attain power are those who crave it.

Erich Kästner, German author and poet (1899-1974).

THE RIGHT

The Star

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Oppenheimer farms targeted in Zimbabwe

BD 1/12/97 (362)

Michael Hartnack

HARARE — About 37% of Zimbabwe's Z$14bn-a-year farm production could be wiped out "at a conservative estimate" by government's planned land takeovers, the Commercial Farmers' Union claimed after lists of targeted properties were made public on Friday.

A total of 1 503 properties for initial takeover were published, but President Robert Mugabe warned last week that many more might be needed.

A spokesman for Anglo American said he had confirmed with Jonathan Oppenheimer that six family properties totalling more than 250 000ha were on the list. Another two were listed under the name "Poppenheimer", but this was likely to be a misprint.

Commercial Farmers' Union leaders appealed for more talks, noting "numerous anomalies" and a departure from the principle of taking only surplus or unproductive land.

A quarter of former Rhodesian prime minister Ian Smith's 2 000ha Gwenoro ranch outside Gweru has been taken.

Kermanshah, the 700ha former home of novelist Doris Lessing, is listed in the Banket area 80km north of Harare. In her recently published autobiography, Lessing said the farm proved unviable when her father, Alfred (Michael) Taylor, sold it. The coffee farm in the eastern Vumba Mountains in which she inherited a share from her late son, John Wisdom, was also designated.

The lists include a property near Harare of a prominent government official, Anne Knuth, but does not affect any politburo and cabinet members.

The Zimbabwe Independent said the lists were "vindictive" and represented "political score-settling". The Herald said they represented an overdue step in redistributing resources and alleviating rampant poverty.

Economist John Robertson said he feared farms would be reallocated to favoured persons in the ruling party without regard to agro-economics. He said the government appeared not to have considered the plight of up to 500 000 workers and their families.

Harvest of tears for the heirs of colonialism

Zimbabwe's white farmers face their most formidable threat, writes CHRIS BISHOP

(3b2) ST 23/11/97

JENNY GIBSON woke up on Thursday, her 46th birthday, to the news that she was to lose her home and livelihood.

Gibson sat stony-faced as officials of the Zimbabwean government told a farmers' meeting which of 1 700 properties were to be taken for resettlement.

"I was scared stiff. When they read out my farm I just felt sick. I couldn't move," she said.

For 50 years, Woodrow Farms in Darwendale, 45km north of Harare, belonged to the Gibson family. This week, at the stroke of a pen, it was gone.

Gibson has run the farm single-handedly for two years following her husband's death, surviving drought, government levies and striking farm workers.

As she celebrated her birthday in Harare in defiance, she said Zimbabwe's 4 000 farmers would be angry and confused.

Her 12 neighbours, including two black farmers, have been earmarked for resettlement. She fears that she will not be compensated for her 1 000ha of prime land. She has 30 days in which to lodge an appeal. If that fails, she has four months to pack up and leave.

Many farmers broke down in tears at the announcement. Others charged angrily into their banks, throwing their farm keys at tellers. Craig Hughes, a tobacco farmer from central Zimbabwe, whose farm was not named, said: "Many of my neighbours are going to be destitute. Despite the fact the government promised to take only from those who have got more than one farm, many of those designated have got nothing else. They will probably end up leaving the country."

The Commercial Farmers' Union has refused to comment, but its members are organising to fight the land-grab in the courts.

Peta Beattie, whose family has farmed cattle and tobacco in the Darwendale region for three generations, said: "We agree with the principle of redistributing land, but is this the right way? People need to be fairly paid and we don't know if this is going to happen."

Most of Zimbabwe's farmed land was acquired from the 1890s onwards by the colonialists at nominal costs. It was often the practice for the prospective farmer to ride for a full day from a given point designated by the colonial agents.

When he came to the end of his ride, he would mark the boundary of his farm, which would stretch roughly in a circle or square.

Most of the indigenous population was crowded into reserves and often asked to pay taxes to the colonial government, which they could raise only by working for white farmers.

About 4 000 white farmers now own one-third of the country's agricultural land. Their farms are one of the few vibrant areas of the economy but their presence and success are a niggling reminder of the colonial past.

With the economy in disarray, President Robert Mugabe faces mounting pressure for action from over 100 000 black families and 50 000 former guerrillas.

At last month's Commonwealth summit in Edinburgh, Mugabe demanded that, as the former colonial power, Britain should pay compensation. But Britain has made clear it will not fund any plan unless it is clearly linked to poverty relief.

Despite Thursday's panic, a few farmers believe the latest announcements may prove to be nothing more than government rhetoric. The next few months will provide the answer. —

Zimbabwe insists on UK cash

(362)

Pay for farm grab, says Mugabe's government, because we won't

Star 2/12/97

By Andrew Meldrum
Star Foreign Service, Harare

The Zimbabwean government still insists that Britain should fund its land nationalisation drive.

Zimbabwe Agriculture Minister Kumbirai Kangai repeated yesterday that Britain and other Western donors should pay for the government's compulsory acquisition of 5 million hectares of privately owned farms.

The British government last month refused to fund the seizures, saying they were not carefully planned and would not alleviate poverty.

"The British are free to say what they like," retorted Kangai.

"But what I am stating is historical fact. At the Lancaster House talks in 1979 there was an undertaking by Britain, the United States and the European Union that they would supply funds for land acquisition and resettlement."

He insisted that those countries remained obligated to pay for Zimbabwe's radical land redistribution.

"Those are Britain's previous commitments," said an adamant Kangai.

"If they don't want to honour them now, then we will go ahead. We will not let our land programme founder."

Lancaster House in London was where Britain hosted the negotiations which ended the long-running war of blacks against whites in Rhodesia and brought about majority-ruled Zimbabwe.

Although there was talk of a large fund to redistribute land that colonial whites had seized from blacks, there was no written agreement.

In 1980 Britain granted newly independent Zimbabwe R240-million which funded the resettlement of 70 000 families on 3 million hectares of land. But that did not resolve Zimbabwe's land question.

Today about 4 500 large-scale, mostly white, farmers control 10 million hectares of land, while more than 7 million black peasants eke out an existence on about slightly more land.

Last week the government published a list of 1 500 farms that it intended to nationalise for redistribution to peasant farmers and to wealthy blacks who will take over some choice plantations.

"When we say we are going to do something, we mean it," said Kangai. It's going to be a revolution."

When asked if the government would be satisfied with 5 million hectares, he said: "This is enough for the time being and we will see about the rest as time goes on."

Kangai said the owners, mostly white commercial farmers, of the farms gazetted on Friday for resettlement had until December 28 to appeal.

"We will give the farmer an opportunity to harvest. We hope by July, August to have completed the legal processes and from August on we will start allocating the land," Kangai told a news conference.

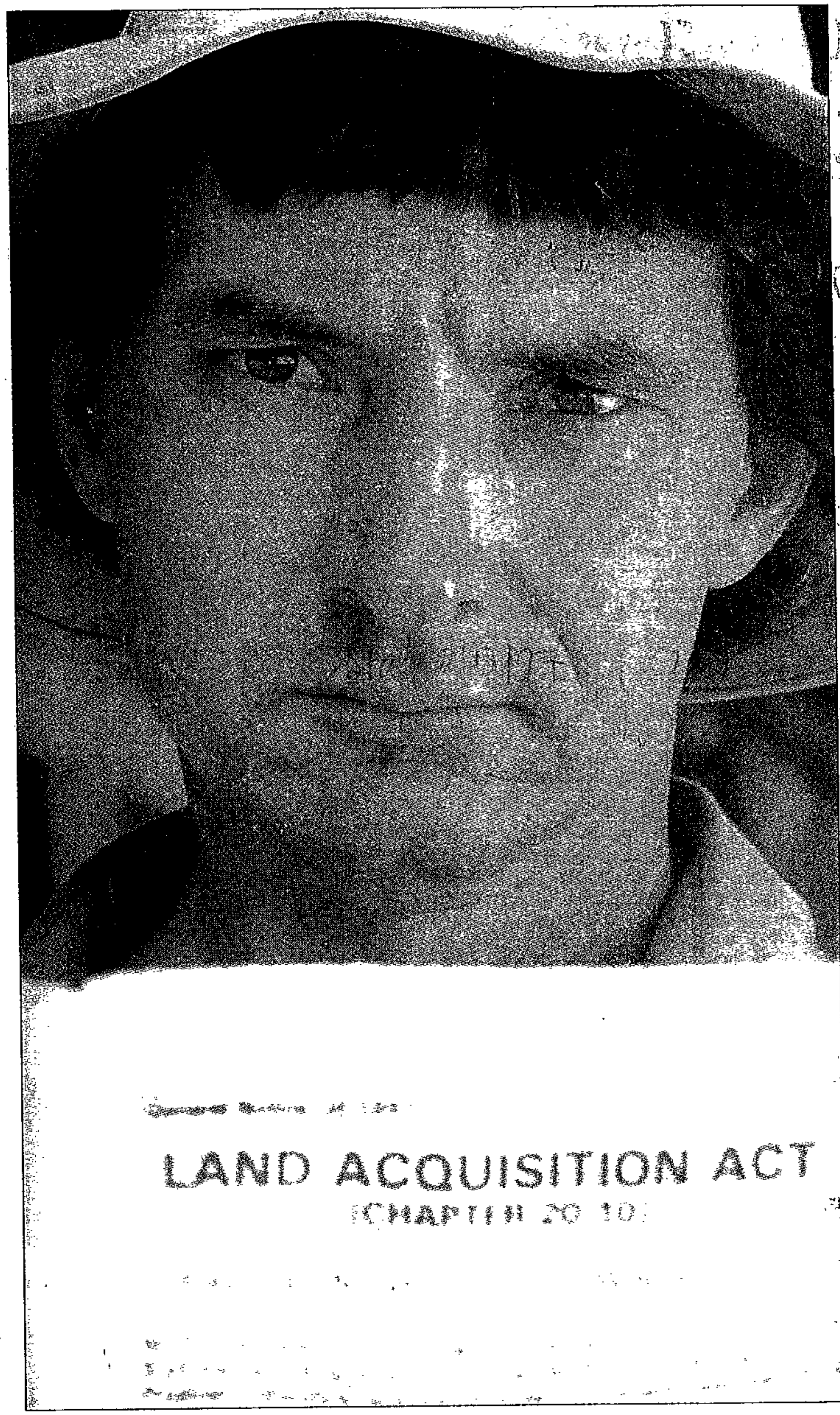
When asked how the government would prevent corruption from distorting the redistribution of the land, he responded: "If we hesitate for fear of corruption, then nothing will be accomplished."

Although it is widely agreed that Zimbabwe badly needs thorough land reform, economists warn that the way the Mugabe government is doing it will spell economic ruin.

It is estimated the nationalisation will reduce Zimbabwe's agricultural productivity by R1,7-million next year and that 125 000 workers will lose their jobs. Export crops will be reduced, especially tobacco, which is Zimbabwe's largest single foreign exchange earner with sales of R1,7-billion this year.

It is conservatively estimated that the land action will cause Zimbabwe's gross domestic product to decline by 10% for three years running. Badly needed foreign investment is expected to be frightened off by the land issue.

HOWARD BURDITT / REUTERS



Heritage lost ... cattle and game rancher Colin Bristow looks at the list of farms designated for compulsory acquisition. His 33 000 hectares of land were earmarked for handing over to landless peasants. The government has stated it will not pay for the land, because it was taken during the colonial era, but will pay for capital improvements made to the1 503 mainly white-owned farms listed.

Mark McNulty's family land to be seized

Harare – When Zimbabwean golfer Mark McNulty received his prize for coming second in the Zimbabwe Open, he said he was disappointed.

It was not that McNulty was a sore loser, to fellow Zimbabwean Nick Price, but he wanted to publicly express his unhappiness that the government is going to seize his family's farm in the Chakari district.

"I am disheartened after what I have done for this country by representing it in a number of international tournaments," said McNulty, to applause from about 3 000 golf fans.

He said he learnt with sadness on arrival in Zimbabwe last week that the farm where his family had lived for 44 years had been listed for nationalisation by the government.

"I am feeling disheartened after what I've done for Zimbabwe"

Other famous people whose lands are to be nationalised include former Rhodesian prime minister Ian Smith, Anglo American chief Nicky Oppenheimer and acclaimed author Doris Lessing.

But it is not only whites whose land is being taken. Anne Knuth, a Zimbabwean woman who married a Danish man and who works for the ministry of information, found that her 50ha smallholding outside Harare is on the list.

Simukai, a co-operative of black ex-combatants, found their productive farm is also listed. – Star Foreign Service

Cottco listing draws 'fair' interest

BD 2/12/97 (362)

Martin Rushmere

HARARE — Cottco, which processes most of Zimbabwe's cotton crop and recently became the second parastatal to be privatised in the country, was listed on the stock exchange yesterday.

It traded at Z$1,10 a share to give it a market capitalisation of Z$827m. Dealers reported "fair interest" yesterday afternoon, by which stage 110 000 of the 752-million shares had been traded.

Cottco's entry as the 67th quoted industrial counter is the end of a tortuous route to get round government's resistance to privatised parastatals being listed on the exchange. Says one of the sponsoring brokers: "Mugabe has said before that he sees the exchange as a rich white man's club and that when parastatals are privatised they must be sold in some other way."

As with the first privatisation, of milk producer Dairibord, shares were sold in defined blocks to specific groups. Small-scale growers received 20% in a private sale, along with 10% for large-scale growers, and 5% for employees.

In a public offer, 10% was "offered" to the National Investment Trust (a government agency that is meant to hold shares for later sale in instalments to poor blacks), 15% to the public, 15% to institutions, while the government kept 25%.

Last week shareholders voted for the company to be listed. The government did not use its 25% to block the move.

The method of privatisation has been hailed by government as proof of its drive to allow individual blacks to hold shares in former parastatals. But some buyers must be wondering about the benefits of capitalism as the price of subsequent trades until today has been below that of the original issue, with buyers previously offering only Z$0,80. This was seen, however, as a reflection of investor nervousness about agriculture in general because of drought and commercial farm acquisition.

Brokers point out that fears about the effect of designation on cotton are largely misplaced as this year commercial farmers are expected to produce only 30% of the national crop of 280 000 tons. Peasant production makes up 70%.

Cottco processes 80% of the country's crop and exports 70% of its output, with the European Union accounting for more than half, and the Far East taking up 28%.

For the financial year to the end of December 1996 the company made a net profit of Z$71m and expects to increase this to Z$113m this year.

Meanwhile, Dairibord is trading at 70c above its original issue price of Z$1,20 a share. Analysts say that in the light of economic uncertainty in Zimbabwe, Cottco's price is unlikely to rise much over the next few weeks.

Agricultural shares on the stock exchange have been worst hit by fears of drought and land takeovers.

Reuter reported earlier that Cottco believed its growth prospects had been boosted by recent rains in most major cotton growing areas.

Mugabe's nephew takes a majority stake in pipe factory

(362)

Martin Rushmere

BD 2/12/97

HARARE — President Robert Mugabe's nephew Leo has obtained another slice of the private sector with the acquisition of one of only two steel pipe fabrication plants in Zimbabwe.

His purchase of Industrial Steel & Pipe, once owned by Stewarts & Lloyd's of SA, appears to have ended a wrangle over ownership of the company, said to have assets of about Z$100m.

Now that the problem has been resolved, Mugabe, through one of his companies, Temisa Holdings, will be taking a majority stake.

Leo Mugabe has become part of several deals of national importance. Another company he owns, Air Harbour Technologies, caused an uproar in parliament when it won the tender to build a new airport in Harare. His bid was only the fourth-highest and the award to ADP of France was cancelled. Parliament refused to ratify the tender and had to be brought to heel by threats from government ministers that MPs would be stripped of all they owned.

Mugabe is also a key figure in the new cellphone system and is one of the main shareholders in the country's first privately owned television station.

Hanekom criticises land usurpation in Zimbabwe

BD 2/12/97 (362)

Louise Cook

LAND and Agriculture Minister Derek Hanekom condemned the takeover of 1 500 farms by the Zimbabwean government, but said yesterday there was a "world of difference" between that situation and SA's land reform policies.

SA banks involved in farm finance confirmed the takeovers could put banks in Zimbabwe out of business, saying the crisis made it even more imperative that land reform in SA was based on "sound long-term planning, order and real strategic orientation".

Agricultural economic analysts backed by land affairs director-general Geoff Budlender warned that unless local role players helped make government's land reform policies succeed, there was a "real risk" of SA going the same way as Zimbabwe.

Zimbabwean President Robert Mugabe on Friday published a list of 1 503 properties for takeover by the government — a move said to threaten 37% of Zimbabwe's Z$14bn-a-year farm production and to plunge Zimbabwean banks into a major crisis.

The takeovers hit two of Zimbabwe's biggest foreign investors — Anglo American and Lonrho — as well as family properties belonging to SA's Oppenheimer family and prominent Zimbabweans such as former Rhodesian prime minister Ian Smith.

Hanekom said there was no justification for Mugabe's move. But he warned that another SA government could well take more "radical measures" towards land reform.

Hanekom appealed to local farmers to support government's land reform programmes based on free market principles and a "willing buyer-willing seller" scenario.

This view was backed by Budlender and farm economic analyst Johan Willemse, who said it was vital role players co-operated with government.

Willemse warned that the present events in Zimbabwe were of direct importance to every South African and property owner.

"It shows clearly the dangers and instability caused by empty political promises," he said.

"The future will be determined by the degree of SA's economic growth, job creation, land reform and the settlement of new land owners.

"Political promises that come to nothing, spiralling poverty and a relatively unsuccessful land reform programme over the past 15 years are all part of the Zimbabwean problem," Willemse said.

Unconfirmed reports said Zimbabwean banks were plunged into chaos because of Mugabe's intention to pay landowners only for improvements they had made to the land, a move that would lose banks billions of Zimbabwean dollars on bonded properties.

Indications were that about 60% of industries in the country would also be hit directly or indirectly by the planned land reform package, and that it would cost the country Z$3,5bn-Z$7bn to pay compensation for infrastructure and improvements made to the land.

Absa Bank agricultural division chief Andre Louw confirmed that banks would be heavily exposed.

"They will lose all confidence because, without compensation for the land, they effectively have no form of security," he said. "The lack of investors' confidence is central to the Zimbabwean situation."

See Page 11

Dispossessed farmers may harvest

BD 2/12/97 (3b2)

Michael Hartnack

HARARE — Owners of 1 503 farms targeted for takeover would be allowed to harvest crops in April and May next year before having to make way for new "indigenous" commercial farmers, Zimbabwe Lands and Agriculture Minister Kumbirai Kangai said yesterday.

He told reporters that he expected farmers who had already planted crops to be allowed to harvest and that the first new settlers would move in by August next year. However, the process might take longer to be completed on all 1 503 properties.

Only Zimbabwe's banks could judge their position on mortgage debts owed by commercial farmers whose tenure was now in doubt, he said.

Finance experts fear disruption of the local financial market if banks are left with worthless deeds as security.

Kangai vowed speedy implementation of the plan to take over the farms, totalling nearly 5-million hectares. "We are not talking. We mean business. It is going to be a revolution."

Asked how government would pay for the land with a Z$6bn free market value, Kangai referred questioners to pledges he alleged Britain and other western countries gave at the 1979 Lancaster House conference. However, British Prime Minister Tony Blair has refused further assistance for resettlement in the absence of a "transparent" reform programme assisting poverty alleviation and compensating evicted owners on a "willing seller" basis.

Challenged about past reallocation to cabinet ministers of farms supposed to be subdivided for the 8-million occupants of the 20-million hectare communal lands, Kangai said: "If you are going to hesitate or fear to implement programmes because there will be corruption, I do not know what country will implement any programme."

At Sunday's conclusion of the Zimbabwe Open Golf Tournament, second-placed Mark McNulty said he had been "disheartened" by the targeting of his family home for the past 44 years. He said in an off-the-cuff statement before 3 000 spectators: "It will be difficult to return in future to the land which has taken away my birthright."

Kangai said within four years, black settlers would be able to restore productivity levels to what they had been under previous owners.

The Commercial Farmers' Union estimates at least 37% of farm production will be disrupted by the takeovers.

Retired high court judge and leader of the Forum opposition party, Washington Sansole, said Mugabe was not reforming land but "nationalising 1 503 businesses". Sansole, whose party won 19% of the vote but failed to capture any seats in the1995 elections, accused Mugabe of undermining Zimbabwe's international position. "The whole story is clearly a disaster we should not inflict on ourselves," he said.

Zim govt taking my birthright — McNulty

(362) CT 29/12/97

HARARE: Zimbabwean professional golfer Mark McNulty used the prize-giving ceremony at the Zimbabwe Open to express his unhappiness at government plans to nationalise his family farm, media reports said yesterday.

The world-class golfer said he was saddened by the news that his family farm, Chikale, in the northern Centenary district had been put on the list of 1 500 mainly white-owned farms to be confiscated for distribution among black Zimbabweans.

The state-controlled Herald newspaper reported that McNulty said he had always been proud to play for Zimbabwe, but was "disheartened" by the possible loss of the farm his family had lived on for 44 years.

McNulty said it would be difficult in future to return to the country which had taken away his birthright.

His statement was greeted with applause from the audience of some 3 000 gathered at the 18th hole at Chapman golf course in Harare for the prize-giving ceremony on Sunday. McNulty, the defending champion, was runner up to fellow-Zimbabwean Nicky Price.

Family friends said the farm Chikale was the only one owned by McNulty's step-father, Mr Vernon Price, and was highly productive. The government had earlier promised commercial farmers they would leave productive farms alone, as well as single units which were farmers' sole property. — Independent Foreign Service

FARMS AWAY *Kumbirai Kangai, Zimbabwe's minister of agriculture, reaffirms the decision to acquire 1 503 white-owned farms* PHOTO: REUTER

Grassroots praise for land plan

(3b2) CT (BR) 3/12/97

CRIS CHINAKA

Harare — Zimbabwean President Robert Mugabe's ruling party opens an annual general conference today where it will drum up support for plans to seize white-owned commercial farms for a peasant resettlement scheme.

Nathan Shamuyarira, the spokesman for Mugabe's Zanu-PF party and the industry and commerce minister, said the four-day conference in Mutare would be attended by about 6 000 delegates and would focus on land reforms, the economy and ways to rejuvenate the party, regarded by some members as lethargic.

Last Friday the Zimbabwean government gazetted a list of 1 503 farms which it had earmarked for compulsory purchase from mainly white commercial farmers to resettle thousands of black peasants.

The move has been condemned by industry and economic analysts, who say it will hurt the country's fragile economy.

But Shamuyarira told state media the land reforms enjoyed tremendous support in rural Zimbabwe, where overcrowded peasants had been the backbone of Mugabe's 17-year rule.

The mainly white Commercial Farmers' Union argues there is no need to acquire farms forcibly because there is enough land on the open market, but the government says it is a matter of national pride and sovereignty to get the land. — Reuter

ZIMBABWE *Economic growth under threat*

Unions, industry protest tax levels

CT (BR) 3/12/97 (362)

GODFREY MUTIZWA

Harare — Zimbabwe's Congress of Trade Unions was gathering support against the government's latest round of tax increases, Morgan Tsvangirai, its secretary-general, said yesterday.

"There is national consensus on the need to organise a protest of this nature," said Tsvangirai. "The general council will hold a meeting on the issue on Saturday."

The government, under pressure to raise Z$4 billion (about R11,6 billion) to pay compensation to independence war veterans, increased sales tax to 17,5 percent from 15 percent on Monday. It also doubled the electricity tax to 10 percent and announced a 5 percent war veterans' levy to be paid by all taxpayers from April 1998.

Economists described the measures as inflationary and certain to further damage economic growth. The tax increases come less than three weeks after a collapse in the Zimbabwe dollar on November 14.

On Tuesday the Confederation of Zimbabwe Industries (CZI) added its weight to calls that the government is damaging the economy, saying the taxes would overburden already demoralised industry.

"The rate at which the business environment is worsening has picked up pace over the last three weeks," said Jonee Blanchfield, the CZI president.

"These measures will seriously undermine exports, and in many cases it will be the further demise of some hard-won export markets, where our margins were borderline and impossible to regain in a competitive world," she added.

The government has revised its estimate of 1997 economic growth from over 5 percent to under 4 percent, following poor prices for the key tobacco crop, low international mineral prices and the worsening macroeconomic environment.

Private economists are forecasting growth of 2,5 percent this year and zero growth next year, owing to a forecast drought and a projected one-third drop in farm production as a result of the government's controversial land reforms.

The government has not answered the attacks. — Reuter

Zimbabwe to review illegal land distribution to officials

BD 4/12/97 (362)

HARARE — In an effort to placate angry white farmers, the ruling party's politburo had agreed to review alleged illegal distribution of state-owned land to top government officials, the Herald newspaper reported yesterday.

The review was expected to be presented at a ruling party conference that started yesterday in the eastern town of Mutare. Mugabe planned to address the conference tomorrow.

The government announced last week it would press ahead with plans to seize 1 503 farms and hand them over to landless black peasants. The government has said it would not pay the owners for the land, but it would pay for improvements on the land. It said the land was illegally seized during the colonial era.

Nearly 12-million acres have been targeted for takeover, or about a third of the nation's land. About 8-million peasants live on another third. The remainder of the land comprises nature parks and infertile regions.

Independent newspapers have reported that much of the 3-million acres taken over since 1980 for resettlement of peasants has been given to prominent establishment figures. The benefactors included former agriculture minister Witness Mangwende, who drew up the 1992 Land Seizure Act. Mangwende received a 3 000-acre estate east of Harare that was intended for the resettlement of 18 peasant families.

Since independence in 1980 the government has bought more than 1 800 farms under "willing seller-willing buyer" deals partly funded by Britain. However, Britain refuses to continue funding the takeovers because the government intends to seize the farms regardless of whether the owners are willing to sell or not.

On Monday Agriculture Minister Kumbirai Kangai said the first farms would be seized by the end of summer, to allow farmers to harvest their crops. Mugabe's nephew Leo Mugabe's farm in the Makonde district of Mashonaland West was one of those targeted.

Kangai says farms designated for redistribution include those bordering communal lands, derelict or underutilised land, properties belonging to absentee landlords or farms belonging to landlords with more than one farm.

Meanwhile, members of the Zimbabwe Municipal Workers' Union were yesterday still on strike after the city council's failure to honour its promise to award them housing and education allowances. The strike began on Tuesday.

Union acting chairman Kenneth Mutesva said the council cited cash flow problems when it reneged on its earlier promise to award them the allowances with effect from next month.

A letter from the mayor, dated November 21, indicated the allowances would be paid in July. The letter said the finances was expected to have improved by then, a move that riled workers. — Sapa-AP.

ZIMBABWE

(360)

CT (BR) 4/12/97

Shares slip further as new taxes imposed

Zimbabwean shares slipped further yesterday under the weight of poor sentiment stemming from unpopular government moves to raise additional revenue, brokers said.

The key industrial index, which dropped almost 14 percent last month, dropped a further 1,8 percent, or 102,89 points, to close the day at a one-year low of 8665,76. Mining stocks were similarly affected, with the seven-share index giving up 1,7 percent, or 9,44 points, to end at 535,76 after losses in nickel producer Bindura, which eased 10c to Z$400, and gold miner Rio Tinto, down 50c to Z$1 000.

"There is more bad news coming if (Zimbabwe Congress of Trade Unions secretary-general Morgan) Tsvangirai brings people into the streets next week," said one broker, referring to the labour leader's plans to stage protests against new government taxes imposed from Monday. "Right now there are no buyers and there are very few sellers in this market." — *Reuter, Harare*

Zimbabwe unions plan tax protest

GODFREY MUTIZWA

(362)

GJ (BR) 11/12/97

Harare — Zimbabwe's Congress of Trade Unions is gathering support to protest against the government's latest round of tax increases, Morgan Tsvangirai, the secretary-general of the congress, said this week.

"There is national consensus on the need to organise a protest of this nature," said Tsvangirai. "The general council will hold a meeting about it on Saturday."

The government, under pressure to come up with the Z$4 billion needed to pay compensation to independence war veterans, increased sales tax to 17,5 percent from 15 percent from Monday. It also doubled the electricity tax to 10 percent and announced a 5 percent war veterans' levy to be paid by all taxpayers from April.

Economists have described the measures as inflationary and certain to further damage economic growth. The tax increases come less than three weeks after a collapse in the Zimbabwe dollar on November 14.

On Tuesday the Confederation of Zimbabwe Industries added its weight to calls that the government was damaging the economy, saying the taxes would overburden already demoralised industry.

"The rate at which the business environment is worsening has picked up over the past three weeks," said Jonee Blanchfield, the president of the confederation. "These measures will seriously undermine exports and in many cases it will be the further demise of some hard-won export markets where our margins were borderline and impossible to regain in a competitive world."

The government has revised its estimate of 1997 economic growth from more than 5 percent to less than 4 percent following poor prices for the key tobacco crop, low international mineral prices and the worsening macroeconomic environment.

Private economists are forecasting growth of 2,5 percent this year and zero growth next year, owing to a predicted drought and a projected one-third drop in farm production because of the controversial land reforms.

A letter to the semi-official Herald newspaper this week summed up the feeling of despondency that has set in among many workers. "When will government's incessant demands on our pockets and our morale be satisfied?", asked the letter signed by Demoralised and Broke. — Reuter

ZIMBABWE

Captain Bob beams up into the Twilight Zone

Mugabe has run out of ideas. He has picked land reform as a short-term winner to revive his government's tired image

(362)

FM 5/12/97

Julius Nyerere, Nelson Mandela and most recently Botswana's Ketumile Masire have set a pattern for southern African presidents — stepping down when they sensed it was time to go. Malawi's Hastings Banda and Zambia's Kenneth Kaunda outstayed their welcome and were thrown out.

Robert Mugabe (73) is in the twilight zone; he still has five years before the next poll, implying that he is nearing the end of his stint in power.

Yet there is no obvious pressure on him to go, no political opposition worthy of the name, no obvious successor. Nor has he given the slightest indication of any willingness to retire. He remains as energetic as ever, towering over his party, held in awe by senior members of Cabinet.

But after 18 years in office, the tide is turning: criticism of him and his coterie, the majority of whom have been in the administration since 1980, is more open and outspoken than ever before. Twice in the past six months, his backbench MPs have turned against him — over the airport contract scandal, in which his nephew was awarded a lucrative contract, and over the decision, on IMF instructions, to raise taxes to finance part of the Z$4bn (US$275m) war veterans' compensation package.

No doubt they will be whipped into line and approve the minibudget next week, though possibly only if Finance Minister Herbert Murerwa is prepared to compromise and abandon the 5% surcharge on personal income tax while retaining the company tax levy.

Ministers shrug off the threat by the Zimbabwe Congress of Trade Unions to call a national strike to oppose the tax hikes. But after several months in which demonstrations, first by ex-combatants and then by workers in industry, mining and agriculture, turned violent, the popular mood has soured.

That people are fed up is hardly surprising. Just as it was in the days of Rhodesia, Zimbabwe is a two-nation society of haves and have-nots. Most of the less-than 90 000 whites are in the first category, along with a growing black elite: the politicians; professionals in medicine, law, accounting or engineering; top civil servants; public corporations bosses; and a burgeoning group of "indigenous" business people.

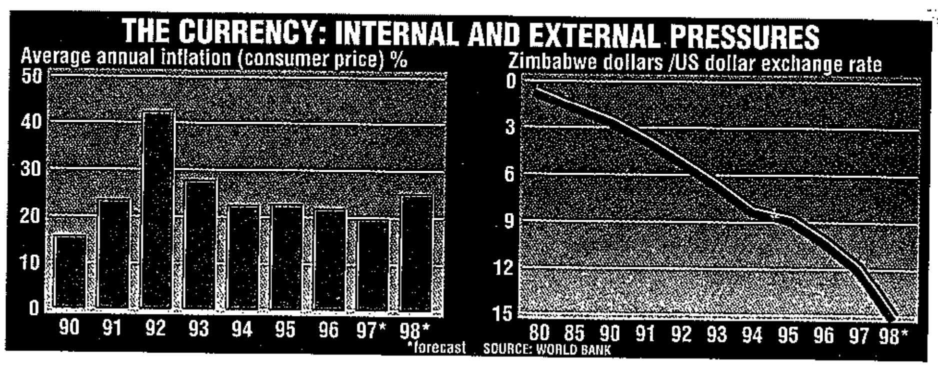
But for the man in the street, the farm employee and the peasant farmer in the rural areas, the fruits of independence have been meagre. Average real wages have fallen by a third since 1990 and are now back to their levels of the Sixties. Unemployment, estimated at 8% in the early Eighties, is now conservatively put at 25%. Per capita incomes are scarcely above their 1980 levels and lower than in 1975, while inflation has averaged 25% since 1991 and is set to increase sharply in 1998, notwithstanding ministerial claims of single-digit price rises by the end of the year.

The government's proud record of increased social spending in the early Eighties has been turned on its head. The share of education and health in GDP fell from 7% at independence in 1980 and a peak of over 9% in the late Eighties to below 6% last year. Medical expenses have more than quadrupled in four years while education costs for parents have doubled.

This is emphatically not what the people were promised at independence — houses, schools, clinics and hospitals and above all jobs and land.

After the failure of "socialist transformation" to deliver the promised Utopia and the collapse of most of Mugabe's role models in eastern Europe, Zimbabwe was hustled into a World Bank-designed structural adjustment programme in 1991.

The results have been disappointing, falling well short of the modest targets of 5% annual GDP growth, lower inflation, a budget deficit of 5% of GDP by 1995 and sweeping policy and institutional reforms. Per capita incomes have fallen, the tax burden remains intolerably high — and will



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increase again next year — the budget deficit target was missed by a wide margin, while a lax monetary policy contributed to rapid inflation and a depreciating, though still overvalued, Zimbabwe dollar.

The reform programme had its pluses — trade and payments liberalisation, a friendlier investment climate, the abolition of price, import and most interest rate controls, and most recently a stuttering start to privatisation.

But the crucial difference between Ghana, Uganda, even Zambia, and a structurally sounder Zimbabwe is caught by one word: leadership.

Whereas Jerry Rawlings in Ghana and Yoweri Museveni in Uganda have led reform from the front, Mugabe has had to be cajoled and massaged down the reform path by business, Western governments and the IMF and World Bank promising aid and soft loans. Getting old Marxist dogs to embrace new economic tricks is not easy.

The failure — first of Mugabe's quasi-Marxism and subsequently of half-baked reform — has left Zimbabwe in no-man's-land. It is more than two years since the first reform programme petered out and 18 months since a draft second programme for economic and social transformation (Zimprest) was prepared. A final plan is due to be approved by Cabinet any day now, but meanwhile politics has taken control.

Warned last week by the white-dominated Commercial Farmers Union (CFU) that his plan to take over almost half of the country's commercially farmed land (5,3m ha), would have devastating economic repercussions, Mugabe responded that the move was political, not economic. The CFU calculates that commercial farm output and exports will plunge almost 40% and nearly 150 000 jobs (10% of formal sector employment) will be lost.

That there is a compelling political — and social — case for land redistribution is beyond dispute. It's a matter of how and when, not whether. However, the farmers are right to warn of the economic consequences of a rushed, unplanned, incoherent, and most of all underfunded, programme.

In 1982 Harare promised to resettle 162 000 families by 1985. Fifteen years later less than half that number has been resettled; tracts of expensively purchased former white-owned land lie idle; many of the resettlement areas are underutilised, while 400 000 ha set aside for resettlement remain untouched.

Julius Nyerere

These are failures of policy and politicians, not politics. Resettlement is just one of many casualties — health, education, telecoms, the railways, oil procurement, policing — where the State has performed abysmally. Underfunding has been a major factor, but so also has weak management, non-existent planning and misplaced priorities that have put Mugabe's tireless pursuit of the political kingdom before economics.

Kenneth Kaunda

In making land the vehicle for reviving the tired, tarnished image of his government, he has picked a short-term winner. It is a popular strategy that literally no-one dare oppose in principle. But successful resettlement is about logistics and funding rather than just the desire to build a more equitable society. Mugabe's history in politics illustrates that it is one thing to promise, but quite another to deliver.

Land redistribution is not mission impossible, but if it is to be done by seizing land without proper compensation, and without the money to invest in subdivision, fencing, sewerage, roads and dams, marketing, credit and extension facilities, it will fail. Not only that, but land nationalisation without proper compensation will torpedo Zimbabwe's fast-receding prospects of attracting foreign investment. A further consequence is that the banks — to whom commercial farmers owe upwards of US$400m — will be undermined.

Though agriculture accounts for only 17% of GDP, its linkages with the rest of the economy, especially manufacturing and banking, are extensive. So important is agriculture that GDP seldom increases significantly in a drought year. It may be that thousands of resettled peasant farmers will eventually replace most, if not all, of the output lost by dispossessed commercial growers. But eventually could be a long time and the transitional impact could be a drop of 10% or more in GDP, not to mention much-reduced employment and exports.

There is a nonconfrontational way forward that would be supported by donors and the World Bank, and that would meet many of the concerns of agriculture, business, potential investors and the white community. But because it would be gradual and transparent it might well undercut the short-term political gains Mugabe is so anxious to exploit.

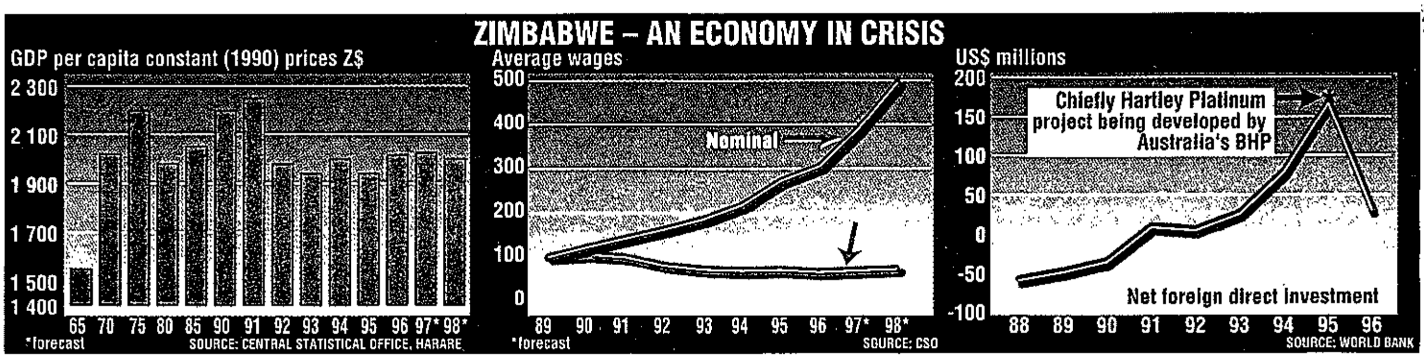
There are two lessons in this for SA: politicians neglect land redistribution at their peril, while populist leaders (witnessing Mugabe's resurgent popularity derived by a headline-grabbing land nationalisation programme), could see this as a way to win votes in 1999.

Mugabe must know that there can be no going back to the command economy of the Eighties, but he must also know that economic reform will not — cannot — succeed without substantial foreign private investment. In weeks he has managed to transform Zimbabwe from one of sub-Saharan Africa's more promising investment locations to one of its least attractive.

The race card will win tumultuous applause at this week's party congress and votes at the next election, but it is destroying business and investor confidence and undermining the economy.

Mugabe has run out of ideas and after 18 years of failing to deliver, it is time to do a Masire.

Special Correspondent



Harare looks back on 100 years of growth, division and achievement

Star 5/12/97 (36a)

From 2 000 people to 1,5 million, from shacks to a high-rise metropolis, from wars to peace

BY BRIAN MOYO
Harare

From a small colonial fort and trading settlement dotted with shacks, and a population of about 2 000 people in 1897, Zimbabwe's capital city Harare has blossomed into a metropolis with a population of 1,5 million, 100 years later.

Because of this tremendous development and growth, Harare had good reason to celebrate 100 years of existence last month.

Part of the celebrations involved looking at the city in the next millennium. Reminiscing on Harare's colonial past current mayor of Harare Solo-mon Tawengwa said: "Today is a different situation altogether and Harare is a proud multiracial metropolis."

The centenary bash kicked off with hundreds of residents sweeping the streets and planting trees in their wards. Traditional healers, spirit mediums and chiefs held an all-night "bira" (traditional ceremony) at Coronation Park at the former ancestral prayer site.

They prayed for protection from evil spirits and other ills as they did during the liberation struggle. The original settlement at what is now Africa Unity Square is where the Pioneer Column of the British South Africa Company established Fort Salisbury in September 1890. The settlement was later renamed Salisbury and subsequently Harare was established.

The tents pitched around the fort soon gave way to rondavels constructed of poles, mud and thatch. By 1892, these were being replaced by brick buildings, and with the advent of the railway to Beira in 1899, came cast iron and more skilled builders.

The marshy land along what is now Julius Nyerere Way, was then drained and developed. The city did not follow the typical organic African forms of other cities, but adopted a European style grid pattern. Africans had to live outside the city in a separate location named Harari, now Mbare. Settler occupation exacerbated by oppressive laws, led to the first Chimurenga War of 1896 in which the Ndebele and Shona were defeated.

Salisbury Municipality was established in 1897 and then followed a lull in development of the city until the building boom of 1910-1911. The city had its first assured water supply in 1913 with the building of Cleveland dam.

Technical innovations were seen in the 1920s with, for example, the introduction of the lift and reinforced concrete framed buildings. During the 1930s, a water and sewerage system was constructed and water supply further developed.

All-night 'hira' on an ancient prayer site

By 1935 Salisbury had been elevated to city status. The period of Federation 1953-1963 saw significant development of the city centre with many large office blocks. There was very little new development during the 1970s especially in the latter years of UDI and the Second Chimurenga War.

The 1980s and 1990s have seen the construction of many high-rise prestigious buildings which have transformed Harare's skyline.

Harare's historic buildings are covered by the National Museums and Monuments Act which offers a degree of protection only to those constructed before 1910.

New high-rise buildings now dominate the city, many more than 20 storeys. Horse and ox-drawn carriages and carts, bicycles and spoke-rimmed motor vehicles that ploughed through the dirt and mud streets during the early days of Harare, have now been replaced with a fleet of about 300 000 vehicles on modern streets and highways.

But some pensioners are not happy at all about the current status of Harare.

"It was a beautiful city with a breathtaking scenery with trees all over and a lot of clean, fresh air. But today, despite its modern image, it has deteriorated in many respects," said one.

"You can't drive through the city today without any major hassles, and there is a lot of pollution and the streets are full of people selling things like sweets and everything blocking the way. It was never designed for what it's put to now."

The oldest surviving building is Market Hall, built in 1893, which housed the first council offices. Today it is a people's market and has suffered some deterioration. The first mayor was William Fairbridge in 1897 when the town gained municipal status.

Solomon Tawengwa is the 70th mayor and there are 42 councillors compared to nine in 1897. Some people have noted that although blacks were not in control of the city's affairs until after independence, celebrating the centenary was part of history which cannot be ignored.

"For the first 83 years of its existence the municipality was a colonial instrument exclusively favouring whites while blacks were thrown out. They lived in townships and only came to the city to work.

"They were denied so many things, but all that is now history. It is because of reconciliation that we celebrate this event," said a former mayor of Harare. – Star Foreign Service/AIA

Trans Zambezi spreads its net around southern Africa

(362) BD 5/12/97

Claire Pickard-Cambridge

TRANS Zambezi Industries (TZI), one of Zimbabwe's largest conglomerates and which has interests in Zambia, Malawi, Botswana and SA, has increased profit attributable to shareholders 61% to $17,03m.

TZI, which will seek a listing on the Johannesburg Stock Exchange next year, reported its results in US dollars.

While turnover at TZI — which has operations spanning industry, food, distribution and financial services — more than doubled to $100m for the year to September, headline earnings a share increased 21% to $0,079.

Highlights singled out by TZI chairman Edwin Wulfsohn were the successful turnaround of paper and plastics manufacturer, Art Corporation, in Zimbabwe, and the "dramatic increase" in the liquidity of TZI shares through its February listing on the Zimbabwe Stock Exchange. This was done by launching the TZI Zimbabwe Depository Receipt, which allowed TZI to acquire for paper the minority interests in Art Corporation and battery manufacturer Chloride CA.

After-tax profit rose 42% to $18,6m.

TZI is also listed in Lusaka and Luxembourg, and more than 27% is held by investors on the three exchanges. TZI was incorporated in the Virgin Islands.

TZI holds 49% in Zimbabwe Express Airlines, which it said had consolidated its position as the country's principal privately owned commercial airline with improved load factors. However, fresh equity was being sought to fund this growth.

In the industrial division, the Kadoma paper mills were combined by rationalising group structure to save costs. Output reached record levels as efficiencies improved and fresh capacity for tissue product would come on stream next year.

Chloride Zimbabwe recovered to show strong profit growth following the introduction of partial anti-dumping tariffs against SA in January and improved factory efficiencies.

However, results from Chloride Zambia were disappointing with the long-promised countervailing duties against SA not forthcoming.

In the food and distribution division, Zambezi Ranching & Cropping in Zambia acquired vegetable and cut-flower producer Kalangwa Estates. TZI also bought a 75% stake in Agriflora, Zambia's largest exporter of horticultural products which sells vegetables to UK supermarkets and roses to European and SA markets.

Trading volumes improved sharply at the Metro Mega centre in Zimbabwe. The Massmart division of Wooltru SA became a full partner with TZI and the Peech family in October.

In the financial services division IGI in Zimbabwe and Madison Insurance in Zambia improved their results significantly. Initiatives were afoot to further develop Bard discount house.

Wulfsohn said TZI results reflected strong performance by management and a strategy of investing in growth industries. ~~But~~ TZI had not escaped the turbulence experienced recently in most emerging markets, he said.

Harare-based banks struggle to compete

(362)

Martin Rushmere

BD 5/12/97

HARARE — The Zimbabwe government's policy of pushing for greater black ownership of commercial banking has led to the establishment of more banks, but is also resulting in layoffs among some established players.

Finhold, the parent company of Zimbank (at one time a subsidiary of Nedcor) and the original vehicle for wresting control from the multinationals and white domination, is retrenching 20% of its staff.

In the past two years the number of commercial banks has doubled to eight, all black owned, and lending rates have been trimmed as competition for business has become keener. The new entrants, characterised by a few dozen staff operating out of one branch, have aggressively gone after business, putting pressure on the multibranch networks.

The 300 staff being laid off by Finhold are about the same number as the total amount employed by the newcomers, according to an assessment by one of the international banks.

Finhold has been going through a rough time recently and at the end of its last financial year was effectively bankrupt as liabilities exceeded assets by 10%. The Reserve Bank came to the rescue, buying Z$200m in bad debts for Z$150m and allowing a separate company to be set up to deal with bad debts. This was followed by a rights issue, with government reducing its 48% stake to 20%.

Some of the bad debts were a result of being forced to lend to less than rock-solid customers such as the ruling Zanu (PF) party but others were a consequence of the liberalisation of the banking sector and the need for more business.

Even Barclays has been caught in the squeeze and plans to lay off 20% of its staff. But while Barclays will be able to weather the storm, it is likely that some of the new entrants will have a brief day in the sun before succumbing to reality.

Asbestos mines seek help

BD 5/12/97 (362)

HARARE — One of Zimbabwe's top black-run companies, Africa Resources Limited (ARL), has sought government help to secure a $70m loan for its troubled asbestos mines, the independent Financial Gazette newspaper reported yesterday.

The paper said both the government and ARL officials confirmed the mines ministry was processing the application under an act passed seven years ago to assist distressed mining companies.

Neither government or company officials were immediately available for comment.

The article said that the company had retrenched up to 1 000 workers last month at its Shabanie and Mashaba mines, the country's sole asbestos producers in Zvishavane, southeastern Zimbabwe, as a result of poor world asbestos fibre prices.

ARL, whose interests have expanded to manufacturing and financial services, was established by Mutumwa Mawere, a former International Finance Corporation executive who took over the asbestos mines, Turnall Fibre Cement and Tube & Pipe Industries from Britain's Turner & Newell.

Mawere, who was unavailable for comment, told the Financial Gazette the loan was normal and would be used to fund the group's mining operations.

ARL has grown rapidly since its establishment last March.

The company now runs a number of medium-sized gold mines, a commercial bank, an insurance company, a leasing firm and a shipping concern. — Reuter.

El Niño expected to hit Zimbabwe jobs

CT (BR) 5/12/97 (362)

From Sapa

Harare — The El Niño weather phenomenon would result in numerous labour problems in Zimbabwe as many people were likely to lose their jobs, a labour official said yesterday.

Francis Dube, Matabeleland North principal labour relations officer in the ministry of public service, labour and social welfare, said employers and employees had to prepare themselves for the tough times ahead.

"While the ministry will strive to maintain good labour relations, we must appreciate and understand problems which would be brought by drought and we have to accept them," Dube said at the Edgars group long-service awards. He promised the ministry was working out strategies to prevent unfair dismissals.

Edward Makova, Edgars group managing director, said the imposition of a levy and taxes to finance war veterans' gratuities would erode customers' buying power, resulting in his group losing millions of dollars.

"We are disappointed by government's move, particularly at this time of the year. Effects of drought and these taxes will have an adverse bearing on the majority of Zimbabweans," he said.

The imposition of the levy and taxes meant the group had to work extra hard to achieve its budgeted levels, Makova said.

The government increased fuel prices by 20c a litre for petrol and diesel, doubled electricity tariffs from 5 to 10 percent and raised taxes by 2,5 percent to 17,5 percent with effect from December 1, to raise money to pay Z$50 000 gratuities and Z$2 000 monthly pensions to each of 50 000 ex-combatants.

It also plans to impose a war veterans' levy of 5 percent on income tax of all workers next year.

Zimbabwe halves its imports from Eskom

362

BD 5/12/97

Mike Hartnack

HARARE — Imports of power from SA's Eskom were halved from Monday when Zimbabwe's Electricity Supply Authority (Zesa) commissioned its link with the Mozambican Cahora Bassa hydroelectric power station, a Zesa spokesman said yesterday.

The Z$850m Songo-Bindura-Dema interconnector became commercially operational on Monday, giving Zimbabwe long-awaited access to Cahora Bassa, and making it less dependent on the more expensive Eskom power. A 25-year delay was caused by the Mozambican independence war.

Imports from Zambia and Zaire became temporarily unnecessary while only 159MW was needed from the Insukamini-Matimba interconnector with Eskom, said the spokesman.

Imports from Zambia and Zaire would resume when necessary, said the Zesa spokesman, but more than half Zimbabwe's external electricity supplies would in future come via the 420kV link with Cahora Bassa, which has more than 2 000MW total capacity. Mozambique itself consumes less than 10% of the turbines' output.

The spokesman did not disclose the comparative costs of electricity from Eskom and from Cahora Bassa but said the Mozambican source should suffice for the country's expanding needs until rehabilitation of the Hwange thermal power station was complete.

A controversial Z$500m contract with Malaysia's YTL consortium led to the sacking of the entire Zesa board in September 1996 when they protested at "lack of transparency" in the deal.

No start has yet been made by YTL which should upgrade Hwange by more than 660MW to 920MW and acquire a controlling interest in the plant currently valued at Z$6bn.

Meanwhile, Harare area manager for Zesa Stephen Pieron said the parastatal authority was owed Z$132m by customers in the capital alone. The Harare city council and the government had "reduced their debt considerably" but still owed more than Z$17m, he said.

Last year Zimbabwe's national parks were without electricity for months after Zesa cut them off for non-payment of bills. Hospitals and government schools have also been disconnected. "We have really tightened the screws on debt collection," said Pieron.

Kenyan President Daniel Arap Moi, centre, arrives at the Nairobi County Hall yesterday to register his official candidacy for the presidential election, which will be held on December 29. Picture: AP

Embattled Air Zimbabwe aims to rectify past errors

(362) BD 9/12/97

HARARE — Troubled Air Zimbabwe, currently entangled in a tug-of-war with its suspended MD Huttush Muringi, is reported to be heading for a loss which could run into millions of dollars this financial year.

Yet some observers are saying the national airline — which has experienced a string of operational and viability problems since its birth 17 years ago at independence — is now firmly on the recovery path.

Air Zimbabwe's woes and the predicted deficit are attributed to a combination of factors.

These include a series of industrial actions by its more than 1 600 workforce, costly aircraft hire and bungling by its board of directors.

Government investigators in the parastatals and state investments committee set up by parliament last year implored the government to appoint competent people to run the national airline.

Investigations found gross anomalies in the running of the corporation, chief among them being the dubious signing of a 10-year contract with a Dutch company for use of two Fokker 50 aircraft which were later found to be unsuitable and costly to the airline.

The committee also found irregularities within the management and administration implicating MD Muringi as chief culprit.

Events at Air Zimbabwe were bad for the promotion of tourism in the country, the committee said.

At present, the airline is paying both Muringi — who is on suspension — and its expatriate managing consultant Brendon Donohoe, who was engaged by the government to lift Air Zimbabwe out of its doldrums.

Commercialisation has been suggested for the airline, but newly-appointed transport minister Enos Chikowore says this is being disrupted by the management crisis.

Former transport minister Simon Moyo said there was no Zimbabwean suitably qualified to head Air Zimbabwe, hence the appointment of an expatriate for two years.

Air Zimbabwe has lost substantial revenue due to massive flight disruptions caused by arbitrary charters of the corporation's aircraft to take President Mugabe and his entourage on trips abroad, said a source close to the airline's operations.

Among remedial action planned is that leasing of aircraft is to be stopped, and nonstrategic partnerships cancelled, while handling facilities — which generate considerable revenue — are to be upgraded. — AIA.

Better tobacco crop expected

(362) BD 4/12/97

HARARE — Zimbabwean tobacco farmers were expected to raise production by more than 17% to 220-million kilograms in the 1997/98 season despite the government's controversial land plans, an industry official said yesterday.

Zimbabwe Tobacco Association (ZTA) public relations manager Lal Taylor said this season's flue-cured tobacco crop, planted under a cloud after the announcement of controversial government land-reform plans, had an ideal start — a deluge of rain and plenty of sunshine.

"It has been a perfect start and the crop is looking magnificent. We think we will be able to achieve 220-million kilograms," Taylor said.

Zimbabwean tobacco farmers sold 187,1-million kilograms produced in the 1996/97 season at an average price of $2,33/kg for total earnings of $436m — about 26,2% down on the about $591m earned from 201-million kilograms produced previously.

The 1996/97 crop, initially estimated at a record 250-million kilograms, was curtailed by excessive rain. Prices, which had averaged about $2,94 in 1995 declined on abundant supplies from other world producers.

Taylor said although the government list of 1 503 mainly white-owned commercial farms targeted for compulsory acquisition to resettle landless blacks from next August contained about 700 tobacco farms, this was unlikely to affect output.

Taylor said El Niño, the weather phenomenon forecast to hit southern Africa with a drought in the latter part of the season, was unlikely to affect production as large-scale farmers had enough water supplies.

Zimbabwe receives about 40% of its foreign exchange earnings from tobacco. — Reuter.

Mugabe tells white farmers not to appeal to the courts

Star 8/12/97 (362)

Mutare – Zimbabwean president Robert Mugabe has emphasised his government's determination to equitably redistribute land and warned white commercial farmers not to resort to legal action as it was not a court matter.

"We know some white commercial farmers would want to take the matter to court when their farms are designated, but this is not a matter for the courts to decide," he said at the weekend at the close of his Zanu-PF party's national conference in Mutare.

Mugabe also attacked the British press for publishing what he said were negative reports on the matter.

Equating the programme to "land grabbing" would not deter his government, he said.

"We are bringing a stop to colonialism. So go back to your homes and tell your people we are taking the land back," Mugabe told delegates. He believes land reform is a matter of national pride and sovereignty.

Meanwhile Zimbabwe's Catholic bishops urged Mugabe's government to ensure justice and fairness in its land-reform plans. The bishops said the government should set up a mechanism to resettle the landless and fairly compensate those farmers whose land will be seized.

They said the government should allow farmers whose properties are to be seized to appeal to the courts, adding: "No citizen can legally be prevented from appealing to the courts as neutral arbiter, whatever the issue."

The government plans to take 5,5 million hectares, about half the country's prime commercial farmland, mainly from white farmers.

It has said it will pay only for buildings and improvements, but not for the land, saying Britain can compensate the whites who are descended from British settlers.

Britain has refused to pay for the land, arguing the white farmers are now Zimbabwean citizens.

Tony Blair's Labour government has also said clearly that it believes the controversial programme is unlikely to benefit the poor.

More than 5 000 ZANU-PF delegates who attended the party convention endorsed the government plans.

They have however been widely criticised by economic analysts as certain to ruin Zimbabwe's economic growth.

Agriculture is the backbone of Zimbabwe's economy providing 60 percent of the manufacturing industry's inputs and 20 percent of the gross domestic product.

■ Zimbabwean police commissioner Augustine Chihuri yesterday said he would stop a planned national mass strike called for tomorrow by the Zimbabwe Congress of Trade Unions.

The strike was called to protest the rejection of a five percent war veteran's levy by the ruling Zanu-PF party.

The labour body said yesterday that efforts to seek dialogue and a way out of a national crisis had fallen on deaf ears after the ruling party rejected the levy last week.

The bill on the levy was thrown out by Parliament as parliamentarians considered it would be a burden on an already over-taxed workforce.

Chihuri said police would not allow any demonstrations.

He said the strike had been pre-empted by a decision at the conference, when Mugabe instructed finance minister Herbert Murerwa to find other means to raise the funds.

The Zimbabwean government needs to raise enough money to pay gratuities of ZD50 000 (about R17 000) and a life-time monthly pension of ZD2 000 (about R700) for each ex-fighter. – Sapa, Reuters

***LAND OF OUR FATHERS** Commercial farmers from Mutare, left, being briefed on the land row at a meeting last Friday. Right, President Robert Mugabe delivers a speech on the same subject at a teachers' college in Mutare on the same day* PHOTOS: REUTER, AP

Gamble behind Mugabe's farms plan

(362) CT (BE) 8/12/97

FROM REUTER

Harare — Zimbabwe urgently needs more land. But the government's plan may not be the right way to give it to them.

On November 28, Zimbabwe's government designated 1 503 farms, nearly half the country's 11 million hectares of big commercial farms, to be expropriated after the harvest next year.

Even Derek Hanekom, South Africa's land affairs and agriculture minister, facing a similar dilemma about how to achieve a fair distribution of land, gave warning that Zimbabwe's precipitate nationalisation could well bring ruin.

Agriculture is the backbone of the Zimbabwean economy, contributing 30 percent of the country's annual production and 40 percent of its foreign-exchange earnings. It is the country's largest employer, giving jobs to 327 000 labourers. The Commercial Farmers' Union reckons nationalisation will reduce that figure to 180 000.

Economists suggest that farm production will drop 37 percent from Z$14 billion to Z$8,8 billion. Exports could fall from Z$10 billion to Z$6,6 billion.

Already farm-related businesses are showing a sharp fall in orders.

Yet, as Rhodesia, the country was a by-word for arbitrary land seizure. In 1890, 200 white "pioneers" from South Africa marched in, defeated the African ruler and took the land. Land acts in 1930 and 1969 stripped yet more land from black Africans for settlement by white farmers.

Land was a central issue in the war for majority rule, which ended in victory in 1980. When he first came to power, Robert Mugabe pursued policies of reconciliation and nation-building.

Health services and education were extended to the black majority, minimum wages rose and 62 000 families were resettled on 3 million hectares purchased from white farmers at market prices.

Then, in 1989, a stagnant economy forced the president to abandon the country's tightly controlled system and accept free-market policies. But he took only half-hearted steps to liberalise the economy.

Health, education and social services, but not the defence budget, were cut; many loss-making, and increasingly corrupt, corporations were kept in state hands.

The budget deficit remained at more than 10 percent of gross domestic product. Land resettlement was shelved.

Now Mugabe faces a precipitous drop in living standards and a consequent erosion of political support. To get it back, he first tried to woo the 50 000 war veterans who fought to end white minority rule and are now a politically potent force. He promised them a "gratuity" of Z$50 000 each, to be paid this month, and a pension of Z$2 000 a month.

Mugabe's second populist bid is land nationalisation, which he hopes will win over the peasant farmers who make up about 70 percent of Zimbabwe's 12,7 million people.

These farmers barely subsist on crowded and overworked land. They will now get a share of the designated farms, and will, in time, says the government, receive title deeds.

They will not, however, be able to sell the land or use it as collateral. Zimbabwe's peasant farmers want to be small-scale commercial farmers, and they can do it: they now produce most of the country's maize and cotton. But that means tenure, credit, training and incentives.

Can Mugabe's cash-strapped government deliver these?

Investors alarmed by Harare reserve bank 'leaks'

Business Day Reporters

FOREIGN bankers and investment analysts are alarmed over what they claim are repeated leaks of confidential documents held by Zimbabwe's Reserve Bank.

The latest case cited involves the publicising of a bid for the country's third largest building society by a consortium which includes SA's NBS Boland. NBS Boland is discussing a possible 33% stake in Beverley, along with Meikles Africa, Zimbabwe's Batanai Venture Capital and Johannesburg investment trust Real Africa Durolink.

Bankers and analysts say reserve bank documents on the proposal were leaked to a government newspaper, The Sunday Mail. One of the partners involved said: "Everyone is extremely embarrassed ... the one third by NBS is nowhere near decided and neither are the shareholdings of the others."

A reserve bank spokesman said the bank did not believe its staff were responsible for leaks.

Confidential documents went through the sponsors and large organisations such as commercial banks, passing through the hands of a variety of people before they reached the reserve bank.

However, an pinternational banker based in Harare said: "The case involving the Beverley documents is not an isolated instance. Almost every deal that we become involved in, that includes possible foreign investment in a local company, that is submitted to the Reserve Bank, somehow comes into the hands of the government press or a black pressure group trying to frustrate foreign investment."

A manager of the corporate finance department of an international banking group underlined what he termed the growing apprehension of foreign business groups. "For a long time we refused to believe tales alleging a lack of confidentiality by the reserve bank. But then it started to happen to us and now it is happening all the time.

"What really gives me cause for concern is that one of the black pressure groups — the Affirmative Action Group led by Philip Chiangwa — boasted publicly that it could get any foreign investment proposal from the reserve bank within 24 hours."

BD 9/12/97

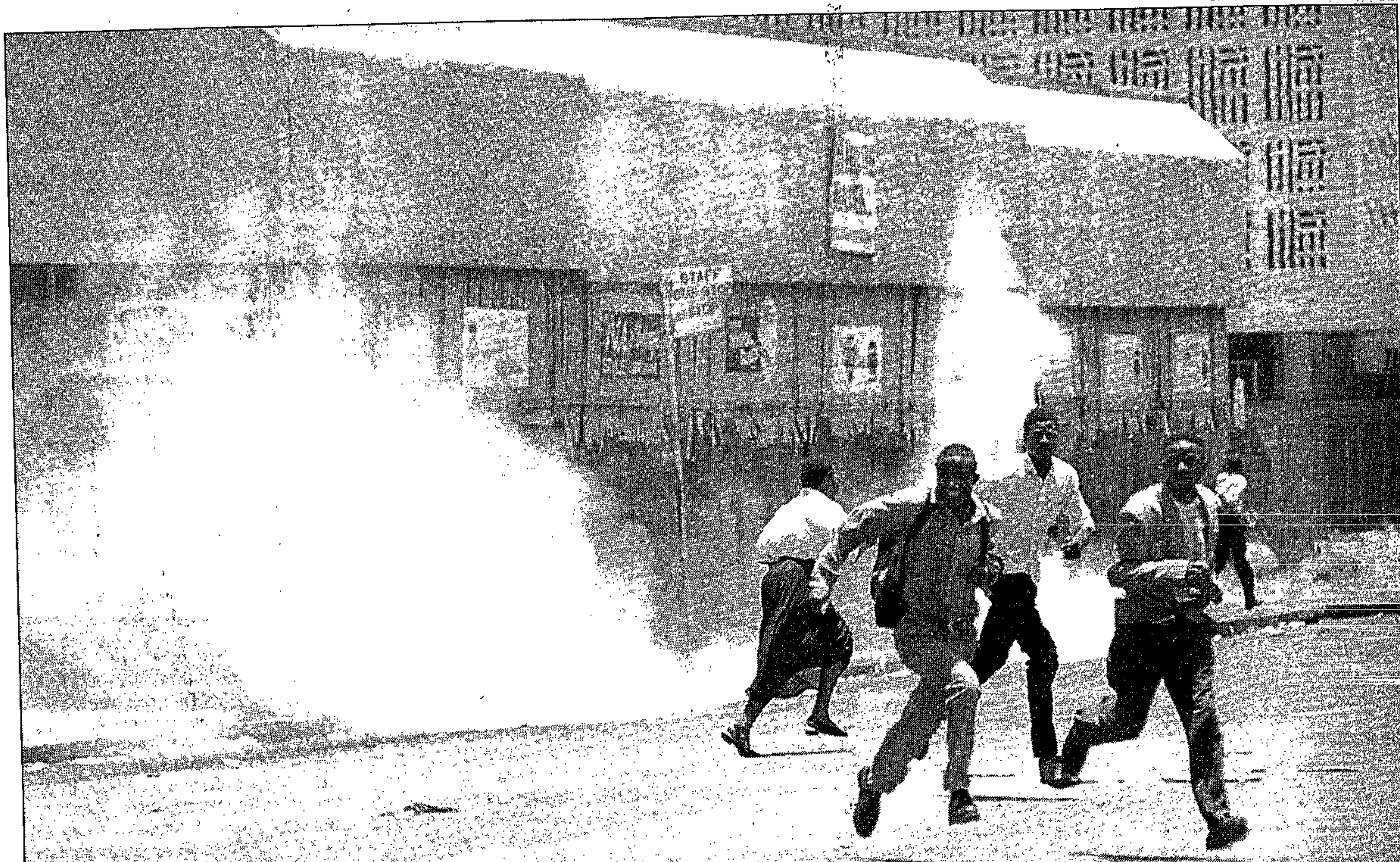
(362)

Zimbabwe scraps tax after day of turmoil

(362) Star 10/12/97

Unions accuse police of barbaric action at Harare protest and say the government is 'trying to play the race card'

CHRIS COLLINGRIDGE / AP



Chaos in the streets ... people flee teargas fired by police during a demonstration organised by the Zimbabwe Congress of Trade Unions in Harare yesterday. The demonstration was organised to protest against the government's proposed hike in tax on goods and services.

Harare – The Zimbabwean government formally scrapped a controversial war veterans' levy yesterday, hours after police used teargas and clubs to stop a workers' demonstration against the levy.

But the government left intact other components of the tax package that has sparked fierce opposition across the country.

Zimbabwe Congress of Trade Unions (ZCTU) secretary-general Morgan Tsvangirai called off the anti-tax protest in Harare yesterday after riot police teargassed and clubbed workers in the capital.

Union officials said about 150 000 workers around the country had staged peaceful demonstrations.

Home (Interior) Affairs Minister Dumiso Dabengwa warned that if any workers resumed the protest today, the police may be forced to shoot to protect property and other people.

"Those who choose to continue with the demonstration stand a danger of being shot at by the police," he told state media, backing reports by Police Commissioner Augustine Chihuri that protesters in Harare had destroyed property.

Finance Minister Herbert Murerwa said the government had accepted a weekend resolution by President Robert Mugabe's ruling Zanu-PF party at its annual conference in the eastern border city of Mutare to drop the tax.

"I therefore announce that the proposed 5% war veterans' levy on individual and corporate income tax stands removed," he said in a statement to parliament. But he said nothing about the other components the tax package imposed on December 1 which workers also want dropped.

Besides the levy, the government used extraordinary powers to raise sales tax and the price of fuel and electricity as part of efforts to raise Z$4-billion for fighters of Zimbabwe's 1970s independence war.

Political tension has been running high since the government pushed through the taxes.

Unions say the government must scrap the taxes and cut its spending to finance the payments, which Mugabe, who led the guerrillas in the independence war in the former Rhodesia, promised after months of violent protests from the veterans earlier this year.

Tsvangirai said the police had provoked the property destruction, describing their action as "barbaric and unjustified" heavy-handedness.

Witnesses said police initially attacked some 500 people assembled in Africa Unity Square before spreading across most of the city, spraying teargas and chasing and clubbing pedestrians.

Tsvangirai said the police were in contempt of a court order against Chihuri not to interfere with the marches. Chihuri claimed he was only served with the order yesterday afternoon.

Mugabe addressed the nation yesterday on social and economic issues, but made no mention of the tax dispute.

But one of his top officials, Information Minister Chen Chimutengwende dragged Zimbabwe's white farmers into the dispute, accusing them of instigating the protests to get at the government, which plans to seize their land to resettle black peasants.

The government has listed 1 503 farms, most owned by whites, which it wants to forcibly buy. It says it will only pay for improvements and not the land because the British allegedly seized the land from blacks when they colonised the country.

Tsvangirai scoffed at Chimutengwende's accusations, saying the government was in the habit of playing racial politics in the face of social pressures. "The race card cannot win this time. The workers have genuine grievances," he said. – Reuters

▶ **Rebuke to Mugabe**
Business Report

Zimbabwe drops war veterans levy

Climbdown after clashes

ARG 10/12/97 (362)

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ASSOCIATED PRESS

Street violence: police fire teargas at anti-tax demonstrators in Harare

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But Mr Tsvangirai scoffed at Mr Chimutengwende's accusations, saying the government was in the habit of playing racial politics in the face of social pressures. – Reuters

Riots erupt as nationwide strike grips Zimbabwe

BD 10/12/97 (362)

HARARE — The first nationwide strike in decades gripped Zimbabwe yesterday with widespread rioting breaking out in the capital as police used force to stop antigovernment demonstrations.

Sapa reports thousands of government and private sector workers streaming into the capital yesterday for a peaceful rally in the city centre were tear gassed and baton-charged by riot police. The crowds fled as police saturated the city centre, already shut down by the strike, with tear gas.

Demonstrations were permitted in most other major centres, where no violence was reported.

Shops, banks, offices and factories closed throughout the country to observe a one-day strike to protest against a series of taxes imposed by government to finance a R1,1bn package of benefits for guerrilla veterans.

Observers say the massive turnout is a sign of the depth of discontent with the severely eroded standard of living, caused by a government widely perceived as corrupt.

MPs of the ruling Zanu (PF) party refused on November 28 to pass legislation for hikes in sales tax, income tax and taxes on fuel and electricity. Government ignored parliament and promulgated them the next day.

Morgan Tsvangirai, the secretary-general of the Zimbabwe Congress of Trade Unions, which called the strike, said the day had been a defining moment for the country. "It is the general discontent that is erupting."

Observers say that the strike has presented Mugabe with the most critical time of his 17-year rule.

Many of the main highways out of Harare were blocked by rioters who smashed car windscreens and torched cars and buses. Trade unionists and civic leaders accused the police of starting the violence in Harare.

However, **Michael Hartnack** reports that Information Minister Chen Chimutengwende suggested that white employers, "most of whom are disappointed about the land issue", had used black workers to foment protest. The Zimbabwe Broadcasting Corporation said whites had given their staff the day off with pay to support the protest.

Police, who fired more than a hundred tear gas canisters as 3 000 protesters gathered peacefully near parliament, were acting in defiance of a high court injunction obtained by the congress of trade unions to prevent police breaking up protests. The court had ruled earlier that people had a constitutional right to protest peacefully.

Catholic Justice and Peace Commission director Michael Auret said: "The police created the violence. They were in contempt of court."

Zimbabwean MPs join revolt over tax

(362)
Star 11/12/97

Police will shoot demonstrators, beleaguered Mugabe warns

SAPA
Harare

The Zimbabwean government yesterday reacted stubbornly to the biggest nationwide strike in the country's history, with a warning that police would shoot demonstrators.

President Robert Mugabe's government also tried to press ahead with the imposition of a series of new taxes, the main reason for Tuesday's strike.

The imposition suffered a setback in parliament when it was blocked in a revolt by MPs of the ruling Zanu-PF party.

Nearly all of the country was shut down on Tuesday in an unprecedented display of anti-government sentiment.

Violence broke out in the capital after police disrupted marchers with baton charges, dogs and teargas.

The city returned to normal yesterday after the Zimbabwe Congress of Trade Unions, which called the strike, ordered workers to return to work.

Police said one policeman was injured in Harare.

Minister of Home Affairs Dumiso Dabengwa was quoted as saying people should not take to the streets for the sake of demonstrating only.

"Workers should know that if they stretch police patience too far, they would not hesitate to shoot them."

No reaction was yet available from the ZCTU or the civic bodies backing the strike.

The Catholic Commission for Justice and Peace in Zimbabwe was preparing to file a petition calling for police commissioner Augustine Chihuri to be prosecuted for contempt of court after police ignored a court order not to interfere with demonstrators.

In 1994, the Supreme Court abolished the old Rhodesian law which permitted public demonstrations only if police gave approval. It was replaced with the constitutional right of freedom to demonstrate.

Dabengwa said he had ordered police not to allow demonstrations on Tuesday because there was "an unholy alliance" between the ZCTU, employers and white farmers, aggrieved over government plans to confiscate nearly 1 500 commercial farms.

He said the alliance was planning to cause turmoil.

ZCTU secretary-general Morgan Tsvangirai on Tuesday said accusations that blacks were being used by whites to foment trouble should be dismissed with contempt.

Parliament was yesterday due to continue the debate on a bill to push sales tax up 2,5% to 17,5% and 5% increases in taxes on fuel and electricity.

The increments were to pay for gratuities and monthly pensions to ex-combatants.

The union and independent economists say the three tax hikes would cause major increases in the cost of living for lower-income families.

Finance Minister Herbert Murerwa on Tuesday withdrew a proposed 5% levy on income tax, but faced outrage from MPs when he refused to scrap the other three taxes.

MPs warned against government arrogance, saying its behaviour was dangerous. MP Edward Mabodza warned that the controversy would lead to the fall of the government.

Zimbabwe scraps tax increases after nationwide protest

(362)

Michael Hartnack

BD 11/12/97

HARARE — Zimbabwe last night called off all increases in sales and energy taxes in the face of protests against the measures to raise Z$2bn to fund pledges to war veterans.

On Tuesday night the planned 5% "war veterans' levy" was scrapped.

The Zimbabwe Broadcasting Corporation said Finance Minister Herbert Murerwa told parliament the increase in sales tax from 15% to 17,5% would be revoked on January 1, along with the 20c/l hike in petrol and diesel prices. Electricity price rises would be halted immediately, following Tuesday's nationwide protests against the taxes, which turned violent in Harare.

The government capitulation is certain to complicate further relations with the World Bank and International Monetary Fund, which are insisting that Z$4bn to Z$5bn in gratuities for former guerrillas do not push the budget deficit target beyond 8,9%.

Earlier yesterday Murerwa tabled a supplementary appropriations bill that would authorise payment of an initial Z$2,6bn in gratuity and pension payouts to more than 40 000 former guerrillas. Disbursement of Z$50 000 in tax-free lump sum gratuities has been promised by President Robert Mugabe to start next Monday and former guerrillas will also get Z$2 000 in tax-free monthly pensions for life.

Mugabe estimates the total cost of payments to guerrillas to be Z$4,5bn while Murerwa puts it at Z$4bn.

In an allusion to problems with the World Bank and IMF over state overexpenditure, Murerwa said the war veterans' money had to be raised without plunging the country into debt.

He suggested accelerated privatisation of parastatals might be attempted, but experts said these sums were already part of budget calculations.

"The government will find other sources to finance the worthy cause of the freedom fighters in a way that does not involve the people," Murerwa said.

Zimbabwe Congress of Trade Union members and sympathisers returned to work yesterday after banks, offices and shops were closed for the preceding 24 hours.

Picture: Page 10
Comment: Page 11

LAWYERS MARCH IN HARARE

Police brutality condemned

CT 11/12/97 (362)

HARARE: Tuesday's police violence translates into a direct contempt of court, says the Zimbabwe Human Rights Organisation.

A WAVE of anger and denunciation fell on President Robert Mugabe's government yesterday as civic organisations reacted to brutal police handling of demonstrators in Harare on Tuesday supporting a national one-day strike against the government.

The country was almost totally shut down on Tuesday as government and private sector workers participated in the most comprehensive strike in the country's history.

The strike is in protest against a series of tax measures meant to help the government finance a controversial Zimbabwe$4 billion (R1,1 billion) package of benefits for guerrilla veterans of the Rhodesian civil war.

The usually reserved Zimbabwe Lawyers for Human Rights said that "instead of enforcing the law, which they are paid to do, and in flagrant breach of a High Court order, the police attacked dozens of citizens peacefully trying to assemble to exercise their democratic right to protest against excessive taxation.

"Using tear gas, batons and dogs on unarmed Zimbabweans is nothing short of fascism."

It called on Home Affairs Minister Mr Dumiso Dabengwa and police Commissioner Augustine Chihuri either to apologise or resign.

The organisation marked international Human Rights Day with a march through the city by lawyers, in court gowns.

Mr Reginald Matchaba-Hove, chairperson of the Zimbabwe Human Rights Organisation, said that police violence "translates into a deliberate contempt of court and a violation of fundamental human rights".

"Tuesday's affair calls into question the entire process of democracy and popular governance in the country," he said.

Dabengwa warned yesterday that police would not hesitate to shoot at demonstrators if they "stretched police patience too far", but his remark drew an angry response from Mr Mike Auret, director of the Catholic Commission for Justice and Peace in Zimbabwe.

The statement was most irresponsible and would do nothing but encourage police in these circumstances to use firearms against demonstrations, Auret said.

Many riot police in Tuesday's violence in Harare were carrying automatic weapons, which ordinary police also carry routinely on the beat.

There have been repeated incidents of police opening fire on suspects in crowded city streets, resulting in death and injury.

Mr Nicholas Mudzengerere, deputy secretary-general of the Zimbabwe Congress of Trade Unions (ZCTU), which organised the protest, noted that the day before the strike Dabengwa had merely appealed to the union to ensure demonstrations were orderly.

Outside Harare, Mudzengerere said, police had assisted organisers with controlling the demonstrations, and no serious incidents of violence occurred.

"These people must be consistent with their rhetoric," he said.

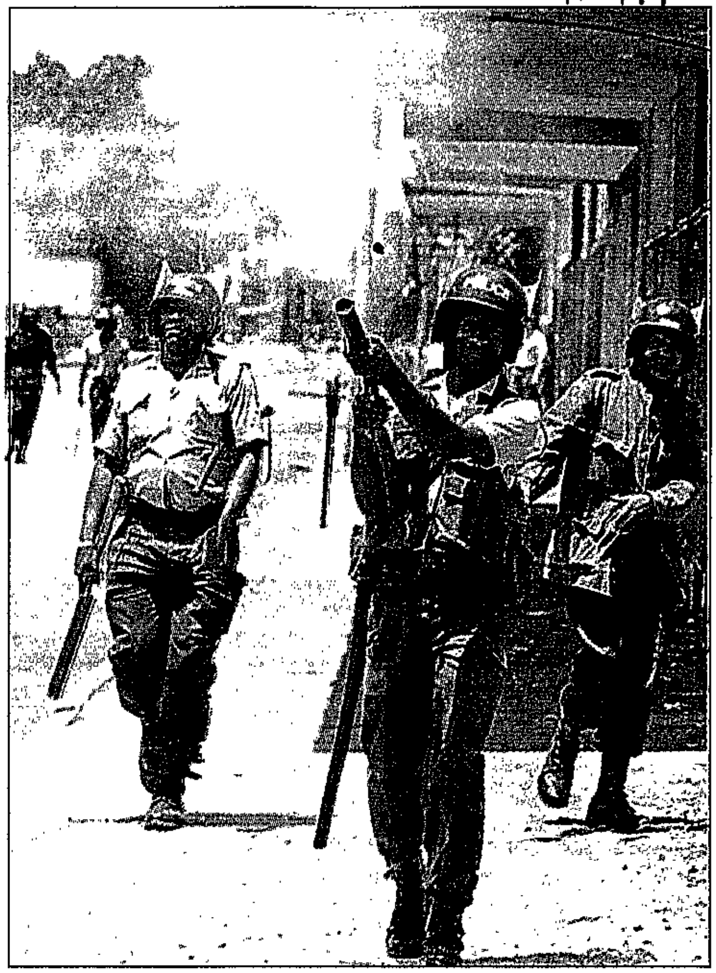
The union would be holding a general council meeting next Tuesday, where "these utterances" would be discussed, said Mudzengerere.

Meanwhile, Reuters reports that, according to Zimbabwe News Agency, Mugabe's official vehicle was slightly damaged when a man threw a brick at it at the weekend.

Mugabe was escorting visiting Zambian President Frederick Chiluba to Harare airport on Sunday when his car was attacked.

A 33-year-old man, Mr Gift Mukata, was arrested by Mugabe's escort police and ordered by a court on Monday to undergo a psychiatric examination.

Social tension has been high in Zimbabwe since December 1 when Mugabe's government used extraordinary powers to impose the new tax package to raise money for disgruntled ex-combatants. — Sapa-Reuter



GETTING TOUGH: Police fired teargas to clear the streets of Harare during a mass demonstration on Tuesday organised by the Zimbabwe Congress of Trade Unions to protest against recent tax hikes. *PICTURE: AP*

Zimbabwean dollar slips further

CT(BE) 11/12/97 (362)

Andrew Meldrum
and James Lamont

Harare — The Zimbabwean dollar was unlikely to strengthen above 16 to the US dollar in the coming days after it slipped further in the wake of Tuesday's general strike protesting the government's economic policies, currency dealers said yesterday.

"We are not expecting it to come back soon," said Gordon Sikhakhane, a dealer with Standard Corporate and Merchant Bank in Johannesburg. "It could go higher if problems keep on going like this."

The Zimbabwe dollar fell yesterday from 16,5 to 17,5 to the US dollar and to 3,5 to the rand. The Zimbabwe stock market also dropped by 43 points. The industrial index closed at 7699, down from over 10 000 in November.

"The strike and the slipping dollar have taken confidence out of the market," said a Harare dealer. "We expect the exchange to be soft again tomorrow."

Sikhakhane said the dollar had fallen because of the national strike and a 2,5 percent increase in sales tax, and could drop further unless there was improvement over the issues of farm appropriations and payments to war veterans.

He said the central bank had vainly intervened yesterday to prop up the dollar. "The IMF has given the government a $150 million loan facility to support the currency, but who knows how much they have used up?"

Last month, Leonard Tsumba, the governor of Zimbabwe's Reserve Bank, said the level of 14 to the dollar was "about right". The Zimbabwean currency crashed on November 14 from 13 to the dollar to 26. The government has forcibly converted foreign currency accounts to free up dollars to prop up the sagging local unit.

Investors are unhappy with the nationalisation of one-third of the commercial farmland and the government's desperate bid to find the unbudgeted Z$4 billion needed to pay to war veterans.

"Lots of people are calling for Mugabe's resignation, and that looks like the only thing that would support the currency," one dealer said.

ZIMBABWE MARKET

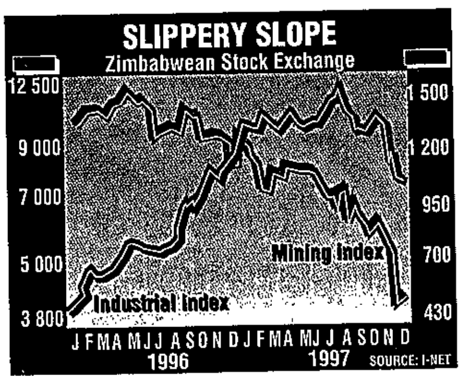
Economics take their toll (362)

But there are still attractive buying opportunities FM 12/12/97

It seems the Zimbabwean economy is still leaking at the seams and the government will have a tough job stemming the tide of adverse international investor sentiment that has overwhelmed it this year.

News that confidential documents held by the Zimbabwean central bank and detailing important foreign investment deals is being splashed all over the local press. This could not come at a more awkward time. The latest case involves NBS Boland and its interest in Beverly, the third largest building society in the country.

Government and monetary authorities have been battling to control a run on the



Zimbabwean dollar and have made urgent strides to get their economic house in order and attract IMF and other funds back.

In November, the financial markets took a hammering. The stock market has plummeted nearly 25% following the Zim dollar's 25% depreciation during the first two weeks of the month. Heavy central bank intervention brought the currency back to a range of Z$14-Z$16 from the Z$20 nadir.

But ING Barings, in its November *Zimbawe Stock Market Review*, says: "Recent volatility in the foreign exchange market has highlighted adverse economic fundamentals and the absence of a consistent economic policy framework. However, the brief currency crisis did prompt the government to present a firmer policy line."

It expects government measures to tighten financial and monetary policy to pave the way for negotiations with the IMF on a new Enhanced Structural Adjustment Facility (ESAF) in 1998. And the World Bank and the EU are likely to disburse the frozen US$100m balance of payments support.

ING Barings says the release of the balance of payments funds, with the transfer of foreign exchange from the commercial banking sector to the Reserve Bank of Zimbabwe, would "have the immediate, favourable effect of bolstering the payments balance and the foreign exchange reserves." The latter have offered less than two months' import cover since the wave of forex selling in the first half of November.

The policy changes announced by Finance Minister Herbert Murerwa included tighter foreign exchange controls — a move met with "much criticism. He abolished corporate foreign currency accounts for exporters with immediate effect and imposed further limitations on local banks' foreign currency holdings to US$5m."

However, ING Barings says "the fact that the central bank came out in defence of the currency has asserted its position vis-à-vis the commercial banks and had a stabilising effect on the foreign exchange market."

After a "spectacular" 1996, when the Industrial index surged 90%, the Zimbabwean stock market has had a bumpy ride this year. The bull run extended into early 1997, when the Industrial index broke 10 000 during January based on hopes for lower inflation and good rains.

It remained above this until the beginning of June and then a flurry of blue-chip buying despite negative economic indicators, strikes and El Niño concerns, sent the index through 12 000 in early August.

But ING Barings says the index was "obviously overvalued" on an historical p:e ratio of 19,4 and "though the rise was impressive, the fall was spectacular."

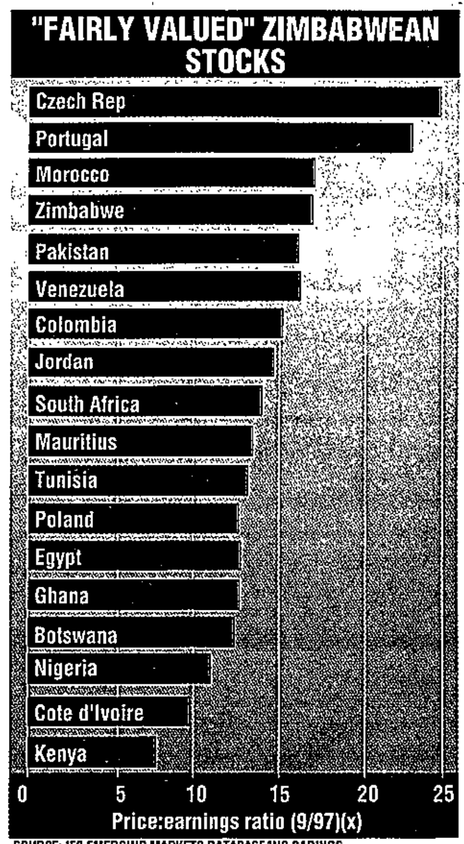
The Industrial index plummeted from 10 500 in late October to below 8 000 in early December. This week the slide appeared to have turned around.

ING believes the correction in the equity market has made it "appear fairly valued by most emerging market standards." The market stands on a p:e ratio of 14 and, assuming forward earnings growth of 18%, the forward p:e ratio is 11.

ING believes there are attractive buying

COMMENT

FOX



SOURCE: IFC EMERGING MARKETS DATABASE/ING BARINGS

opportunities when it comes to the rapidly growing and well-managed companies, such as Delta Corp and Meikles Africa.

The Dutch-based bank expects the currency to stabilise at about Z$14,5 by the end of the year — a 34% depreciation from the year before. Its predictions are for the Zimbabwean dollar to fall to an average Z$16 during 1998, Z$19,2 in 1999 and ending 2000 at Z$24,6.

Sharon Wood

ZIMBABWE (362)

First signs of real danger for Mugabe

FM 12/12/97

The contrast between Tuesday's national strike and President Robert Mugabe's complacent "state of the nation address" could hardly have been greater.

While Mugabe droned through a series of platitudes about the state of the economy in his address to parliament, the litter-strewn streets of Harare were largely deserted, though armed police, with dogs and tear gas were stationed at important intersections.

In bringing much of the country to a standstill, the Zimbabwe Congress of Trade Unions (ZCTU) had not only carried out the most effective public opposition to the government since independence in 1980, but signalled the start of a new kind of politics.

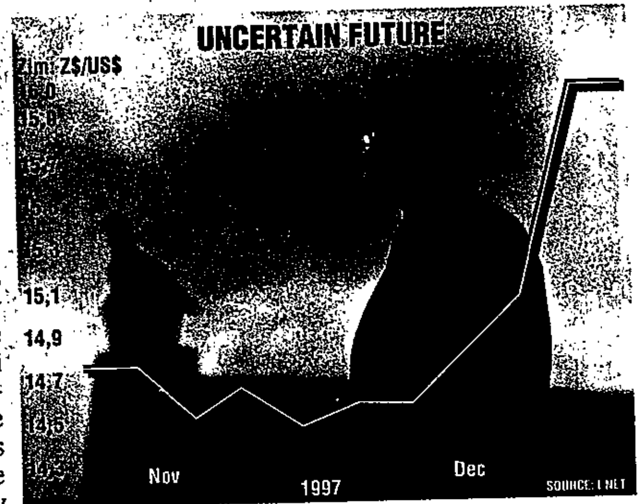
Mugabe's failure even to refer to the economic crisis — let alone suggest how it might be alleviated — was unsurprising. His government is fresh out of ideas.

Last month's rejection by parliament of Finance Minister Herbert Murerwa's Bill to impose a 5% surcharge on personal and company taxpayers, was followed by a flat rejection of higher taxes to finance the Z$4bn (US$250m) war veterans compensation package at last week's congress of the ruling Zanu-PF party.

Mugabe had hoped that the congress vote would satisfy the unions but, because it was unclear whether the 2,5% rise in sales tax to 17,5%, the 20c a litre increase in fuel prices and the 5% surcharge on electricity charges would also be withdrawn, the ZCTU went ahead with what turned out to be a highly successful stayaway.

This, allied with the sight of a confused, complacent and leaderless government, was too much for both the foreign exchange and equity markets.

The Zimbabwe dollar, which had stabilised around Z$14,5 to the US dollar, resumed its slide late last week, plunging below Z$17 to the US dollar before stabilising around Z$16 on Tuesday morning.



On the Zimbabwe Stock Exchange, industrials lost a further 12% to close at a 14-month low of 7 742 on Monday — down 36% from their August peak.

To add to government's woes, efforts to float a 15-year 15% local stock failed miserably when the market gave the issue the thumbs down. The central bank — under increasing criticism for its failure to stabilise the exchange rate — now hopes to raise at least some of the Z$2bn needed next week to pay the war veterans their Z$50 000 gratuity with a 10-year issue at 19,5%.

This too is not going down well in the market but, because institutions must top up their holdings of government stocks to meet the 45% prescribed assets limit, there may be some solace for the beleaguered Finance Minister, whom many feel should have resigned after his tax ideas were thrown out.

Missing is any sense of a strategy to plug the budget gap and stabilise the currency. "It's not just a corrupt government" said one money market dealer sourly, "but also an incompetent one."

Foreign exchange dealers can see no relief for the currency and, if the pressure continues as seems likely, the authorities will have to raise interest rates again — thereby worsening the budget deficit — while possibly also reimposing some form of import surcharge or import control.

Special Correspondent

MAIL & GUARDIAN
December 12 to 18 1997

Tax hikes spur challenge to Mugabe

M+G 12-18/12/97 (362)

Iden Wetherell

An unprecedented rebellion by usually docile members of Zimbabwe's ruling Zanu-PF party and anti-government riots in the capital Harare this week have exposed gaping fissures in the previously monolithic edifice of President Robert Mugabe's 17-year-old regime.

Delegates to a Zanu-PF conference in the eastern city of Mutare refused point blank last Friday to approve a government proposal for tax increases stemming from Mugabe's belated pledge to pay gratuities to veterans of Zimbabwe's liberation war.

"Hatidi [we don't want it]," delegates chorused when Mugabe put the proposal to them. The unanimous defiance of 5 000 key party officials came as a rude shock to a leadership accustomed to grassroots obedience and reflected extensive public dissatisfaction with levels of taxation among the highest in the world.

The government has already seen its tax initiative stalled at a parliamentary roadblock when normally obedient MPs recently rejected increases in sales tax and taxes on fuel and electricity.

When ministers responded to that challenge by resorting to executive fiat they faced a barrage of criticism in the press and from business and trade unions.

The riots in Harare on Tuesday resulted from heavy-handed police attempts to prevent the Zimbabwe Congress of Trade Unions from organising protests against the tax hikes.

Confrontations between police and stone-throwing demonstrators were the worst the country has witnessed since 1995. Protesters held placards that said "No to levies" and "Don't blame whites for your failures" — a reference to government claims that employers had facilitated the strike by closing their businesses.

Police Commissioner Augustine Chihuri ignored a high court injunction instructing him to allow the protests to go ahead while Minister of Home Affairs Dumiso Dabengwa warned protesters they could be shot if they continued to demonstrate.

"Mugabe is buying the war veterans at our expense," one protester said. "He has failed as a leader and no longer cares about the country."

Demonstrations at other major centres were well-attended and peaceful.

Mugabe, who has used his party as an instrument of top-down management, is now facing a further challenge from within his own ranks. Delegates from Masvingo province in the south, home of powerful party baron Eddison Zvobgo, came to Mutare armed with proposals for confining the president's tenure to two consecutive five-year terms, an undisguised challenge to Mugabe's seemingly limitless rule.

The Masvingo delegates also sought a wholesale review of the Constitution, which has undergone 14 amendments since independence in 1980, mainly aimed at establishing a one-party state and reversing court rulings on human rights.

Equally challenging to the extravagant lifestyle of the Mugabe administration was Masvingo's call for runaway state expenditure to be curtailed by limiting presidential appointees. Although these proposals were shelved by party chair Joseph Msika, constitutional reform — and with it the hitherto taboo succession issue — have been placed firmly on the national agenda.

Meanwhile, the government will have to find new ways to raise the money it needs to pay the war veterans. MPs have suggested that ministers cut back on luxuries such as the new Cherokee jeeps they recently took delivery of.

In relation to its population, Zimbabwe has one of the largest governments in the world, which has shown little inclination to share the sacrifices being asked of workers. Giving an address to Parliament on Tuesday Mugabe blithely ignored the riots outside and referred to recent economic setbacks as "temporary".

Zimbabwean union leader beaten up

(362)

Star 12/12/97

Assault follows successful strike over tax hike to pay war veterans

STAR FOREIGN SERVICE
Harare

Zimbabwean trade union leader Morgan Tsvangirai was beaten up by a gang of thugs in his office yesterday morning. Tsvangirai on Tuesday led the successful nationwide general strike to protest against increased taxes to make an unbudgeted Z$4-billion (about R1,1-billion) payment to war veterans.

Officials suspect the seven people who beat him with office chairs and a table were war veterans. Tsvangirai was rushed to a clinic to be treated for head wounds and a possible fracture.

Frightened union officials would not say which clinic was treating him. Blood-spattered curtains and carpets and a blood-soaked shirt were chilling evidence of the violence which broke out in the city centre offices of the Zimbabwe Congress of Trade Unions, which Tsvangirai leads as secretary-general.

Union officials said a man entered the premises and spoke with Tsvangirai in his office briefly at mid-morning yesterday. About 15 minutes later the man returned with six others – four men and two women.

They stormed into Tsvangirai's office and beat him up. The anti-union violence comes after the widespread success of the general strike to demonstrate against the government's imposition of hefty new taxes in order to pay an estimated 50 000 war veterans "gratuities" of Z$50 000 each and monthly pensions of Z$2 000.

Confronted by such opposition, as well as protests from within his own party, President Robert Mugabe withdrew the 5% income tax levy increase.

On Wednesday, Finance Minister Herbert Murerwa went further and scrapped the 5% increase on sales tax and electricity, and the increased duty on petrol and diesel fuel. The increase in general sales tax from 15 to 17,5% remains effective. Murerwa said he would be looking at increased privatisation of state-owned corporations to raise the funds needed to pay the war veterans.

Mugabe backs down, pressures remain

Harare – Zimbabwe President Robert Mugabe's climbdown in scrapping key parts of an unpopular tax package will not be enough to end the crisis in the country, political analysts said yesterday.

Tension remains high over controversial land reform plans, lack of donor support, falling investor sentiment and charges that many government leaders are arrogant and out of touch with the public mood, they said.

"The tax drops are important but the most important issues are the ones still on the table: land, public trust, economic growth and prospects, and the need for clear measures on the part of the government itself," said political commentator Lupi Mushayakarara.

"These issues must be addressed very urgently," she said a day after Mugabe's government, confronted by a parliamentary revolt and public anger, revised a tax package that sparked nationwide protests.

Mugabe (73) has governed Zimbabwe with little opposition since it became independent in 1980. The government has already announced a Z$1,1-billion (about R314 300) cut in recurrent expenditure in the 1997-98 budget.

"There are still too many frills around the government. Too much luxury and travel," said private economic consultant John Robertson.

"A serious privatisation programme and clear austerity measures will help resolve some of our problems. But investor confidence will only come if we pursue clear and predictable economic and political policies, a thing we are not doing at the moment," he said.

Robertson was referring to Mugabe's plans to seize more than 5,5 million hectares of mostly white-owned farmland to resettle landless blacks.

Industry and economic analysts say the move will ruin the country's economy, but Mugabe denies this, accusing the 4 500 white farmers of trying to keep Zimbabwe's majority black people poor. – Reuters

CAPE TIMES
FRIDAY, DECEMBER 12, 1997 ★

MUGABE CANCELS TAX INCREASE

CT 12/12/97

Union leader beaten up

(362) (363)

HARARE: Union officials suspect that war veterans beat up a union leader after he led a strike that successfully blocked a tax rise to fund the veterans.

ZIMBABWE trade union leader Mr Morgan Tsvangirai was beaten up by a gang of thugs in his office yesterday morning.

Tsvangirai led the successful nationwide general strike on Tuesday to protest against increased taxes to make an unbudgeted Z$4 billion payment to war veterans. Union officials suspect the seven people who beat him with office chairs and a table were war veterans.

Tsvangirai was rushed to a clinic to be treated for head wounds and a possible fracture. Frightened union officials would not say which clinic was treating him. Blood-spattered curtains and carpets and a blood-soaked shirt were chilling evidence of the violence which broke out in the city centre offices of the Zimbabwe Congress of Trade Unions, which Tsvangirai leads as secretary-general. Union officials said that one man entered the premises and spoke with Tsvangirai in his office briefly at mid-morning yesterday.

About 15 minutes later, the man returned with six others, four men and two women. They stormed into Tsvangirai's office and beat him using pieces of office furniture.

The anti-union violence comes after the widespread success of the general strike to demonstrate against the government's imposition of hefty new taxes in order to pay about

BACK-TRACKING: Robert Mugabe

50 000 war veterans "gratuities" of Z$50 000 each and monthly pensions of Z$2 000.

Confronted by such opposition, as well as protests from within his own party, President Robert Mugabe withdrew the five percent income tax levy. On Wednesday, Finance Minister Mr Herbert Murerwa went further and scrapped the five percent rise in sales tax on electricity and the increased duty on petrol and diesel fuel.

The increase in general sales tax from 15% to 17,5% remains effective. Murerwa said he would be looking at increased privatisation of state-owned corporations to raise the funds needed to pay the war veterans.

The botched tax increases have left the Mugabe government with very few friends. Although the payments may have bought the support of the war veterans, members of Mugabe's own Zanu-PF party, the urban working class, businessmen and industrialists found common cause in protesting against the tax increases. — Independent Foreign Service

CAPE TIMES
FRIDAY, DECEMBER 12, 1997

Signs of Zimbabwean fault lines

CT 12/12/97 (362)

GRAHAM LINSCOTT

BATONS and tear gas on the streets of Harare ... I cannot recall anything quite like it through all the long years of UDI and the bush war, and it suggests some serious fault lines in Robert Mugabe's regime.

In a country such as today's Zimbabwe, street protest means trouble. Here, in South Africa, we are inured to it. Nobody believes a crowd of toyi-toying trade unionists (or anybody else) is a threat to the established order. The protesters are merely exercising their constitutionally enshrined right and the sun will rise as normal the next day.

But, in Zimbabwe's calcified pseudo-Marxist autocracy, it is a very different matter. The regime is brittle, it has no flexibility whatsoever. It cannot tolerate dissent because that could lead anywhere.

One thinks of the Leipzig effect, the demonstrations and public clamour which led to the collapse of the communist regime in East Germany in the 1980s.

Therefore the batons and the tear gas come out, heads are whacked and a cabinet minister threatens that next time round the police will shoot. (Never mind that a court had ruled that the protests were permissible.)

This is not to suggest that Mugabe is on his last legs. He will probably tough it out, for the time being anyway. But he certainly has opposition piling up against him.

He alienated Zimbabwe's intellectuals long ago by the crude venality of his administration and his intolerance of criticism. Ditto the business community.

After a honeymoon, the commercial farming sector — the mainstay of the economy — has discovered that the blighter was fibbing to them, not the peasants, when he said not to believe what he was saying about seizing farmland because he was only fibbing.

And now, it seems, he has lost the urban workforce. He could also have lost the guerrilla veterans if their war pension (17 years after the event) evaporates along with withdrawal of the controversial tax that sparked the trade union protests in the first place.

Mugabe came to power with a reputation as an intellectual and a socialist ascetic. Today he is a political dinosaur, out of kilter with other southern African leaders, a relic from another age.

That is a lot of opposition. But what saves Mugabe's bacon is the support of the numerically preponderant rural peasantry. These he courts assiduously with generous drought relief and other measures. They have always kept their part of the bargain at the ballot box (quite apart from the way the system is rigged in favour of Mugabe's Zanu-PF). There is no reason why they should not do so again.

But difficulties still crowd in on Mugabe. If he does seize commercial farmland and make it over to peasants (cynics say it will go to a handful of political cronies) then Zimbabwe's economic mainstay could be thoroughly mangled. Hundreds of farmworkers could lose their jobs.

Eventually, somebody will have to pick up the tab, political as well as economic, yet Mugabe seems recklessly set on his short-term gamble.

He came to power with a reputation as an intellectual and a socialist ascetic. Today he is more like a political dinosaur, not just out of kilter with the leaders of Southern Africa but seemingly from another age.

South Africa has set itself on a trajectory of growth and wealth creation within a free-enterprise culture. Mozambique has jettisoned ideology to become a part of the same. Tanzania is about to open up. Botswana is a model of democratic prosperity. Namibia is reaching for the stars.

Zimbabwe is a country of great vitality and future potential, especially in agriculture and tourism, yet Mugabe seems content to make it a dead cell within the greater circuit, a cliché of worn-out ideology.

However, he was defeated on the streets of Harare this week. He had to withdraw the new tax. In the kind of inflexible society he has created, it counts for more than it would in others. Whether this will translate eventually to a defeat at the polls, along the lines of Kenneth Kaunda in Zambia, remains to be seen. But the opposition is gathering and the fracture lines are showing.

WORK FORCE: People on the streets of Harare, Zimbabwe, flee from tear gas fired by police during a demonstration organised by the Zimbabwe Congress of Trade Unions. The unions called for the march to protest against tax legislation proposed by President Mugabe.

❑ *Graham Linscott is an associate editor of Independent Newspapers, KwaZulu-Natal.*

Shaken and stirred Zim braced for grim times

General mood contrasts starkly with Mugabe's loftiness

(362)

Star 13/12/97

By ANDREW MELDRUM
INDEPENDENT FOREIGN SERVICE

Harare. – The big supermarkets in Harare are decorated festively and stocked full of special Christmas items and bustling with shoppers.

But there is an underlying sense of insecurity about the country's current economic and political instability.

Zimbabwean society has been badly shaken by this week's events, which saw a national general strike and pitched battles between police and strikers in Harare's streets. Then the strike organiser, Zimbabwe Congress of Trade Unions secretary-general Morgan Tsvangirai, was badly beaten by thugs. Despite a shortage of funds, the government is going ahead with generous payments to 50 000 war veterans. And the country faces a continuing economic crisis, with the currency and stock markets dropping daily.

"We might as well enjoy the holidays, because everything else is going down the tubes," says Marion Davies with a shrug, as she adds some imported wine to her trolley, already loaded with sweets, fruit, toys and frozen prawns. She dismisses the increased sales tax from 15 to 17,5%. "With the Zim dollar dropping so fast, I am buying what I want now, because these goods will be much more later, or probably unavailable, like in the bad old days of the 70s and 80s."

She has not felt so unsettled since the years when the country was called Rhodesia and there was a bitter bush war to end white minority rule. "All the news for the past month has been bad news," says Davies.

Jonah Temwe's sparsely filled shopping trolley shows that he is at the other end of Zimbabwe's socio-economic spectrum. He is buying a 5kg bag of roller meal, some ration meat, tea and cooking oil. He counts out his grubby 2-dollar notes before deciding to buy some sugar.

"It is vicious. These prices are too high," says the night security guard. "We are suffering because prices are too high and our wages are too low."

Temwe says he took part in the nationwide strike on Tuesday.

"We have to let our leaders know that we are not happy and that we are willing to stand up," he says. Temwe was visibly distressed about the beating of union leader Tsvangirai. "It is terrible. They think they can frighten us by trying to eliminate our leaders. But now we can see they want to oppress us. We will fight for justice. We must let them know they cannot make the working man pay for the rich life they enjoy."

Oliver Chihadza is another worker who participated in the strike and remains disgruntled. "We support the war veterans, but Mugabe should not favour them at the expense of the rest of Zimbabwe," he says.

Somewhat surprisingly, current events in Zimbabwe have shown that these shoppers have more in common than one would think from the glaring differences in their shopping trolleys. They are critical of President Robert Mugabe's government, especially his economic policies, the land nationalisations and the use of heavy-handed force to suppress public demonstrations of dissatisfaction.

"We did not loot the shops in town because we were not protesting against the shopowners, we were protesting against the government," says Chihadza. "But if things continue, if the police are brutal and people are desperate, then maybe we will see looting."

Another common theme among Harare shoppers is that nobody spoke of the strike or other problems as temporary. Virtually everybody spoke about an ongoing downward spiral of economic mismanagement, higher prices and dropping standards of living.

The general mood is in stark contrast to the rosy view of Zimbabwe that Mugabe expressed in his "state of the nation" address to parliament on Tuesday. Despite the teargas and rock-hurling skirmishes in the blocks surrounding parliament, Mugabe loftily avoided any mention of the strike or the difficulties the government is having finding the funds to pay the war veterans.

First Mugabe made the extravagant promise to pay Z$50 000 "gratuities" and monthly Z$2 000 pensions to the war veterans, to stop them demonstrating against the government. Then the government had to scurry to find the Z$4-billion that was not included in the July budget. Zimbabwe's budget deficit is already estimated to be more than 10% of gross domestic product.

But the finance ministry was ordered to find a way to pay the veterans. So the 5% levy and other tax increases were introduced, over the objections of parliament. Then the 5% levy was withdrawn after Mugabe's own party protested. After the national strike, the increases in fuel and electricity surcharges were withdrawn. Now the government is expected to pay the veterans next week, and find the money later.

Zimbabwe vs South Africa

- The median taxpayer in Zimbabwe pays income tax of 25%, but when indirect taxation is included, the rate soars to 50% of total income. Some economists predict that this rate will soar to 80%.
- In Zimbabwe, income tax begins for everyone who earns Z$12 000 annually and at that income the earner pays a rate of 20% tax. In South Africa, income below R30 000 a year is exempt from income tax, but in Zimbabwe the equivalent income level would place the taxpayer in a bracket of tax with 25% of income going to the Treasury.
- Zimbabwe's highest tax bracket begins at Z$60 000, where the highest rate is 40%. The most well-to-do taxpayer in South Africa pays income tax at 45% and estate duty at 25%, whereas in Zimbabwe the taxpayer does not pay more than 40% in income tax and 20% in estate duty.
- In Zimbabwe, the ratio of sales tax to income tax has soared to 83%, compared with South Africa, where value-added tax is only 25% of the total revenue from income tax.

Whites launch campaign to fight land plan

Star 16/12/97 (362)

Harare – Some white farmers, along with some white-owned private companies and church leaders, have launched a campaign to fight the Zimbabwe government's plans to seize millions of hectares of mainly white-owned farmland.

The Sunday Mail reported that the campaign is aimed at lobbying the public against the land acquisition programme of more than five million hectares of farmland to resettle landless black peasants.

The report said some white farmers and businessmen are issuing green ribbons to members of the public supporting their cause against the decision to nationalise land. Others are reportedly forcing their workers to pin the ribbons on their clothes during working hours.

The paper also said some white parish priests have started preaching against the land reform exercise.

Meanwhile, the state-run Zimbabwe Information Service reported that some white farmers whose farms have been designated for acquisition are forcing their employees to sign petitions against the move.

Another Sunday newspaper reported that a multimillion-dollar sugar project to have been undertaken in the central region of the country has been shelved because of concern over the land acquisition programme.

The independent Sunday Standard said overseas financiers have allegedly withdrawn their support in light of the plan to seize the farms. – AFP

Zanu officials implicated in attack

Star 15/12/97 (362)

Churches and civics link Mugabe's government to brutal beating of prominent trade unionist

Sapa
Harare

Police in Harare are seeking eight vigilantes of the ruling Zanu (PF) party who they believe carried out last week's assault on Morgan Tsvangirai, the labour leader behind the massive one-day anti-government strike that paralysed the country on Tuesday.

Intelligence sources, who asked not to be named, said detectives had identified the eight attackers as personnel attached to the party's national headquarters in the capital.

They said that shortly after the group fled from Tsvangirai"s office at the the Zimbabwe Congress of Trade Unions (ZCTU) headquarters in Harare on Thursday morning, leaving him unconscious in a pool of blood, they were spotted celebrating in a nearby bar.

The sources also claimed that on Tuesday the Zimbabwe army was on the brink of unilaterally deploying troops on Harare's streets when they believed police had failed to control violence.

They said two Presidential Guard majors, dressed in combat fatigues, arrived at Harare central police station and offered to take over control.

The unit, whose barracks are next to State House, President Robert Mugabe's official residence, is composed largely of men and officers of the notorious Fifth Brigade, the force held responsible for the massacre of thousands of civilians during an insurgency in the western provinces of Matabeleland in the mid-80s.

Late on Tuesday afternoon, the sources said, as fighting between riot police and gangs of youths spread into the townships, police officers feared the army was about to step in without police approval.

Observers and civic organisations' officials said the government reaction to the strike, the biggest in the country's history, held disturbing implications for future demonstrations of anti-government sentiment.

The attack on Tsvangirai came within 48 hours of the strike, when workers answered the call by the ZCTU to strike against a series of new taxes imposed by the government, which needs to raise money to finance a controversial R1,2-billion retirement-benefits package for war veterans.

Immediately after the strike, Home Affairs Minister Dumiso Dabengwa warned that police would shoot demonstrators if they "stretch police patience too far".

No official police comment on the identity of Tsvangirai's attackers was available, but Police Commissioner Augustine Chihuri said yesterday it was "extremely dangerous" to suggest police involvement.

"I challenge comrade Tsvangirai to prove that I or the honourable minister (Dabengwa) were behind the assault.

At a press conference on Friday, Tsvangirai, who had to have five stitches above his left eye, said the attack was politically motivated.

The attack was condemned by civic organisations and church groups, which accused the government of complicity.

'Zimbabwe can easily pay war veterans from budget'

CT 15/12/97 (362)

HARARE: Zimbabwe's finance minister at independence in 1980 and former treasurer of the ruling Zanu PF, Mr Enos Nkala, claims government departments waste money and the Zim $4 billion (R1,2bn) needed to pay war veterans can be found easily in the country's current Zim $70,6bn (about R21bn) budget.

Nkala told the Ziana news agency at the weekend "a lot of money is being misallocated in all ministries" as there was no proper financial supervision.

"Misapplication of funds has (occurred) since independence. I was part of the system right at the top ... I was the lone voice against it and that is why I quit the finance portfolio in 1982."

Nkala also held the national supplies, home affairs and defence portfolios before he resigned in 1989 after his implication in a government scandal.

He said the defence ministry alone could contribute Zim $2bn (about R606m) for war veterans as half its budget was unnecessary.

"The ministry is the most wasteful of all departments ... More than adequate equipment and supplies are bought at deliberately inflated prices. Officers are left to pilfer money ... and no one raises a finger. When they ask for more it is given."

Nkala said other ministries were also given excessive allocations, for which they failed to account fully.

He suggested that the government engage economists and accountants to review its budget, re-allocate funds and enforce accountability.

President Robert Mugabe should also trim his cabinet to "10 capable, dedicated and hardworking ministers".

"Ministers of state are unnecessary. Their jobs can be done by officers ... (Most) laughable of all are deputy ministers. They do nothing."

Another of Mugabe's controversial plans — the seizure of millions of hectares of white-owned farmland for resettlement — has prompted the launch of a campaign by some white farmers, businessmen and church leaders.

The Sunday Mail reported that some farmers and businessmen were issuing green ribbons to campaign supporters. A number were making workers wear the ribbons during working hours.

The paper also said, without giving details, that some priests had given sermons opposing the programme. — Sapa-AFP

Zimbabwe can pay veterans from budget — ex-minister

BD 15/12/97

HARARE — Zimbabwe's first finance minister at independence in 1980 and former ruling Zanu PF treasurer, Enos Nkala, has claimed that the government could easily raise the Z$4m it needed to pay war veterans from within its $70,6bn 1997/98 budget, Ziana news agency reported yesterday.

Commenting on the war veterans compensation saga at the weekend, Nkala said there was "a lot of money being misallocated in all ministries, mostly because no proper financial supervision existed in government".

"Misapplication of funds has been the system ever since independence. I was part of the system right at the top, so I know what I am saying. I was the lone voice against it and that is why I quit the finance portfolio in 1982," claimed Nkala.

Nkala — who also held the national supplies, home affairs and defence portfolios before he left government in 1989, following his implication in a government scandal — said the defence ministry alone could contribute Z$2bn because half of its budget was unnecessary. He said there was "excessive abuse of funds" in the defence ministry which over the years received the lion's share of the national budget, and this year got Z$5,420bn.

He said other ministries were also given excessive budget allocations that were never properly accounted for at the end of each financial year. He suggested that the government engage well-qualified economists and accountants to review its budget and reallocate funds and enforce accountability.

Meanwhile, with the prospect of some budgetary allocations being cut to pay the war veterans, some sectors which have not yet received their money are panicking, Ziana reported.

One such group is the Gwanda Zintec Teachers' College development committee, which was promised Z$30m construction money by last July, but has not received it. Committee member and Gwanda town vice-chairman, Petros Mkwena, said the committee was now worried that the money might end up being used to pay the war veterans. — Sapa.

Mugabe condemns attack

HARARE — Zimbabwean President Robert Mugabe said on Saturday that he deplored last week's brutal attack on the leader of Zimbabwe's labour movement by yet unknown assailants.

Morgan Tsvangirai, secretary general of the 300 000-strong Zimbabwe Congress of Trade Unions, was attacked in his office after he organised a mass protest on Tuesday against a government proposal to levy new taxes to finance pensions and gratuities for the country's former freedom fighters.

"Why should that ever happen at all? We do not settle our scores in that manner," said Mugabe, whose cabinet minister is among the people suspected to be behind the attack.

Labour leaders say the attack, which left Tsvangirai with a severe cut on the forehead, was politically motivated. They have accused Home Affairs Minister Dumiso Dabengwa, police commissioner Augustine Chihuri and the leader of a war veterans association, Chenjerai Hunzvi, of being linked to the assault.

The accusations are based on verbal onslaughts on the trade union prior to and after the protests, which turned violent when police broke them up.

Mugabe said he supported the idea of expressing grievances through demonstrations as long they were done peacefully.

The Zimbabwean Public Service Association said the assault would not deter workers from protesting against unfavourable political decisions. There was no doubt Tsvangirai's assailants wanted to eliminate the leaders of the recent protest, it said. "We wish to emphasise that the worker's struggle is unstoppable and workers will not sit by and watch unfavourable policies thrust on them." — Sapa-AFP.

Increase in poaching denied

HARARE — Conservationists in southern Africa denied claims yesterday that there had been a rise in poaching in the region since the decision by the Convention on International Trade in Endangered Species (Cites) to downlist the African elephant in June.

The Zimbabwe Trust and the Wildlife Environment Society of SA said yesterday there had not been any measurable increase in elephant poaching so far while in some areas it had dropped.

At the Cites conference, the African elephant was downlisted from Appendix I, where trade is banned, to Appendix II, where controlled trade is allowed. Conditions were set under which Botswana, Namibia and Zimbabwe could resume controlled but strictly limited trade in ivory by 1999 provided there was no increase in poaching activity.

Many animal rights groups, which fought the downlisting heavily, have published material claiming there was an increase in poaching activity in the past six months.

The Zimbabwe Trust secretary-general Rob Monro said Traffic, the official monitor for decisions made by Cites, had not found any evidence of the purported increase in poaching.

Statistics showed that in 1992, 97 elephants were killed either for meat or ivory, 124 were killed in 1993, 97 in 1994, 47 in 1995, 76 last year, and 53 so far this year. — Sapa.

CAPE TIMES
WEDNESDAY DECEMBER 17, 1997

FARMERS ACCUSED OF PLOTTING UNREST

Mugabe turns up heat, plays 'the race card'

(3ba)

CT 17/12/97

HARARE: President Robert Mugabe's criticism of white farmers and business leaders are meant to drive a wedge between blacks and whites in the country, say analysts.

ZIMBABWE'S embattled President Robert Mugabe has turned up the heat on the country's tiny white community in the face of rising economic and political pressure.

Political analysts said earlier this week Mugabe was trying — as he has done many times since he came to power over 17 years ago — to play "the race card" to muffle criticism against his administration.

In the past week Zimbabwe's government-controlled media, Mugabe and top state and ruling party officials have accused white farmers and business leaders of plotting social unrest in the country.

Mr John Makumbe and Mr Masipula Sithole, political analysts at the University of Zimbabwe, say the accusations are aimed at diverting attention from the government's alleged failures to manage a fragile economy and an increasingly volatile political climate.

"They are also meant to put a racial wedge between blacks and whites, casting the whites as inherently evil, and by extension try to convince sceptical blacks that there is nothing wrong in the way that the government plans to get land," Makumbe said.

"It's his same old trick," he said of Mugabe.

Information Minister Mr Chen Chimutengwende said last week the union-sponsored anti-tax protests were instigated by white employers angry over the government's plan to seize white-owned farmland.

"These whites are opposed to the land issue. But black people cannot accept to be used as tools by white people who have their own agendas," he said.

Zimbabwe Congress of Trade Unions Secretary-General Mr Morgan Tsvangirai, the main protest organiser, scoffed at Chimutengwende's accusations, saying the government was pulling out the race card again in the face of social pressures.

"It has worked before, but it won't this time round," he said.

Last month the government gazetted a list of 1 503 farms, mainly owned by white commercial farmers, it wants to take for a peasant resettlement programme.

Industry and economic analysts say the land grab will ruin Zimbabwe's farm-based economy, but Mugabe denies the claims, saying it will help achieve social justice for the country's black majority.

He says the government will only pay for improvements and not the land because the British immigrants allegedly seized the land from blacks when they colonised the country in the 1890s and named it Rhodesia.

Police Commissioner Augustine Chihuri also blamed whites for last week's protests which police suppressed in Harare by teargassing and clubbing workers.

Chihuri said the whites "wanted to see social unrest".

"There is an unholy alliance developing (between white farmers and industrialists and trade union leaders) which we are watching very carefully," Mugabe said last weekend at a year-end party he hosted for his office workers.

"These whites are exploiting our people," he said.

Last week's protests forced Mugabe to scrap a tax package he had imposed on December 1 to help raise money for disgruntled veterans of Zimbabwe's 1970s war of independence. — Reuter

Colombia holds answers for Zimbabwe

Zimbabwe should learn the lessons of South America in its land reform programme, writes **Simon Barber** in Washington

(360) BD 18/12/97

THE skewed distribution of land in Zimbabwe is not tenable. It is preventing a large portion of the population from fulfilling its productive potential, and is therefore a drag on the growth of output, incomes and employment. As a source of political instability, it is a deterrent to investment, both domestic and foreign.

The pity is that after 17 years in power and a decent start in the early '80s, the government of President Robert Mugabe has done so little to address the question seriously and transparently — especially since hunger for land was the primary driving force behind the chimurenga.

In the decade after independence in 1980, the government resettled over 50 000 families on about 3,1-million hectares purchased from white farmers at market value. The results were mixed. A 1990 assessment by the World Bank found that the effect on the development of communal areas, where the majority of Zimbabweans lived, had been "minimal" and that "perhaps most surprising is the evidence that the programme has not proved an appropriate vehicle for maximising benefits to the greatest number of poorest people".

The same study observed that "given the growing population pressure in the communal areas it might be considered that pressure to proceed faster with resettlement is, if anything, increasing".

Although, by 1990, the government had made clear it intended to acquire another 5-million hectares for resettlement, its subsequent policy was longer on words, occasionally growing loud under the dictates of election politics, than creative action. Apart from establishing a commission to inquire into "appropriate agricultural land tenure systems", which released its findings in 1994, the government, at the political level anyway, appears to have done little hard thinking on land reform.

It is a staggering fact that even at this late stage, Zimbabwe does not have a complete and accurate land registry. Furthermore, the government has ignored the recommendations of its own land tenure commission to reform regulations that make it difficult and costly to subdivide large estates.

Careful consideration of consequences certainly does not seem to have been a factor in compiling the list of 1 483 farms which the government now says it means to take after next year's harvest, with only minimal compensation. Whether or not you believe this will result in 150 000 farm labourers losing their jobs and farm exports plunging from Z$10bn to Z$6,6bn — all sides in this debate are prone to rhetorical excess — it is hard to suppress a gasp.

An International Monetary Fund staff report released last July concluded that Zimbabwe was facing the "spectre of a domestic debt trap" (ie of having to resort to the printing press) because the interest on the government's debt was eating up so much of the budget. Since then, amid a public revolt against the taxes proposed to stabilise the deficit, the situation has only grown worse.

Withal, Mugabe and his ministers profess to be moving full steam ahead with a programme that will put even further strain on the fiscus. The land to be taken, it is fair to say, will generate less tax revenue in the near term.

Then there is the matter of compensating the former owners for the improvements they have made. There will also be substantial costs involved in ensuring that the beneficiaries of resettlement are able to produce, if that is indeed an important objective.

Even so, some good may yet come of this. The Zimbabwean economy is in a real jam and cooler heads must surely prevail. In expectation of that moment, World Bank economists have been giving thought to what advice, based on experience in other countries, they would offer the Zimbabwean government on the land question if they were asked. One of the first things they would suggest is that the relevant cabinet ministers visit Colombia and Brazil.

Both countries, like much of Latin America, exhibit destabilising imbalances in land distribution, if anything more extreme than Zimbabwe's. Both have been trying to improve the balance since the 1960s. Until recently, according to a recent paper by World Bank rural development specialist Klaus Deininger, these efforts were highly centralised and paternalistic, and achieved little. The "Gini co-efficient" for operational land distribution in Colombia in 1990 was a wildly skewed 0,84, virtually unchanged from 0,87 30 years earlier.

In 1994, the Colombian government passed legislation creating a market-orientated framework to assist land-seeking peasants negotiate independently with owners. The state undertook to provide grants covering 70% — subject to an upper limit — of the purchase price of holdings thus acquired. On the supply side, land sales were encouraged as structural reforms reduced the profitability of large-scale farming by eliminating protection while increasing investment opportunities in other sectors.

The new system had flaws. The 70% grants inspired sellers and buyers to overstate land prices. Since the grants could only be used for land and not for improvements such as drainage and irrigation, the programme was biased towards the transfer of existing productive assets rather than the creation of new ones.

In response to these and other problems, the Colombian government has shown itself willing to learn. Among other things, it has established a number of municipal level pilot projects, through which the local authority administers the grants and becomes a key player in identifying suitable land and matching buyer with seller, or landlord with renter.

Peasants seeking land, "aspirantes", register with the authority and answer a basic questionnaire on their income, agricultural experience and education.

This is used to prequalify candidates, and identify those who need training. At the same time, the authority undertakes a thorough survey to identify publicly land that would be suitable if the present owner were to agree to sell or rent it at a fair price.

Of most interest is fertile but underutilised land on which the owner might make a better return by cashing out, especially where land taxes are in effect.

Another important aspect of the pilot schemes is that aspirantes must, as a condition for receiving grants, have already developed a viable farm plan based on models, developed locally, rather than by distant bureaucrats, to suit local conditions. A viable project is one that will provide year-round employment for the farmer and his family on a plot averaging 8ha.

The aspirante receives advice and training to develop his plan, which ideally will be bankable. The aim is to have private-sector rural credit institutions provide working capital and at the same time ensure that their clients get whatever technical and marketing help they may need to be in a position to repay loans.

The Colombian experiment, and similar efforts launched by state governments in Brazil, may not be perfect, but they exhibit several features not immediately evident in Zimbabwe's initiative. These include a high degree of decentralisation, a determination to enlist market forces and use public money to "crowd in" private investment, and a clear understanding that the objective is not simply to redistribute assets, but to reduce poverty, generate employment and increase productivity.

The idea is to equip landless peasants with tools — capital, know-how and bargaining power — to acquire suitable land at reasonable prices and generate the best possible return from it, while encouraging large-scale landowners to weigh the opportunity cost of keeping their capital tied up in land when it might be more profitably deployed elsewhere.

It would be sad if the Zimbabwean government remained obdurately on its present course, and not much happier if, after the shouting is done, it returned to the previous state of drift. The country needs land reform.

If Zimbabwe wanted to try the kinds of things Colombia and Brazil are doing, and introduce a process to learn from pilot projects, Britain, the World Bank and others would be eager to help. But no one is going to put up a cent to support policies that have repeatedly and demonstrably failed.

Sithole jailed for 'senile' plot to kill Mugabe

Attempt to blow up Zimbabwean president's motorcade with a landmine could never have succeeded, says judge

Star 19/12/97 (362)

SAPA
Harare

Zimbabwean opposition party leader Ndabaningi Sithole was yesterday sentenced to two years in jail for an "amateurish" plot to blow up President Robert Mugabe.

Sithole (77) is the leader of Zimbabwe's small opposition Zanu (Ndonga) party.

Judge Ishmael Chatikobo said Zimbabwe's law on conspiracy gave him no alternative but to send the ailing, forgetful former congregational preacher to jail.

"If I had my way, I would have made an effort to keep the accused out of prison," Chatikobo said. "My hands are tied."

He released Sithole on bail to appeal against his conviction, and urged the government to grant him clemency.

Sithole was convicted on December 5 of trying to raise an army to topple the Zimbabwe government, of possession of arms of war and of conspiring to assassinate Mugabe.

He was arrested in October 1995 after a party member was caught when he was about to lay an anti-personnel landmine in the path of Mugabe's motorcade.

Sithole accused the judge of being "a CIO" (member of the Central Intelligence Organisation, Mugabe's secret police).

"I am not guilty of anything," Sithole said.

Sithole, the man credited with the start of the armed struggle against the white-minority Rhodesian government, glowered as the judge said he was "old, frail and looks tired and broken-down".

Earlier, Sithole's doctor, Christopher Nutt, said he gave Sithole up to eight years more to live. He said Sithole had a serious heart condition and there was "quite a high risk of him expiring" if he was sent to jail.

He said Sithole suffered from high blood pressure, angina, fibrillating heart rhythm and diabetes.

After sentence was passed, Sithole was asked if he still had ambitions to become the president of Zimbabwe.

"Certainly," he replied. "Why not? The question of age shouldn't interfere."

The judge said the would-be assassin was on his own and standing at the side of the road with a claymore mine in his hands when a passing unarmed soldier apprehended him.

The anti-personnel mine was incapable of inflicting injury on Mugabe in his heavy, bullet-proofed presidential limousine.

The plot was "so amateurish one cannot but wonder from the outset that it was meant to fail. It certainly smacked of the product of a senile mind.

"The futility of his criminal endeavours makes it undesirable to send him to jail," the judge said.

It was the sixth time that Sithole has faced charges relating to political violence, five of them while he was a leader in the black nationalist campaign against the Rhodesian government.

Sithole and another member of his Ndonga party hold two of the three seats in the 150-member parliament not under the control of Mugabe's ruling Zanu (PF) party.

HOWARD BURDITT / REUTERS

Unrepentant ... veteran opposition leader Ndabaningi Sithole speaks to the press from the dock of the Zimbabwe High Court yesterday, after he was sentenced to two years in prison with five years suspended. Sithole was found guilty of plotting to assassinate President Robert Mugabe in 1995 but has been released on bail pending an appeal to the Supreme Court.

Bengu 'not worried' but there may be disruptions next year

(362) Star 19/12/97

BY EDWIN NAIDU

Teacher organisations are threatening to strike if there are retrenchments – and varsity students plan mass action

South Africa's education system could face disruption when the 1998 academic year begins.

Teacher organisations have threatened to strike if the Government proceeds with the proposed retrenchment of temporary teachers.

And university students are planning a mass action campaign to prevent students from being excluded on financial grounds.

Teacher organisations involved in negotiations over staffing retrenchments have vowed to go on strike or seek relief from the courts next year if their members are made redundant as a cost-cutting measure.

The Education Department says it has received claims for compensation totalling R5-billion from former Model C schools which are opposed to transferring school property to the state.

The State-Attorney's Office, the Registrar of Deeds and Department of Land Affairs are involved in discussions to find ways of resolving the problem without expensive court action.

And in another move, tertiary institutions – relatively peaceful this year – could become battle zones if students carry out threats to embark on mass action if learners are excluded because they cannot pay fees.

Campuses at universities, technikons and colleges could also become a hotbed of political activity if plans to mobilise youths by the South African Students Congress (Sasco) and the ANC Youth League go ahead.

Sasco president Jacob Mamabolo believes subsidy cuts would lead to an increase in tuition fees by tertiary institutions and as a result lead to the exclusion of students unable to pay their fees.

He warned of Sasco "mass action" to put pressure on institutions turning away students expecting to enrol for studies next year.

Education Minister Professor Sibusiso Bengu, despite the potential for conflict at schools and universities looking more likely in 1998, has downplayed fears that disruptions and chaos would plague schools and tertiary institutions.

Bengu said that his department was not expecting anything "which warrants us to worry".

Deputy director of higher education Nasima Bacha added that the Higher Education Act signed by President Nelson Mandela and passed into law two weeks ago, provides the policy and framework for transformation of higher education in the coming year.

She said the key challenges in the new year would be implementing policy, adding that work had already begun on the development of new funding mechanisms, support for capacity building and the incorporation of colleges into higher education.

However, she says (although the Government has committed R200-million for universities) the allocations for individual institutions have yet to be finalised. Bacha says, crucial to successful change of the higher education sector, will be the appointment of a council on higher education, a statutory body which will advise Bengu and be responsible for promoting quality and standards.

The chief director of development and support in the higher education directorate, Professor Itumeleng Mosala, said that the department would embark on a capacity building programme aimed at putting in place a student financial aid package.

Ahmed Essop, chief director of higher education in charge of planning and co-ordination, says there will be redress targets for historically black institutions, such as the upgrading of libraries and installation of Internet access.

Essop says that the council on higher education will be a key player in monitoring, advising and implementing on transformation of higher education.

Despite the gloomy outlook for 1998, the prospects for transformation of education at tertiary education and schools appear to be good, although translating bills into reality may have its difficulties.

ANDREAS VLACHAKIS

Jail sentence for 'frail, old' Sithole

CT 19/12/97 (362)

HARARE: Zimbabwean opposition party leader Ndabaningi Sithole was sentenced yesterday to two years in jail for an "amateurish" plot to blow up President Robert Mugabe.

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"If I had my way, I would have made an effort to keep the accused out of prison," Judge Chatikobo said. "My hands are tied."

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Sithole accused the judge of being "a CIO" (Central Intelligence Organisation and Mugabe's secret police).

"I am not guilty of anything," Sithole said.

Sithole, the man credited with the start of the armed struggle against the white-minority Rhodesian government, glowered at the bench as the judge said he was "old, frail and looks tired and broken-down".

Earlier, Sithole's doctor, Dr Christopher Nutt, said he gave Sithole up to eight years to live.

He said Sithole had a serious heart condition and there was "quite a high risk of him expiring" if he was sent to jail.

He said Sithole suffered from high blood pressure, angina, fibrillating heart rhythm and diabetes.

Nutt said Sithole was on a range of drugs for his condition, but regularly forgot to take them.

'MIND-BOGGLING PLOT': Ndabaningi Sithole

"I always found him not a person to comprehend what a doctor is trying to do. He has been a person who always needed someone to keep an eye on him."

After sentence was passed, Sithole was asked if he still had ambitions to become president of Zimbabwe.

"Certainly," he replied. "Why not? The question of age shouldn't interfere."

Judge Chatikobo said Sithole's crimes were very serious, but there was never a chance of the plan succeeding.

The judge said that from the beginning a CIO agent had infiltrated Sithole's group.

The circumstances of the arrest of the man tasked with detonating the mine as Mugabe's motorcade passed were "mind-boggling".

The would-be assassin was on his own and standing at the side of the road with a claymore mine in his hands when a passing unarmed soldier apprehended him.

The anti-personnel mine was incapable of inflicting injury on Mugabe in his heavy, bullet-proofed presidential limousine.

"The pathetic features of this case are manifold," Judge Chatikobo said.

The plot was "so amateurish, one cannot but wonder from the outset that it was meant to fail. It certainly smacked of the product of a senile mind". — Sapa

Zim war veterans go on a spending spree

Sowetan 22/12/97

(362)

Former guerrillas over-indulge themselves

HARARE – GUERRILLA VETERANS of Zimbabwe's liberation struggle began a wild spending spree this week as the government started paying out the controversial Zimbabwe R600 million gratuities that have helped spark a national economic crisis.

The independent *Sunday Standard* reported yesterday morning that flat Christmas business in the capital was given a major boost from Thursday after the first of 50 000 ex-combatants qualifying for the R20 000 gratuity ordered by president Robert Mugabe in August, descended on the city with loaded wallets.

The newspaper said supermarkets, bars, fast-food outlets and taxis clocked up roaring trade as many of the ex-guerrillas appeared to try and spend their new-found wealth as fast as they possibly could.

Apparently timed to catch the veterans' cash, four men armed with AK47 rifles and pistols staged a hold-up at a major supermarket in the city centre, getting away with near-record loot of about R120 000 in a rare armed robbery. One man was arrested.

Not many of the veterans appeared to be heeding the advice of Mr Hitler Hunzvi, chairman of the Zimbabwe War Veterans Association, to "avoid a repeat of what happened before". In the early 80s when they were given their first payouts by the government, most of them wasted their money.

Monthly pensions

The veterans are also due to receive an inflation-linked monthly pension of R600.

The *Standard* said by the end of the evening after the payouts began, the city's main bus terminus "resembled a typical beerhall, with vomit strewn all over the place" from veterans drinking to excess.

One man went into a bank to collect his money, bringing a taxi driver because he thought he would need help carrying the money out.

Another spent R1 500 on scratch cards. A third was seen in a supermarket with a large trolley filled with nothing but frozen chickens which he then loaded into a taxi to his township home.

One bought a second-hand car and went drinking in a township. Five hours later the car was written-off when he rolled it. He escaped with minor injuries.

Others, however, made an effort to invest their cash sensibly. The paper quoted a "surprisingly sober" ex-guerrilla as saying that he was using his money to complete building his house, and only then would he celebrate.

He warned his less thrifty comrades they would regret their free spending.

"There are tough times ahead," he said. – *Sapa.*

Zimbabwean farmers appeal land purchases

(362) BD 29/12/97

HARARE — Zimbabwe's commercial farmers yesterday submitted final appeals against designation of their farms for government purchase.

President Robert Mugabe's government on November 28 published a list of 1 503 mainly white-owned farms it said would be forcibly bought under its controversial land reform plans, and gave farmers up to yesterday to appeal against the designations.

Government and industry officials said last week final figures of the number of farmers appealing against the proposed seizure of their farms would be known only in the new year.

But Nick Swanepoel, president of the mainly white Commercial Farmers' Union, said the response had been "good" and he was confident that the government, which has already admitted anomalies in the original list, would spare productive farms as agreed with farmers.

"All I know now is that the response has been good. Farmers have responded well," Swanepoel said.

"I am encouraged by what the president has said. We are optimistic the process will be open and transparent as the president has said," he added.

Under the 1992 land acquisition act farmers are allowed to appeal to the courts if they are unhappy with government compensation packages.

Mugabe says his land reforms seek to balance land ownership and are not meant to drive out whites, who make up less than 1% of Zimbabwe's 12-million people.

His government, which argues that Britain, the former colonial power, must compensate white farmers for loss of their farms, says it will buy 5,5-million ha to resettle landless blacks.

Britain has refused to fund the programme, saying the white farmers are now Zimbabwean citizens and the exercise is unlikely to benefit the poor.

Mugabe, who says he will compensate farmers only for improvements and not for the land, rejects charges his senior officials grabbed most of the land under the first attempt at redistribution, saying on Wednesday his ministers bought their farms.

"Agriculture is the fulcrum of Zimbabwe's economy, earning more than 40% of its foreign exchange, producing 20% of gross domestic product and 60% of the manufacturing industry's inputs. — Reuter.

World Bank unfreezes Zimbabwe credit

(362) BD 29/12/97

Michael Hartnack

HARARE — The World Bank had disbursed a previously frozen US$60m credit facility to Zimbabwe, the Zimbabwe government announced yesterday.

The authorities say the move is a vote of confidence in the country's financial record.

Mass protests by trade unionists forced President Robert Mugabe to backtrack this month on plans to raise Z$2bn in extra taxes to help pay Z$50 000 gratuities to more than 40 000 guerrilla veterans of the 1972-80 war that ended white rule.

State expenditure commitments have cast doubt on Zimbabwe's ability to meet the target, which Finance Minister Herbert Murerwa agreed to with the World Bank and International Monetary Fund (IMF), of limiting the budget deficit to 6,9% of gross domestic product in the 1997-98 fiscal year. Failure to meet previous targets resulted in freezing of budget support in the past two fiscal years.

Murerwa surprised financial commentators with a Christmas Eve announcement that the World Bank had unfrozen the negotiated credit facility. It was suspended three months ago when Mugabe bowed to war veterans' violent lobbying, during which they jeered him into silence and wrecked the ruling Zanu (PF) headquarters.

The veterans, whose numbers were estimated at between 26 000 and 90 000, were enraged by revelations that politicians irregularly received payments of up to Z$900 000 from a "war disability fund".

Financial analysts had believed international institutions would refuse aid until Mugabe proved practical ability to restore fiscal discipline.

Murerwa also announced that the World Bank had agreed to speed up processing of a new "enhanced structural adjustment facility" while an IMF mission next month would finalise arrangements for $100m balance of payments support.

"The decision by the IMF and World Bank will trigger the disbursement of more concessional balance of payments support from bilateral donors and the European union," Murerwa said.

Britain, Germany, the US and other western countries have made renewed balance of payments support conditional on Zimbabwe satisfying the World Bank of restored financial probity.

Murerwa said the World Bank and IMF were clearly satisfied with the way Zimbabwe had "tackled financial imbalances brought about by the need to pay war veterans' gratuities and pensions".

Listed farmers submit objections to land plan

BD 30/12/97 ~~27~~ (B62)

Michael Hartnack

HARARE — Most of the 1 503 farmers whose land was listed for takeover under the Zimbabwe government's land reform plans met Sunday's deadline to submit formal objections to the takeover, sources said yesterday.

Only a few, particularly those with undeveloped land or farms bordering a communal area who had longstanding problems with cutting of fences and stock theft, were reported to have "thrown in the towel" and now plan to submit claims for compensation by the next deadline — January 26.

A community farming leader near Harare said yesterday: "They hope that by being first in the queue they may find the government is a bit more generous. Those who make a long fight of it may be penalised."

Zimbabwe's parastatal Agricultural Finance Corporation yesterday acknowledged it was owed Z$312m by farmers whose land is on the takeover list. Other financial institutions are understood to be owed more than Z$4bn by 4 000 commercial farmers.

Many of those with highly productive land, or whose listed land was the only farm they possessed, have been heartened by President Robert Mugabe's recent statements that he would not reject "reasonable" objections since his intention was only to redistribute surplus or underutilised land.

The 30-day deadline for objections was technically December 28 but in practice the Christmas break for government offices gave farmers only three weeks to lodge protests after receiving notification of the planned takeover at the beginning of December.

Farmers' anxieties, roused by the lists published so far, and by Mugabe's ambiguous statements on whether any compensation will be paid should Britain continue to refuse funding, have been further stirred by Mugabe's pledge that further lists were pending.

A farmer from the Enterprise valley northeast of Harare went to the agriculture ministry to confirm his land was not due for takeover, only to find it was shaded on a new map. "That is intended for a minister," he was told, fuelling fears land would be given to party favourites and not to the landless.

Commercial Farming Union president Nick Swanepoel said he believed there had been a strong response by farmers to the 1 500 takeover notices sent out, but he was hopeful the government would remedy anomalies. "We were encouraged and optimistic the process will be open and transparent as the president said."

A particular worry for farmers is the recently amended law on land takeover procedure, which allows outgoing owners to be evicted within 12 months even if official consideration of objections is not finalised.

Beleaguered Mugabe may be forced to sit tight

BD 31/12/97 (362)

In what direction will Robert Mugabe jump following one of Zimbabwe's most difficult post-independence years? asks Michael Hartnack in Harare

IN HIS pre-Christmas "state of the nation" message, delivered to parliament, Zimbabwe's 72-year-old President Robert Mugabe admitted that 1997 had been "a difficult year".

Outside, the streets of Harare were deserted except for squads of heavily armed riot police and spent teargas canisters, the result of street violence earlier in the month. The first successful protest in the bleak 17-year history of the Zimbabwe Congress of Trade Unions had led to widespread rioting as police suppressed demonstrations in the capital city.

In the rest of the country there was an overwhelming but largely peaceful show of solidarity against planned tax rises, forcing the government to back down on most of them.

Sources in Harare say Mugabe's 51-strong complement of vice-presidents, ministers, deputy ministers and provincial governors — all with expensive entourages of bodyguards and aides — has made recent cabinet meetings woeful affairs, with tales being related of hostility from constituents who have been ignored since the 1980 independence.

The sources say although Mugabe appears to have no major health problems, he is considering three personal options to try to evade mounting public anger over economic distress that now puts 60% of the population below official UN poverty levels.

The first is to hand over to 72-year-old Vice-President Simon Muzenda and leave him to sort out the vexed problem of the succession — which is really the problem of finding someone who is able to sustain or reconstruct the feudal system of patronage by which Mugabe re-established peace after the 1972-80 Rhodesian war.

Those who take snide satisfaction in Mugabe's current difficulties ignore the very real danger of a descent into civil violence if rival tribal coalitions battle for spoils in a 21st century African rerun of England's War of the Roses.

Mugabe's own probable choice of successor would be Central Intelligence Organisation supremo Sydney Sekeramayi, a medical doctor who was instrumental in marginally cleaning up the CIO's act following the 1980-86 outrages in Matabeleland and elsewhere.

Sekeramayi comes from Mugabe's Zezuru section of the Shona tribe. But he might face a strong challenge from within the Zezuru from retired army commander turned business magnate Solomon Mujuru (the former guerrilla Rex Nhongo), or from Commerce Minister Nathan Shamuyarira.

Muzenda might favour a candidate from his own Karanga group, such as Justice Minister Emmerson Mnangagwa; while Home Affairs Minister Dumiso Dabengwa has some following as a Na-Kalanga from Matabeleland.

Mugabe's second option, say sources, is to appoint a prime minister to take responsibility for internal affairs while he tries to re-establish his position in international politics following his much-resented eclipse by SA's President Nelson Mandela.

Mugabe would hope to win his battle for continued chairmanship of the Southern African Development Community's organ on politics, defence and security.

Mugabe has over the past 17 years jealously kept control of Zimbabwe's political patronage system, rejecting answerability to the cabinet, the Zanu (PF) politburo or anyone else. As a result, any proxy would risk being seen as a mere impotent figurehead — as has become the fate in the sphere of the economy of Mugabe's charming, well-meaning but perpetually overruled Finance Minister Herbert Murerwa.

And behind everything, say sources within Zanu (PF), looms Matabeleland.

Mugabe brushed under the carpet this year's damning report on the 1980s atrocities in the province published by human rights lawyers and churchmen. But he must fear any relinquishment of real power would leave him open to accusations of direct involvement in the mass killings.

The theory goes that once those in the patronage system no longer receive their Mercedes-Benzes and their tax-free allowances via Mugabe's favour they would have no cause to spare him.

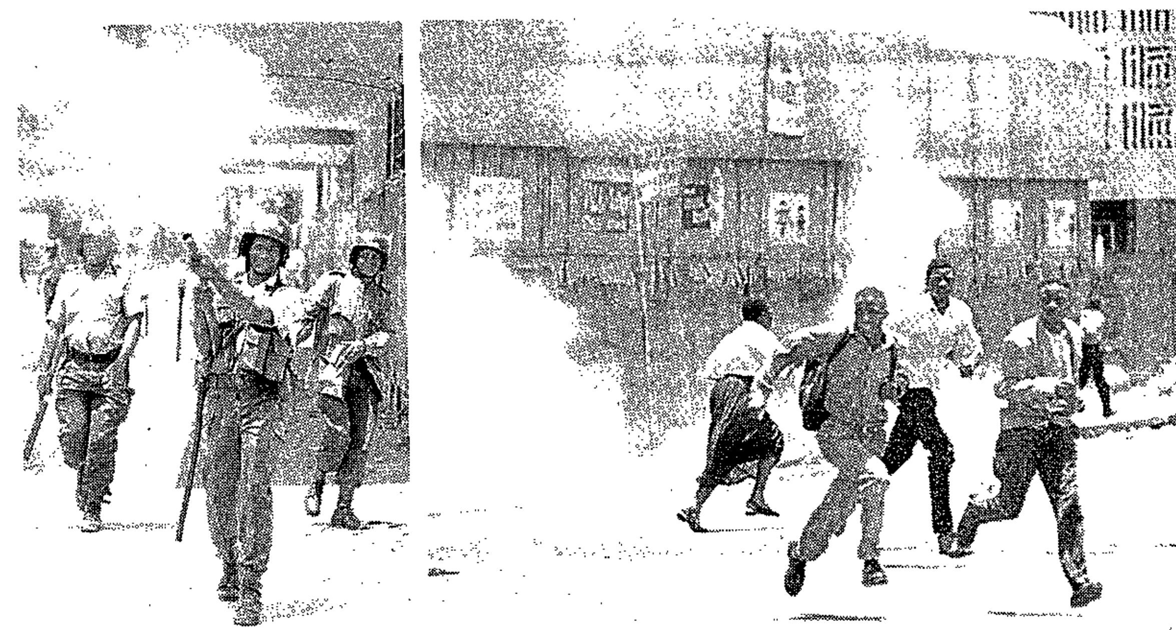
Mugabe's last option is to sit tight, let his wife Grace increasingly become a de facto power through her control of access, and wait for their children (eight and 10) to come of age and establish a "Mugabe dynasty".

In such a scenario, he could step up anti-white rhetoric and pledge yet more "wealth redistribution", effectively extending his patronage system still further at the expense of the 70 000 remaining whites. The state-controlled Herald has already been writing editorials about the need to redistribute "underutilised" urban property after the planned take-over of an "initial" 1 500 mainly white-owned farms.

Despite the success of its December 9 protests in terms of popular support, the trade union movement is still far from becoming a real force. Also, no credible opposition political party exists, and Mugabe has suppressed any split in Zanu (PF) itself.

Tax rises to pay ex-guerrillas, corruption and falling living standards have alienated ordinary Zimbabweans from government, but there is no evidence of general sympathy for the fate of white residents, outside the ranks of their immediate employees.

In the circumstances, the third option must seem the most inviting to Mugabe in 1998 — unless other factors intervene.



Zimbabwean police fire teargas to clear the streets of Harare during a mass demonstration earlier this month to protest against increased taxes.

Pictures: AF

Zimbabwe scraps fuel hike

(362) BD 31/12/97

HARARE — Zimbabwe's government on Monday night formally scrapped a controversial 4,4% average rise in fuel prices which this month sparked unprecedented worker protests and a revolt by ruling party legislators.

A government statement said petrol and diesel prices would revert to pre-November 28 levels of Z$5,11 and Z$4,03 a litre respectively from January 2.

The government had raised pump petrol prices to Z$5,31 and diesel to Z$4,23 a litre to raise part of the Z$4bn in compensation promised to liberation war veterans. Other taxes were also imposed.

However, worker protests and revolts by ruling Zanu-PF party parliamentarians and members forced government to drop the new taxes, which included a 5% war veterans' levy on corporate and individual income tax and a five percentage point increase in electricity tax to 10%. Only a 2,5 percentage point increase in sales tax to 17,5% remained.

Mugabe's government now says it will raise the money from further cuts in recurrent expenditure and from the sale of state enterprises. — Reuter.

See Page 5

ZIMBABWE – GENERAL

1998

JANUARY — ~~May~~ ~~Dec~~. MAY

Aid to Zimbabwe to be reduced

BD 8/1/98 (362)

HARARE — The US said yesterday it would close its development aid mission in Zimbabwe in the year 2003 because of a decline in resources.

The US embassy in Harare said USAid assistance to the southern African country would be reduced in the coming years after peaking at $14,7m in 1997.

"USAid will provide declining levels of support to Zimbabwe over the next few years and will close its bilateral assistance programme to Zimbabwe in the year 2003," it said, adding that the two countries were exploring other ways of providing support.

"One such mechanism is an endowment to a Zimbabwe American Development Foundation that could, with the private sector, provide development resources long after the USAid mission closes in 2003," it said.

"The closure results from dramatic declines in resources and the recognition that Zimbabwe is one of the few countries in sub-Saharan Africa that can graduate to new forms of co-operation based on trade and mutual respect."

The USAid mission was opened when the then British colony of Rhodesia became independent Zimbabwe in 1980, and its $14,7m aid to the country went into natural resources management, microenterprise development, family planning and prevention of AIDS.

The US said it hoped to provide new assistance worth $38m before the mission closed. — Reuter.

Zimbabwe's maize board stocks up for feared drought

BD 8/1/98

(362)

HARARE — Zimbabwe's state Grain Marketing Board has stockpiled more than 500 000 tons of maize, but is looking for an additional 436 000 tons on the domestic market to meet reserves required for drought relief, a top board official said yesterday.

Board MD Martin Muchero told the official Herald newspaper that although his board had enough money to import maize in case of a drought in the current 1997/98 November-April season, the government had for now directed it to boost its strategic grain reserves from the local market.

"In the normal sense, I cannot say there is a shortfall because reserves are supposed to be 500 000 tons. But we were instructed to purchase more maize to reach the maximum because of indications of a disturbed weather pattern," Muchero said of fears of an El Niño-induced drought.

"(But) we are not going to import to reach the 936 000-ton level."

The board is buying maize from local farmers at Z$1 200 a ton, much lower than the average price of Z$2 300 currently being offered at the private Zimbabwe Agricultural Commodity Exchange by millers and brokers.

Traders say many farmers have stopped selling, fearing they might be forced to buy back the maize at a much higher price in the coming months if Zimbabwe suffers a drought due to El Niño, a freak weather pattern that brings floods elsewhere but drought to southern Africa.

Zimbabwe is estimated to have produced 1,8-million tons of maize in 1996/97, up from 2,6-million tons the previous year. Industry officials say Zimbabwean farmers have cut maize plantings by about 18% this season because of drought fears, and they estimate output will be significantly lower but have not yet given any figures.

The board — the only organisation allowed to import and export maize — cut its export target to 260 000 tons from 350 000 tons in 1996/97 to help stock up for a possible drought. — Reuter.

Ban on tobacco adverts 'would be ineffective'

Josey Ballenger

BD 8/1/98

GOVERNMENT should introduce legislation to increase the legal smoking age by two years to 18, make underage consumption an offence and enforce penalties on sales to minors, the Freedom of Commercial Speech Trust said yesterday.

Such policies should be promoted in preference to the "ineffective" banning of tobacco industry-sponsored sporting events, the trust said.

Health Minister Nkosazana Zuma has announced that a Tobacco Products Control Amendment Bill would be tabled in Parliament early this year.

The legislation may ban smoking in public places and abolish sponsorship of sporting events by the tobacco industry.

The trust was formed in 1996 to represent the media and marketing industry in defending "the principle of freedom of commercial speech from threatened intrusions by an overenthusiastic government".

The trust said yesterday any interference in the right of a legal product to legitimate and responsible marketing communications was a "regressive move". The proposed legislation was tantamount to censorship and contrary to the principles of market-driven economy, it said. The trust's executive director, Graham Langmead, said government should instead consider bumping up SA's legal smoking age.

Langmead noted that it was illegal for minors to purchase — but not consume — tobacco products, and the law regarding the sale of tobacco products to underage smokers was not being enforced.

Langmead said attempts in some European countries to curb smoking, especially among young people, by abolishing advertising had not worked.

The "tobacco or health" programme administrator of the World Health Organisation, Neil Collishaw, disputed the claim, saying there had been long-term declines among youth" smokers in Norway, Iceland and Finland, all of which had banned tobacco advertising and taken other antitobacco measures in the 1970s.

Collishaw said an independent 1991 study of Organisation for Economic Co-operation and Development countries showed that price increases and advertising bans had both been successful in reducing smoking over 26 years.

Spending cuts 'are c

EMERGENCY measures announced this week to steer Gauteng hospitals' spending back into the black are a threat to their competency, hospital superintendents say.

The proposed cuts include reducing overtime payment and employment of contracted personnel, and the compulsory use of only generic drugs.

Ga-Rankuwa Hospital superintendent Reg Broekmann said his hospital would be severely affected by the decision to lay off contracted workers. Most nurses and pharmacists were in this category.

The hospital received a revised budget from the Gauteng health department this week. The new budget trimmed R6m a month from Ga-Rankuwa's spending until the end of this financial year, which included a R3m a month cut on salaries, Broekmann said.

The money available for overtime ha ready been spent by the end of October.

"These emergency measures will not the problem, but rather create a bigger m said Dr Andre van der Walt, Pretoria Aca ic Hospital's acting chief superintendent.

His hospital was instructed to reduc overtime payments by 50%. "Doctors will work for free forever," Van der Walt said.

It was inevitable for the hospital to o spend on its current budget of less t R400m. "In fact, we do not see it as overspe ing, but as underbudgeting. We informed provincial government that our budget too small." He said for overspending to curbed the government needed to outl clear policy directions.

UK sets 'well defined' conditions for Zimbabwe

BD 8/1/98 (360)

HARARE — Britain said yesterday it was prepared to help finance Zimbabwe's land resettlement programme provided designed schemes were transparent, beneficial to the poorest in the country and that government fulfilled its obligation regarding protection of investment.

It could not support President Robert Mugabe's government programme to seize 1 500 mostly white-owned farms, and warned that the takeovers would harm Zimbabwe's international credibility.

British Foreign Office Minister Tony Lloyd said the programme failed to meet conditions that would allow Britain to contribute aid towards the resettlement of landless blacks on seized properties.

He said Britain also was dismayed that some land already acquired by the state for resettlement lay idle long after it was vacated by owners.

Lloyd said Britain viewed seizures, scheduled to start this year, as breaching ownership rights, and that they were unlikely to benefit the poor and were not being carried out transparently.

"We are prepared to continue discussions on how we can help but our conditions are well defined," he said.

Lloyd said one aim of his two-day visit was to show "there's no ambiguity in Britain's position" on land seizures.

In November, Mugabe's government released a list of the 1 500 "nonproductive" farms targeted for handover to landless peasants. It gave farmers a month to lodge appeal notices.

Mugabe said then that Britain should be the one to compensate "its children", mostly the descendants of British settlers.

"It wasn't my generation who benefited from colonialism," Lloyd said yesterday. "Britain has no direct obligation."

Farming leaders predicted a 40% drop in agricultural production if the takeovers began after the harvesting season ended in August this year, as the government had indicated.

Britain's commitment to help finance Zimbabwe's land resettlement programme was in the spirit of good relations and was part of its moral obligation towards poverty alleviation worldwide.

The resettlement scheme should benefit the poorest people, he said.

The scheme should also be implemented according to Zimbabwean law and in compliance with the international obligations Zimbabwe had already signed. — Reuter, AP-DJ.

Opposition to challenge Moi victory

BD 8/1/98

NAIROBI — Kenya's second most popular political party said yesterday it would file a legal challenge to President Daniel arap Moi's fifth electoral victory.

"We will take Moi to court," Jackson Munyao, secretary-general of the Democratic Party, said at an opposition rally in central Nairobi's Uhuru Park where Moi took the presidential oath on Monday.

"I would like to say: reject the election results," Munyao told 2 000 supporters.

In contrast to past opposition events, no police were deployed to control the crowd.

Moi won a chaotic, two-day general election with 40% of the vote. His nearest challenger was Mwai Kibaki, the Democratic Party's candidate, who gained 31%.

Kibaki, runner-up to Moi, said his party would sit in parliament but continue to reject the results. "The DP will not accept the elections were not rigged," Kibaki said.

The electoral commission yesterday said the ruling Kanu party could nominate six extra MPs, while the DP could name two MPs and the NDP, FORD-K, SDP and Safina one each. — Sapa-AP, Reuter.

Britain condemns Mugabe's plan to seize farms and give them to peasants

(362) Star 8/1/98

Harare – Britain has condemned Zimbabwe's plan to seize mostly white-owned commercial farms for a peasant resettlement scheme, saying it was undermining the country's fragile economy.

Britain's visiting junior Foreign Office minister Tony Lloyd said his government had no moral obligation to fund the programme purely on the basis that it is Zimbabwe's former colonial master, as President Robert Mugabe has been demanding.

Lloyd, Minister of State in the Foreign and Commonwealth Office, repeated at a news conference that Britain would not help Mugabe to implement his current land plans because it believed they would not benefit the poor and were an arbitrary acquisition of private investments.

But he said Britain would be prepared to help Zimbabwe if it produced a plan that was fair, transparent and aimed at alleviating poverty. He condemned the fact that large tracts of land that Mugabe had acquired in the past were lying idle.

"The message really for Zimbabwe's people is that there is a willingness to assist but what we need is such a scheme," he said at the end of a two-day visit to Zimbabwe, the first by a minister from the Labour government.

"But I want to pass this message to the president. There is no doubt that in the present circumstances he is doing damage to Zimbabwe's credibility on the economic front," Lloyd said.

"We don't take any pleasure in that because we have an interest in helping Zimbabwe to have a healthy and stable economy," he added.

In November Mugabe's government published a list of 1 503 mainly white-owned commercial farms it plans to seize to resettle landless peasants.

Mugabe has said his government would pay only for improvements on the farms but not the land itself, arguing that it was seized by British settlers over 100 years ago. – Reuters

The Star .... Friday January 9 1998

Mugabe faces real rebellion risk

Star 9/1/98 (362)

Zimbabwe president increasingly out of touch, writes Ross Herbert

WINDOW ON AFRICA

Zimbabwe, long a bastion of Southern African stability, faces a real risk of rebellion against President Robert Mugabe, according to well-placed diplomatic and political observers.

The cause: economic mismanagement, corruption and painfully high taxes have put Zimbabwe in an economic straight-jacket, escape from which is looking impossible without significant pain.

Similar issues fuelled the controversy surrounding Kenya's deeply flawed elections last week, which were occasioned by much screaming, vote buying, thuggery, fraud and all-around ugliness. Contrary to the common notion of democracy, Kenya's system entrenches minority rather than majority rule, provokes tribal competition and encourages electoral fraud.

Despite its raucous appearance, that attempt at multiparty democracy at least provided an outlet for staving off what could have been a potentially disastrous civil conflict. Zimbabwe, with its de facto one-party state, offers no such outlet, forcing workers into the streets and politicians into dark corners.

In power for 19 and 17 years respectively, Kenya's Daniel arap Moi and Mugabe are said to be the best of friends. Both rigged their governments to give vast powers to the presidency. Both have grown rich and isolated from their poor populations, while surrounding themselves with a sycophantic elite whose corruption they overlook. And both are devoid of ideas to reform the economic mess they have created.

Unlike Moi, who never was a popular figure, Mugabe was granted king-like deference because of his role in leading Zimbabwe to freedom from years of white minority rule. But that has begun to change.

Local journalists and a few politicians liken him to the late Romanian dictator Nicolae Ceaucescu, whose reign came to an abrupt end when he discovered how hated his rule had become.

Disdaining public opinion and his fiscal resources, Mugabe bumbled into financial wars with workers, veterans and the key agricultural economy.

Civil servants went on strike last year after Mugabe granted pay hikes to ministers, but then tried to withdraw agreed-upon pay raises for ordinary government workers.

Private employers were forced to contribute to an employee pension scheme but government workers were told there was no money for their participation. Miners and farm workers struck. Doctors and nurses struck and were fired. On Christmas Eve air traffic controllers struck and were fired.

A "Pay For Your Home Scheme", into which citizens contributed in the hope of getting a house, allegedly spent millions of Zimbabwe dollars on a 32-roomed mansion for Zimbabwe's First Lady, Grace Mugabe, and on luxurious homes for prominent politicians. A fund set up for injured war veterans was depleted by senior party officials, many of whom had no visible injuries.

Little action was taken to redress the matter and real veterans began a series of determined protests, at one point booing, drumming and shouting Mugabe down.

Seeing real political danger, Mugabe met the vets and without consulting cabinet or parliament agreed to pay them Z$4 billion (about R1-billion) in initial gratuities and Z$1,2 billion (about R312-million) a year in pensions thereafter.

To pay the veterans, Mugabe tried to force a significant tax hike through parliament. Although parliament is controlled 147 to three by Mugabe's party, it refused to approve the tax. Mugabe, members said, had lost touch with how difficult life had become for the people under an already stiff tax regime. The next day he enacted the taxes by executive fiat.

At a Zanu-PF party congress, vice president Simon Muzenda demanded that members show the party leaders the same kind of unquestioning obedience they would show a religious order. Unfazed by such high-handed rhetoric, delegates shouted in unison *"Hatidi"* (We do not want) when a stunned Mugabe mentioned the tax package.

Three days later, unions called a nationwide strike against any new taxes. In defiance of a court order, police attacked peaceful marchers, which only led to a strengthening of union resolve.

At the same time that the veterans' fight was brewing, Mugabe declared his intention to confiscate 40% of the nation's mostly white commercial farms and hand them to landless blacks.

How would the government handle the loss of taxes and foreign exchange from rich farms? How would it find funds for fertiliser, seed, fuel, tractors and irrigation bills for the new owners? The improvements to land, for which he promised to pay, could easily exceed the cost of the veterans programme.

The news of the farm scheme caused a market meltdown, as 40% of the economy is dependent on agriculture. The Zimbabwe dollar crashed on November 14. It recovered some lost ground after the government forcibly confiscated all foreign-currency bank accounts and jacked up central bank interest rates 6 percentage points to 31,5%. Economic growth that was 8,1% in 1996 is forecast to be 1,5% or less this year.

It would be a mistake to read this as simply an economic story. Zimbabwe has few options left and the discontent in Zanu-PF is moving steadily upward from the rank and file. Mugabe's cave-in to veterans and on taxes has convinced many people that the only way to secure change is through civil unrest.

Unions promise a new round of strikes this month. Mugabe has been so militant over the land issue he has little room to back down without looking foolish. If he ploughs ahead without providing massive support funds to new black farmers, economists predict he will send the economy over a cliff. – Star Foreign Service

Zimbabwean thermal power station gets go-ahead

BD 12/11/98 (3b2)

Michael Hartnack

HARARE — President Robert Mugabe's government has given the go-ahead for a huge new thermal power station on the as-yet-undeveloped Sengwa coalfield.

The power station will eclipse the output of Kariba south bank hydroelectric turbines and the Hwange thermal station.

An announcement by Transport and Energy Minister Enos Chikowore will rouse concern among environmentalists who fear that development at Sengwa North, close to current wilderness areas on the shores of Lake Kariba, will lead to an influx of poachers and illegal settlements, as well as atmospheric pollution.

The alternative to the Z$28bn Sengwa North project, for which "exclusive negotiating rights" were granted to the parastatal Zimbabwe Electricity Supply Authority (Zesa), Britain's privatised National Power Company, and Rio Tinto, would be the previously proposed Batoka Gorge hydroelectric scheme 70km downstream from Victoria Falls. Apart from drowning the world-famous whitewater rafting course on the Zambezi, Batoka would have no major ecological drawbacks in the narrow Victoria Falls gorges, and could be useful drawing tourist development away from the overcrowded falls themselves.

The Sengwa development may be a setback also for Eskom's hopes that all regional states will work for a grid reliant on the Zaire River's vast hydroelectric reserves.

Chikowore said Sengwa North would have installed capacity of 1 400MW, twice as much as Kariba south bank and 30% more than Hwange. Sengwa should be able to supply a third of Zimbabwe's total needs, said Chikowore.

"National Power is to invest up to Z$7,7bn in a majority equity stake and will operate the plant with Zesa," he said.

Joint venture may carry power to Maputo smelter

Robyn Chalmers

ESKOM and the Mozambican and Swazi power companies are looking at a joint venture to build, operate and maintain two 400 kilovolt power lines to supply the planned $1,3bn Billiton aluminium smelter in Maputo.

Eskom trading manager Jack Neushloss said at the weekend that the multimillion-rand lines would make the smelting operation possible, and talks were being held on details such as operation and capital expenditure.

It was envisaged that one of the power lines would run from Gauteng, through Swaziland to Maputo, with Swaziland tapping into the power line for its supply. The other would run from Mpumalanga to Maputo.

"At the moment there is good potential for a joint venture between Eskom, the Swaziland Electricity Board and Mozambican electricity supplier EDM for joint ownership of the power lines."

Neushloss said talks on issues including investment in the power lines were still under way. It was possible that international capital markets would be involved in funding the infrastructure.

On the Cahora Bassa power tariff issue, he said Eskom and the relevant government departments at a senior level were jointly considering options on the way forward.

A subcommittee formed last year to deal with tariffs had met three times, and negotiations were still under way.

"Obviously, the seller (Hydroelectric de Cahora Bassa) is looking for a higher price and the buyer (Eskom) for a lower price, but this is simply a matter of negotiations and these are still taking place," he said.

Cahora Bassa has a capacity of 2 000MW — all of which Eskom can contractually buy. However, the contract between the two parties said EDM could acquire 200MW and it had subsequently been agreed that Zimbabwe could get 500MW out of Eskom's allocation.

Eskom therefore had access to 1 300MW of which 400MW was considered "unfirm" or unreliable, so the parastatal could realistically expect to get about 900MW uninterrupted power, he said.

Neushloss said previous estimations that Hydroelectric de Cahora Bassa's debt totalled $3,2bn were a "rough ballpark" figure. Cahora Bassa's revenue exceeded its operating costs and the tariffs paid by Eskom would therefore determine the rate at which the debt was amortised.

The hydroelectric project was initiated by Portugal in 1969 during its occupation of Mozambique.

NUM in clash with rival union at rally

Pearl Sebolao

BD 12/1/98

NATIONAL Union of Mineworkers members clashed with members of a rival union who tried to disrupt their rally yesterday at Harmony Gold Mine in Virginia, Free State, NUM president James Motlatsi said.

Police said two people were seriously injured. There had been about 3 000 NUM members and 150 United People's Union of SA (Upusa) members.

Police had opened a docket against NUM for holding an illegal rally.

Motlatsi said Upusa members arrived at the stadium where NUM supporters had gathered carrying placards that were insulting to his union.

NUM shop stewards approached them to try stop them from entering the stadium but they ignored them and "started singing anti-NUM songs that were provoking and insulting".

"As soon as they entered the stadium they were attacked by the (NUM) members," he said. He had heard reports that several Upusa members had been injured, but could not confirm how bad the injuries were or how many had been injured.

Motlatsi said his union's shop stewards intervened and succeeded in defusing tensions. After the clash, the meeting went on as planned.

At the rally workers heard a call for a national gold conference to explore ways of minimising job losses due to the falling gold price.

Zimbabwe farm plan 'will avert murders'

BD 12/1/98 (362)

Michael Hartnack

HARARE — If the government did not take over white farms, "the people will grab the land and they (farmers) will be killed by the landless peasants", Zimbabwe Information Minister Chen Chimutengwende said at the weekend.

Thus, the government was taking over 1 400 white-owned farms for whites' "own protection", he said.

He also accused white businessmen of forcing prices higher in a plot to make black Zimbabweans' lives unbearable and to discredit President Robert Mugabe's government.

"We are aware that some sections of the white community would like to put government in a fix. We shall not sit on our laurels and watch them."

He told the Sunday Mail that price controls might be reintroduced, despite embarrassment that this would cause with the World Bank and International Monetary Fund (IMF). Under 1991 liberalisation moves backed by multimillion-dollar loans from the two institutions, Zimbabwe pledged to remove price controls.

Chimutengwende's statements follow a wave of price rises over the new year, many linked to the dramatic decline in the value of the Zimbabwean dollar against most currencies, including the rand. Locally produced maize meal and cooking oil went up 24% and 20% respectively on January 1, while bath soap and soap powder rose between 35% and 42%, margarine 20%, flour 10%, bottled soft drinks 30% and spirits 20%.

"The government is aware of the plot by some white businessmen...," Chimutengwende said. "I would like to warn them that they will not succeed in making the lives of the masses unbearable. If they carry on with their ploys, we might be forced to control prices again." However, the World Bank and IMF "will boycott us for following such policies".

He accused the white community of "attempting to create friction" and forcing black workers to join last month's protests against increased taxes to raise money to pay gratuities promised to 50 000 ex-guerrillas.

Zimbabwe bourse makes a flying start

ET (BR) 12/1/98 (362) 384)

CHARLES RUKUNI

Harare — Zimbabwe's stock exchange, which had a flying start in 1997 with the key industrial index reaching a record high in August before nearly collapsing in the last six weeks of the year, has once again made a flying start to 1998.

The industrial index rose from just over 8000 at the beginning of last year to a record 12 085 in August, but hit a low of 6502 in December before recovering after the release by the World Bank of $62,5 million in balance of payments support. The support was suspended in 1995 because the government had failed to meet targets set under the Economic Structural Adjustment Programme.

The World Bank and the International Monetary Fund were unhappy about continued uncontrolled government expenditure and the government's failure to reduce the budget deficit to the target 5 percent of gross domestic product.

But since the return of the World Bank the index has been on a steady increase, reaching 7989 by Friday.

The mining index, which plunged 58 percent during last year, is also on the rebound. The index dropped from a record high of 1565 in 1996 to 368 in December, but it has since risen to 506 by Friday.

Despite its fall, the industrial index lost only 18 percent overall during last year.

Among the main losers last year were Anglo American-owned Zimbabwe Alloys, which fell 91 percent; clothing chain Truworths, which lost Jonee Blanchfield, the managing director of Truworths and the president of the Confederation of Zimbabwe Industries, and fell 80 percent; paper giant Hunyani, which lost 71 percent; and Zimbabwe Financial Holdings, the troubled financial house, which also lost 71 percent.

Colcom, the pork producer, lost 68 percent, while textile leader Lonrho-owned David Whitehead was down 65 percent.

David Whitehead should be in for quick recovery as it has now consolidated its position by taking over National Blankets, which was jointly owned by Lonrho and the ruling Zanu-PF. Zanu-PF was offered 5 percent of David Whitehead.

But some companies did well despite the odds. For instance Caps, the pharmaceutical company, gained more than 500 percent.

Caps, which had been operating at a loss for some time, was recently restructured and is now seeking a joint-venture partner. This option expires on April 24.

In a statement to shareholders on January 9, Caps said it had continued to have excellent results. It said the results for the nine months to December 31 would be announced early next month.

Other good performers were newspaper group Zimpapers, which rose 133 percent despite having no chief executive for the year; Innscor-owned Capri, which rose 75 percent; and Zimplow, which rose 55 percent.

In mining, star performer Wankie lost 33 percent, while at the bottom of the scale Rio Tinto fell 74 percent. — The Insider

Innscor listing is takeover bid

CHARLES RUKUNI

Harare — Innscor Africa, the Zimbabwe fast food company, would be listed on the Zimbabwe stock exchange today in a reverse takeover of Capri, the refrigeration and signage manufacturing company, analysts said yesterday.

The takeover bid, in which Innscor was offering one Innscor share for every two Capri shares or a cash alternative of Z$2 (R0,53) for every Capri share, opened on December 8 and closed on Friday.

Capri has been battling for survival over the past three years because of increased competition from cheaper fridge imports, especially from South Africa. Although it was making a profit up to June 30 last year, the company was expected to make a loss in the six months to December 31.

Capri had a turnover of only Z$57,9 million in 1995, rising to Z$66 million in 1996 and Z$75,7 million last year, but operating profit only increased from Z$5,3 million to Z$6 million.

Innscor, on the other hand, had a turnover of Z$299,9 million in 1996, rising to about Z$578,6 million last year. It is expected to increase to Z$1,43 billion in the 15 months to June 30 this year. Pretax profit is expected to rise from Z$31,7 million to Z$200 million. — The Insider

Zimbabwe bank's partner a puzzle

(362) CT (BR) 12/1/98

CHARLES RUKUNI

Harare — Gideon Gono, the managing director of the recently privatised Commercial Bank of Zimbabwe (CBZ), last week denied speculation that Amalgamated Banks of South Africa (Absa) would be CBZ's technical partner.

Absa refused to confirm or deny the speculation.

CBZ was established in 1980 as a joint venture between the government of Zimbabwe and the now-defunct Bank of Credit and Commerce International (BCCI), with BCCI holding a 51 percent stake. When BCCI collapsed in 1991, the government took over the bank, which had accumulated a non-performing portfolio of Z$599,11 million (R159,5 million).

The non-performing loans were separated from the normal portfolio in May 1995 and placed under a separate company, Commercial Bank of Zimbabwe Nominees. The performing book subsequently recorded pre-tax profit of Z$62 million in 1995 and Z$84 million in 1996.

When the CBZ was privatised in August last year, the plan was to reduce government shareholding to 20 percent, with 27 percent reserved for local institutions, 26 percent for the public and the National Investment Trust, 25 percent for a technical partner and 2 percent for employees.

In the prospectus, the bank said: "In order to harness the best international experience, superior information technology and product development and to have leverage in negotiating credit lines, it has been decided that a reputable foreign technical partner be identified ... The matter will be concluded before December 1997. Certain institutions have been approached to warehouse the would-be technical partner's shares."

But a statement issued by the bank after its meeting on December 3 said negotiations were still in progress and the outcome of these negotiations would be announced in due course.

The CBZ, which is still trading on the counter, should be listed by the first quarter of this year.

In the prospectus, the bank said the listing would be recommended by the board at the bank's annual general meeting, to be held no later than April 8.

Gono said the only thing delaying the listing was that the Zimbabwe stock exchange required audited accounts that are less than six months old. The bank's financial year ends in December. — The Insider

Land grab is for farmers' own good, says Zimbabwe minister

Harare – Zimbabwe's white farmers would be killed by angry peasants if the government did not seize their land for redistribution, a government official said yesterday.

Information Minister Chen Chimutengwende also accused white businessmen of deliberately whipping up anti-government sentiment by increasing prices and warned that price controls might be reintroduced.

Chimutengwende said that whites were bitter over the government's plan to seize some 1 500 farms for redistribution to blacks and were raising prices of basic commodities so that the government would be blamed.

"We are doing this (land reform) for their own protection. Otherwise the people will grab the land and they will be killed by the landless peasants," Chimutengwende said.

"If they think they can bring down the government by creating hardships, they are daydreaming. They will not get anywhere."

Uncertainty over the future of agriculture, along with several other economic problems, caused the Zimbabwean dollar to plummet against foreign currencies last month, and prices in shops have soared as a result.

Chimutengwende said it was all a plot. "The government is aware of the plot by some white businessmen. I would like to warn them that they will not succeed in making the lives of the masses unbearable," he said. – Sapa-AFP

(362) Star 12/1/98

Mugabe slates Oppenheimer objections

BD 13/1/98 B62)

Michael Hartnack

HARARE — President Robert Mugabe has attacked the Oppenheimer family for lodging objections to his government's planned takeover of the family's farms among more than 1 400 targeted for redistribution to black Zimbabweans.

Five properties of more than 250 000ha listed as belonging to "Oppenheimer ranches private limited" were among those specified in schedules issued by Lands Minister Kumbirai Kangai. All are in southern Zimbabwe, where the fragile soil is considered unsuitable for peasant agriculture.

Mugabe said Anglo American chief Nicky Oppenheimer had written to him personally after lists of farms were published in November, describing the targeted land as a "family homestead developed around the Second World War when Hitler persecuted Jews in Germany".

The government would look at the total acreage owned by the Oppenheimers to determine how much land had to be excised.

Commercial farmers would be left with one farm each. There would be no escape from the takeover of underutilised land, oversized farms, farms bordering communal areas and farms owned by absentees.

Farmers who lost land to neighbouring communal areas would be allocated land so they could continue farming.

Rejecting warnings of a slump in farm production, he said farm labour was predominantly black although ownership was white.

The 17 years since independence had trained indigenous farmers "who had toiled too hard for too little. Now we want them to toil harder on bigger pieces, with inputs given them, with extension services given them."

Most farms would be given to settlers from communal areas and some kept intact as "going concerns" for "black farm managers, agricultural graduates and individuals of aptitude and means".

Mugabe plans to grab land owned by Oppenheimer family

Star 13/1/98 (362)

Harare – Zimbabwe President Robert Mugabe has vowed to seize some of the five farms owned by South Africa's Oppenheimer family in Zimbabwe for a peasant resettlement scheme, state radio reported yesterday.

Zimbabwe radio said Mugabe had told Zimbabwean diplomats during a private visit to Belgium last week that his government would this year push ahead with its controversial plans to forcibly buy hundreds of mostly white-owned commercial farms for its resettlement programme.

It said Mugabe had accused critics of his land policies, especially in South Africa and Britain, of running a propaganda campaign to force him to reverse his stance.

Mugabe said some Britons and South Africans were absentee landlords in Zimbabwe, citing as an example the Oppenheimer family.

He also said the Oppenheimers controlled close to 40% of the South African economy, and the government would look at the total acreage owned by the Oppenheimers to determine how much land had to be excised. The Oppenheimer family could not be reached for comment. – Reuters

Angolan army accused of slaughtering 21 in church

Kinshasa – An armed separatist movement in the Angolan oil enclave of Cabinda accused the Angolan army yesterday of massacring 21 worshippers in a church last week.

The incident allegedly took place in Cai-Kutene, not far from the border with the Democratic Republic of Congo, the FAC faction of the Cabinda Enclave Liberation Front (FLEC) said.

It said the massacre was aimed at terrorising civilians in separatist areas.

Founded in 1963, FLEC splintered into three guerrilla forces, all seeking independence for Cabinda, a 7 000sq km territory that produces 60% of Angola's oil. – Sapa-AFP

IN BRIEF

(362)

Hundreds of Harare protesters take to streets

BD 14/1/98

HUNDREDS of people marched in Harare yesterday to protest against recent price increases in basic commodities.

The demonstrators appealed to President Robert Mugabe to intervene and reintroduce subsidies on essential goods, reports said yesterday.

Demonstrators forced shops in the area to close in the morning. They reopened in the afternoon.

Zimbabwean manufacturers and retailers raised the price of basic commodities by between 17% and 42% on January 5, citing the steep fall of the Zimbabwe dollar against hard currencies and increased costs in the last quarter of 1997.

On Sunday, Information Minister Chen Chimutengwende accused the mainly white business community of plotting to foment social unrest through indiscriminate price increases to retaliate against government plans to forcibly buy 5,5-million hectares of mostly white-owned farmland.

Zimbabwe cellphone pioneer set to issue shares

(362) BD 15/1/98

Michael Hartnack

HARARE — Zimbabwean cellphone pioneer Strive Masiyiwa has announced plans for a Z$250m unlisted share offer "for the man in the street" despite threats of further intervention by the information ministry and his rivals' possible appeal to the Zimbabwean Supreme Court.

"We have carefully considered all options and decided that the best way was to proceed with our original plan to offer shares to ordinary members of the public," he said in his capacity as chairman of Enhanced Communications Network (Econet).

Masiyiwa said Econet would not preclude institutions and consortiums from bidding for shares "as long as it was understood the target was mainly the man in the street and those in rural areas".

A private share issue — not done through the Zimbabwe Stock Exchange — might expose Masiyiwa to substantial risk after his long feud with President Robert Mugabe's government. Although a precedent was set when the parastatal dairy-marketing board was successfully privatised, any problems with the Econet issue might discredit Masiyiwa, who is seen by the establishment as a threat to the Zanu (PF) political-patronage system now pervading the economy.

Masiyiwa's Econet late last month won an injunction from High Court judge-president Wilson Sandura that it be given a licence with immediate effect to break the parastatal Posts & Telecommunications Corporation's monopoly on cellphones.

Earlier in the year, the information ministry and corporation, which have fought a three-year campaign to frustrate Masiyiwa, awarded the sole licence to operate a private service to the Zaire-based Telecel consortium which has so far, however, implemented no plans to offer competition.

Telecel responded to its defeat by saying it was considering a further appeal while Information Minister Chen Chimutengwenge has made guarded references to a new state initiative that might force Econet to form a belated partnership with Telecel.

Telecel, whose members include retired Gen Solomon Mujuru, the husband of Joyce Mujuru, Chimutengwende's recent predecessor at the information ministry, had undisputed official favour while Masiyiwa was cold shouldered from 1994 when he refused partnership with Zanu (PF) moguls.

In 1995, his partners from SA and the US were threatened with arrest if they continued preparations for a cellphone service.

Masiyiwa, seen by many as a role model for a new generation of young businessmen not linked to the ruling party, has already launched a cellphone service in Botswana, aided by local and international partners.

Harare takes steps to curb border hoppers

Michael Hartnack

(362)
BD 15/1/98

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Harare takes steps to curb border hoppers

Michael Hartnack (362)

BD 15/1/98

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Zimbabwe denies it plans to introduce new health levy

BD 15/1/98 (362)

HARARE — The Zimbabwean government, which was forced to scrap a tax rise package after unprecedented street protests last month, denied reports yesterday it planned a new levy to rescue the crumbling health delivery system.

"We are not proposing to introduce a levy or tax on health," health ministry permanent secretary Paulinas Sikhosana said.

"What we have done is conduct a feasibility study on the possibility of introducing a social health insurance scheme in Zimbabwe." Sikhosana said he had been misquoted by the state-controlled Herald newspaper yesterday.

However, other officials confirmed yesterday such a plan would be introduced "very soon".

The Herald quoted Sikhosana as saying the government had proposed a tax of between 2% and 5%, split between employers and all their employees earning more than Z$400 a month, to rescue the health system. Mismanagement and inadequate funding have been blamed for the dire straits of the system.

Zimbabwe's main trade union federation said yesterday that it was opposed to the proposed tax.

The federation has vowed to oppose any plans by the cash-strapped government to raise or introduce new taxes, saying workers and companies who pay up to 42% in income tax cannot afford to pay any more. — Reuter.

SAURAHB DAS / AP

;terday. Bathers stepped

White farmers slate minister's land remark

(362)

Harare – Zimbabwe's white farmers hit back yesterday at a government minister who said they would be killed by angry peasants if their land was not seized by the government for redistribution.

The Commercial Farmers Union (CFU), which represents most of the country's 4 000 white farmers, condemned the weekend remark by Information Minister Chen Chimutengwende as "inflammatory and irresponsible".

Chimutengwende also accused white businessmen of supporting the farmers in a plot to bring down the government by raising prices.

The minister accused whites of being bitter over the government's plan to seize about 1 500 farms for redistribution to blacks and were therefore raising prices of basic commodities so that the government would be blamed.

CFU president Nick Swanepoel rejected the allegation that whites were holding the government to ransom over its plans to seize the farms.

"On the contrary, the CFU and members of the private sector are working with government and donors in seeking a solution to the problem of land distribution.

"I am confident that a sensible and lasting solution can be found in the interests of all Zimbabweans," he said. – AFP

Star 15/1/98

ZIMBABWE

Funding crisis deepens for cash-strapped government

Some harsh decisions needed as options for economic rescue package begin to dwindle

(362)
FM 16/1/98

International Monetary Fund (IMF) officials returned to Harare this week to resume dialogue over the resumption of lending to Zimbabwe, amid speculation that US$200m-$250m will be disbursed by the Bretton Woods institution during 1998. Not for the first time, the situation is hopelessly confused.

When fund officials visited Harare in November, they left the door open to further talks but made no promises of loans. The IMF revealed that the government would finance almost all the Z$4bn (US$215m) payout to war veterans by raising Z$2,7bn in new taxes and cutting spending by Z$1,1bn.

First parliament and then the congress of the ruling Zanu-PF party rejected most of the tax measures proposed by Finance Minister Herbert Murerwa.

The Minister was left with just over Z$1bn in extra revenue from the higher sales tax — now 17,5% on most transactions — but without the other Z$1,5bn he had expected to raise from a 5% surcharge on income and profits taxes, and increased fuel and electricity taxes.

Murerwa hurried off to Washington just before Christmas, returning with a basket of promises: the IMF would lend US$100m for balance of payments relief with the possibility of a further $83m later in the year, and the World Bank would disburse the $62m that was suspended in 1995. The Minister gave some details of spending cuts too, but these fell short of the Z$1,1bn promised earlier.

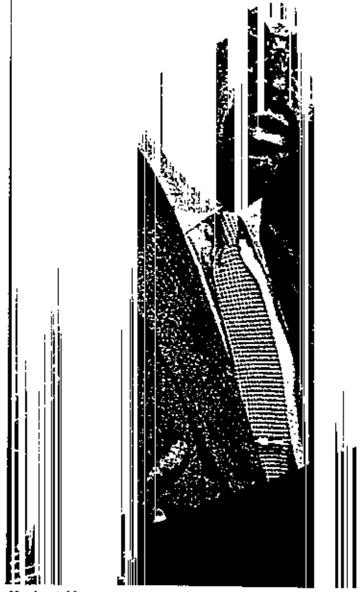
With new revenue sources — other than privatisation — apparently off the agenda, Murerwa and the IMF will have to focus on more than doubling the cuts already envisaged, supplemented by accelerated privatisation.

Neither will be easy. The now-defunct 1997/1998 budget projected a 32% increase in government spending in the current year, primarily the result of a 40% jump in wages and salaries.

These projections assumed that inflation would slow to 21,8% — in fact it is set to accelerate to 25% — and that the civil service would be satisfied with last year's pay award and that no further increase would be paid until 1999.

But with both assumptions overtaken by events, the chances of meeting the original spending target of Z$63,9bn for the 18 months ending December 1998 are now remote.

The combination of a further public service pay award in the latter half of the year, the war veterans payout and the extra debt-service costs arising from higher interest rates and devaluation will push public spending above Z$70bn. Murerwa and his IMF advisers will face closing a gap of Z$5bn (2,5% of GDP).



Herbert Murerwa . . . work cut out to close the gap

The budget assumed interest on foreign borrowings over an 18-month period at Z$2bn.

The 40% devaluation of the Zimbabwe dollar will increase foreign interest costs by about Z$1bn, while the 6% rise in domestic interest rates since November will add an estimated 25% to domestic debt-service costs.

All told, another Z$2bn will be piled on to the deficit. Inflation and higher wage costs will add a minimum of Z$2bn-$3bn.

It is impossible to see how this gap can be closed without higher taxes. Furthermore, such calculations take no account of the cost of land resettlement, which is not in the budget.

Nor are the huge losses currently being incurred by the State-owned oil procurement company — NocZim — which has not yet been able to raise its selling prices to cater for the 40% increase in its petrol procurement costs.

If Murerwa and the fund want to restore some semblance of credibility to their joint operations it would help to come clean, producing a new budget, rather than leaking incomplete snippets to the local government-owned media, which seems to be the Finance Minister's preferred way of keeping in touch with the business community.

He has just such an opportunity next week when the first meeting of the national economic forum bringing together government, business and labour convenes in Harare. On the agenda will be land, indigenisation of the economy as a whole and Zimprest — the government's long-awaited five-year economic plan.

Business hopes to hear that the government is going back on its land plans, that it really does have a realistic budget to cope with the aftermath of last November's currency collapse and that Zimprest, which has been on the drawing board for two years now, really is going to be implemented soon.

However, the Mugabe government's track record inspires little confidence. "So long as it believes that it can turn reform on and off like a tap," says one senior economist, "it isn't going to get very far."

Special Correspondent

Promises to secure loans from EU may scupper Mugabe's land plans

BD 19/1/98

(362)

Michael Hartnack

HARARE — The Zimbabwe government has pledged to the World Bank and European Union (EU) that it will not breach Zimbabwe's constitution or legal norms, nor disrupt production and farm workers' rights in its plans to take over 1 400 white-owned farms.

The new parameters would appear to preclude the wholesale seizure of farms after May harvesting, as forecast earlier following criticism by President Robert Mugabe of western states for refusing to fund compensation for evicted whites.

Diplomatic sources said yesterday that in an agreement signed on Friday by Treasury Secretary Charles Kuwaza, under which the World Bank will release $60m in previously frozen budget support, and the EU $20m, Mugabe also promised that the cost of land redistribution would not push Zimbabwe's budget deficit beyond 8,2% of gross domestic product.

EU delegation head in Zimbabwe, Michael Laidler, warned at the signing: "The promises, undertakings, guarantees and commitments that have been given to secure this tranche today are now under scrutiny. I say most sincerely to my Zimbabwean friends, from the president to the man in the street, the European Union is your partner, please don't let us down."

He did not comment directly on implications of the agreement for Mugabe's land reform plan, and officials at the weekend refused to elaborate. However, it would be a reverse, limiting Mugabe to token redistribution, probably affecting the 70 farms whose owners did not lodge written objections by the December 21 deadline.

Laidler said more EU budget support could be expected — "provided promises are met within set targets". Failure to meet targets "could spell disaster for the country", he said in remarks heavily toned down in reports by Zimbabwe's state-run media.

Sources say the agreement stipulates that to be eligible for budget support, Zimbabwe must ensure land reform is "transparent, within the rule of law and under the constitution".

The Commercial Farmers' Union has warned that takeovers would jeopardise more than Z$3bn annual production and result in destitution and homelessness for 150 000 farmworkers and 400 000 dependants.

The lands ministry has received a flood of objections to notices warning farmers that their land was targeted for redistribution. There were fears that objections would not receive serious consideration when officials said all would be reviewed within a week.

China announces sweeping reforms of its banking sector

BEIJING — China has announced sweeping reforms of its debt-burdened banking sector, intending to commercialise banks by 2000 to avoid a southeast Asian-style financial crisis.

Beijing last week indicated it would also ease credit selectively for housing, infrastructure, agriculture and small businesses to stimulate an economy which is slowing.

Central Bank governor Dai Xianglong said the authorities were committed to bringing Chinese banks in line with international practice by imposing Bank for International Settlements standards on management of loans.

Dai said China would accelerate write-offs of bad debts to banks to clean up balance sheets as part of efforts to build a modern financial system.

Lax controls on lending to state-owned enterprises have left the big four state-owned commercial banks with a mountain of bad debt which is one of the main barriers to reform of the financial sector.

Dai said a national conference held last month on reforming the financial sector had provided a springboard for a more concerted effort to modernise an antiquated financial system which has become a drag on economic development.

He said priorities included establishing commercial banks in 300 cities to finance cash-starved local businesses. Unwieldy state-owned banks would be required to close loss-making branches.

The central bank itself would be subjected to reform with the elimination of provincial-level branches and the establishment of regional offices similar to the US Federal Reserve.

Dai ruled out a devaluation of the yuan. China's economy was strong with a healthy balance of payments and exports would remain competitive. He also defended pegging the yuan to the Hong Kong dollar.

He said China had no plans for another interest rate cut. Rates had been cut three times since May 1996.

Dai pledged an appropriately tight monetary policy for the year, although he indicated that credit ceilings would be lifted to encourage greater lending in key areas such as agriculture.

He also announced plans to develop mortgage lending to foster a housing market. Mortgage business would be expanded to cater for the needs of a greater number of customers and credit ceilings imposed on lower-cost housing would be removed, he said.

However, greater efforts would be made to restrict loans to luxury real estate projects to prevent bubble elements in the economy. A programme for a mortgage-finance system for medium and lower-cost housing was a long overdue reform and one which was designed to stimulate economic activity. — Financial Times.

Zimbabwe's Finhold shows profit 18 months after rescue

BD 19/11/98 (362)

Martin Rushmere

HARARE — Finhold, a struggling commercial banking group in which the Zimbabwe government has a 20% interest, has reported a 27% rise in net profit to Z$45m for the year to end-September.

The bank was rescued 18 months ago from effective bankruptcy by the Reserve Bank, which bought its Z$1bn outstanding debts for Z$600m, but left Finhold to pay the interest charges. Most of the debts had been run up government agencies, companies, as well as by political leaders in their personal capacities.

SA-based Nedcor was the original majority shareholder, but was bought out after independence in 1980.

Write-offs on Finhold's new bad debts last year came to Z$43m, compared to Z$164m the year before.

The bank said its restructuring had allowed it to again become "a significant player the economy", but it shied from making a forecast for this year.

Farm seizures under attack from top firm

BD 19/11/98 (362)

Martin Rushmere

HARARE — In one of the strongest public responses from the private sector in Zimbabwe to proposed forced acquisition of farms, a quoted agricultural chemical distributor and manufacturer says the whole economy will be severely affected.

Chemco Holdings says in its results for the year to the end of October: "The effects on agriculture and the economy as a whole of the land acquisition policy are too frightening to contemplate. Optimism and confidence have been dashed and farmers will undoubtedly cut back on developments and buy only what is needed to survive the season."

Chemco Holdings' net profit for the year was up 57% to Z$40m (R11m) while turnover rose 21% to Z$395m.

The company forecasts a drastic downturn in business this year, largely because of the effects of land designation.

Despite this, the share price has risen strongly in the past week to 3 000 cents on the back of a renewed stock exchange surge.

Share analysts say that the market's run is unsustainable and unrealistic in light of economic and political uncertainty.

Chemco is majority owned by tobacco and agricultural trading group TSL, which in turn owns one of Zimbabwe's two auction floors.

Chemco's main trading subsidiary is a company called Agricura.

New Zimbabwe unrest feared as maize meal price rises again

(36a)

Michael Hartnack

BD 19/1/98

HARARE — The wholesale price of maize meal is set to go up again today by a further 21%, arousing fears of more unrest after a week of sporadic demonstrations against the soaring cost of living.

This follows a 36% price rise in October and a 24% hike in December.

People of the high-density suburb of Mabvuku, who have been picketing mainly black-owned shops since last Monday to protest against increases of 30%-40% in the price of bread, flour, sugar, margarine, oil, soap and other staples, may be joined today by Tafara and Highfield residents.

The Zimbabwe Congress of Trade Unions (ZCTU), which organised last month's protests against planned tax rises to pay Z$4,5bn to ex-guerrillas, has disassociated itself from the boycotts. It says it is considering its own scheme of action following the beating up of ZCTU secretary-general Morgan Tsvangirai the day after the government revoked most of a planned Z$2bn revenue-raising package.

Ian King, MD of one of Zimbabwe's leading millers, National Foods, said the increases were forced by added transport costs and the price it was paying. While the parastatal Grain Marketing Board continued offering farmers only Z$1 200 a ton it was charging customers Z$2 900 as its strategic stockpile, established in fear of drought, ran down.

"The Grain Marketing Board has now demanded advance payment before we can collect," said King. "This is effectively a cost increase as interest on today's very high rates has to be borne on much earlier payments."

A racially tense situation may have also been created by claims that price rises result from a white business conspiracy to "fix" government by "making the lot of Zimbabweans unbearable".

EU, World Bank clamp on Mugabe's land grab

CT 19/1/98 (362)

HARARE: President Robert Mugabe's government has been pressured by the World Bank and the European Union into dumping a planned grab of white-owned farms.

The World Bank and EU have written undertakings — endorsed personally by Mugabe — that land reform will be carried out openly, in terms of human rights guarantees and within the present budget.

"It means the plan to confiscate 1 500 farms without the proper compensation and blocking farmers' recourse to legal action, cannot happen if the government sticks to the agreement," said a senior European diplomat.

Observers say the best the government can do for land reform this year is expropriate "a token handful" of farms.

The EU and the World Bank demanded the guarantees, as well as a string of financial commitments, as conditions for finance to rescue the government from its economic crisis.

On Friday, the EU signed an agreement with the government to release $23 million (about R115m) aid that will help shore up the collapsing Zimbabwean dollar.

The World Bank has also agreed to release $120m (about R600m).

Both loans were frozen in August 1995, because of Zimbabwe's persistent defaulting on promises to cut spending and keep its budget deficit within limits set by the International Monetary Fund.

Mr Mike Laidler, the head of the EU delegation in Harare, said at the signing of the loan agreement on Friday that failure to stick to the loan's conditions would spell disaster for Zimbabwe.

Reneging would see Zimbabwe suffer severe censure from the international donor community, diplomats said.

Mugabe's decision in August to pay a lavish package of benefits to Zimbabwe's war veterans at a cost of ZD4,2 billion (R1,2bn) and the listing of 1 480 commercial farms for seizure, has plunged the country into unprecedented economic chaos.

The currency has plummeted by nearly 50%, the stock market crashed, billions of dollars of planned investment have been withdrawn, consumer prices have surged and trade unions have warned they will repeat the nationwide strike that paralysed the country in December.

The independent Zimbabwe Standard reported yesterday that the country's banking system faced major disruption because owners of listed farms had stopped paying installments on their loans. The 1 480 listed farms owe banks about R500m.

The government is restricted by the undertaking to spending what it has already budgeted for land acquisition this year: R17,5m, enough for about 10 farms. The owners of 60 listed farms have said they are willing to sell to the government.

— Sapa

Increases in the price of meal spark Zimbabwe riots

(362) BD 20/1/98

Michael Hartnack

HARARE — Food riots broke out in Zimbabwe yesterday, leading Zimbabwean Commerce Minister Nathan Shamuyarira to announce unspecified measures to reverse increases in the maize meal price.

Authorities reported that several policemen were injured and looters arrested as violence broke out around the capital.

"There is a lot of looting taking place and several people have been beaten by hooligans demanding money or other items from them," said Home Affairs Minister Dumiso Dabengwa, justifying deployment of heavy police patrols.

Rumours of impending disturbances pervaded Harare's townships over the weekend, fanned by peaceful demonstrations last week in the Mabvuku "high-density suburb" and a front-page story in the ruling Zanu (PF) party newspaper, The People's Voice, suggesting a nationwide store boycott was imminent. The newspaper repeated accusations by the information minister that the business community had plotted unjustified rises to embarrass President Robert Mugabe's government and to revenge the targeting of 1 400 white-owned farms for distribution to black Zimbabweans.

News of a march into town by demonstrators targeting TM Supermarkets (a subsidiary of Meikles Africa group) swept through the city just after 10am, causing all shops to close and sending staff fleeing the city centre. Patrolling police warned pedestrians they risked being tear gassed if on the streets after 4pm.

Running workers shouting "hamba, hamba, ropa, ropa" (run, run, blood, blood) warned people not to go near the centre of disturbances where police fired tear gas at groups of youths.

In the satellite city of Chitungwiza, demonstrators chanted anti-government and anti-white slogans while bakery vans were looted, together with shoe and electrical appliance shops.

TM Supermarkets early yesterday put up the price of a 5kg bag of maize meal to Z$30,25 (from Z$25,09) in response to the millers' 21% increase in the wholesale price. Millers said they had no alternative because the parastatal Grain Marketing Board, which pays farmers Z$1 200 a ton, is demanding Z$2 900 a ton "up front" and transport costs have also soared.

OK Bazaars, a subsidiary of the parastatal Delta Corporation in Zimbabwe, also put up maize meal prices yesterday and bolted its doors at the first sign of trouble, along with banks, building societies, jewellery stores and fast-food outlets.

Soon after rioting broke out Shamuyarira told the official news agency Ziana that since 1991 economic reforms backed by the World Bank the government no longer controlled prices, which were set by producers. "However, government has looked into proposed increases by millers. This step has no justification. The measure will be withdrawn forthwith."

"In view of escalation of prices and possible profiteering by some businessmen, government is going to review all prices of commodities," Shamuyarira announced.

Since January 1 stores which kept prices down to compete for cash from Christmas bonuses and the Z$4bn gratuity payout to former guerrillas, have raised prices of bread, flour, margarine, cooking oil, sugar, soap, jam, meat, and toiletries, by an average 30%-40%.

MUGABE

Riots rage in Harare for a second day

Prices anger mobs

ARG 20/1/98 (362)

Harare – Food riots erupted for the second day in the Zimbabwe capital today in response to price rises, causing schools, shops and offices to close.

Schools and stores in Harare's townships were closed minutes after they opened as word spread that rioting had continued overnight in the suburb of Highfield.

Witnesses said rioting resumed in the city's densely populated suburbs of Mbare, Tafara and Mabvuku.

There also was rioting in some industrial areas on the outskirts of the troubled residential areas.

Looting went on overnight in Highfield, especially of individually owned backyard stores known as tuckshops, which had remained open yesterday to supply basic food after the major shops had closed.

Unconfirmed reports said police fired teargas into houses to quell the overnight looting.

Military helicopters flew over the city today after reports that rioters were closing in on the city centre. Most shops in the CBD were closed and streets were virtually deserted as tension mounted.

One of the country's largest bakeries, situated in an industrial area near Mbare, was attacked by hundreds of youths who smashed windows with stones and tried to get in.

An employee in the bakery said by telephone the mob also was attacking other businesses in the area in the light industrial site south of Harare.

Police were using teargas and rubber bullets against rioters, but they kept regrouping and attacking again.

Yesterday, at least three people were wounded by police gunfire and millions of dollars worth of property was looted or destroyed in Zimbabwe's worst riots since majority rule in 1980. – Sapa-AFP

SHOPS, BUSINESSES CLOSE

Price rises lead to Harare wildcat strike

CT 20/1/98 (362)

HARARE: The crisis in Zimbabwe seems set to deepen after protesters went on a wildcat strike yesterday, the latest reaction to the government's economic policies.

A WILDCAT protest strike against price increases swept through Harare yesterday forcing city centre shops and businesses to close abruptly as pitched skirmishes broke out between stone-throwing protesters and police tossing teargas canisters.

"We are striking against these high prices. We cannot afford them," said one young striker who ran away from a truck of riot police firing teargas. Another young striker shouted: "Tell the murungu (white person) we are striking against increases in food prices."

The strike is largely a result of the chaotic economic policies pursued by President Robert Mugabe's government at the end of last year when he sought political support at the expense of the country's economy.

In December the government paid unbudgeted "gratuities" of Z$4,5 billion (about R1,15bn) to the politically potent war veterans. This boosted the budget deficit well above 10% of GDP and caused dramatically higher interest rates and inflation.

In addition, the government announced the impending seizure of half the country's privately owned farmland, further destabilising confidence in the economy.

The stock market has plummeted and the currency has crashed to half its previous level against most currencies. Now it takes 20 Zim dollars (about R5,10) to buy one US dollar (about R4,90).

While the government's economic management has created an unstable political situation domestically, it has brought immense economic pressure internationally.

A combination of threats from the World Bank and the IMF and inducements offered by the European Union appears to have forced the Mugabe government to pause in its campaign to seize 1 500 large farms, most of them owned by whites.

IN TROUBLE: Robert Mugabe

The EU last week granted Zimbabwe Z$420million (about R107,69m) badly needed to prop up the sagging currency.

The EU also offered to hold an international donors' conference for land redistribution — but only if the Mugabe government agreed to carry out the land reform in a transparent and fully accountable manner.

Hard-pressed by the tough economic conditions, largely of his government's own making — and the political repercussions, such as yesterday's strike — Mugabe may well decide to back off his plans and implement the sort of thorough land reform that meets the approval of international donors.

That would include full consultation of all affected parties, an accountable selection procedure and freely negotiated compensation paid to farmers.

"The government's economic policy has been disastrous, and that means the situation is getting out of control," commented Trevor Ncube, editor of the weekly financial newspaper, The Independent, about yesterday's strike.

Yesterday's protest erupted without backing from the Zimbabwe Congress of Trade Unions (ZCTU). Union officials denied any involvement in the disruption, but said they were considering a national strike later this month. The ZCTU staged a successful national strike early last month.

Deep-seated anger at Zimbabwe's rapidly increasing inflation has been brewing since the Christmas holidays.

Once the Zimbabwean dollar dropped to half its previous value, the escalation of prices was inevitable. Prices for imported goods have nearly doubled, which is expected. But prices for locally produced items have also gone up considerably. The price of the staple food, maize meal, was increased by 21% yesterday.

The Zimbabwean public is furious. On Saturday a group of disgruntled shoppers began shouting and protesting in a large supermarket at Harare's Avondale shopping centre.

It took the shop manager 30 minutes to calm people down and explain the economic reasons for the price increases.

Trying to take advantage of that anger, the Mugabe government itself has stoked the burning resentment.

Minister of Information Mr Chen Chimutengwende has repeatedly blamed the white business community for increased prices, charging that white businessmen are trying to make the country ungovernable by raising prices.

Government critics charge that yesterday's protest action was covertly instigated by the government to frighten the white-dominated business community.

No matter who sparked the strike, it rapidly took hold throughout the capital.

"The government is trying to pass the blame on to the whites, to channel public anger at the whites, but this is wrong," said Zimbabwe's leading opposition politician, Ms Margaret Dongo.

"The government has no one to blame but itself, it has caused these price rises." — Independent Foreign Service

Maize price rise dropped after Zimbabwe riots

(362)

Star 20/1/98

Protesters teargassed and clubbed, parts of Harare like 'a war zone'

Reuters
Harare

Zimbabwe police helicopters teargassed homes in black townships south of Harare yesterday as violent riots against price rises spread out from the city centre.

Police earlier teargassed and clubbed more than 1 000 demonstrators in central Harare to stop the violent protests, which left a trail of broken and looted shops.

Witnesses said police helicopters using flares teargassed homes indiscriminately in the townships of Glen View, Glen Norah and Highfield as the protests spread from the city centre into residential areas.

Parts of the capital resembled a war zone. Smoke billowed from the south of the city, known as "New Delhi" because of its heavy concentration of businesses owned by Zimbabweans of Asian origin.

The area shook with sounds of police firing bursts of teargas. Roads were barricaded and shards of broken glass littered the streets. Many shops and banks closed early.

State radio reported that "some people" had been injured in the protests, but the police said they had no details.

Home Affairs Minister Dumiso Dabengwa vowed that police would protect people and property.

President Robert Mugabe's government reacted by ordering millers to scrap a 21% rise in the price of the staple maize meal planned for yesterday. It also announced it would review all recent increases in basic commodity prices.

"We have asked our officials to call in the millers and tell them that these increases are null and void," Industry and Commerce Minister Nathan Shamuyarira told state television, referring to the maize meal increase which followed a 24% rise on January 5.

Many manufacturers and retailers raised the price of basic commodities by between 17 and 42% on January 5, citing the steep fall of the Zimbabwe dollar against foreign currencies and increased input costs in the last quarter of 1997.

Sources in Mugabe's administration said the government had acted because it feared the riots could get out of hand.

Yesterday's riot was the second wave of violent protests since December, when protests forced Mugabe to scrap a deeply unpopular tax package.

The Zimbabwe Stock Exchange suspended afternoon trade because the protests prevented some brokers from reaching the exchange.

There were also protests in the western towns of Chitungwiza and Chinhoyi.

Information Minister Chen Chimutengwende has said the move to raise prices was a plot by the country's white business community to foment social unrest, a charge they have vehemently denied.

Chimutengwende alleged that some unnamed white businessmen were retaliating for government plans to compulsorily buy more than 1 500 mainly white-owned commercial farms for a peasant resettlement scheme.

Mugabe, who has been in power for nearly 18 years, rejects economists' warnings that his plans will ruin the economy and add to already massive unemployment.

Our cartoonist Zapiro is on leave. This May 1997 cartoon is from Zapiro's second book *The Hole Truth*.

Tough times ahead

Zimbabwe is facing all kinds of economic problems and the possibility of increased social upheaval. Jessica Mberi considers the country's plight...

(362)

Sowetan 21/1/98

HARARE – As Zimbabwe braces for what is likely to be a tough year on the economic front, the potential for increased riots and crime engendered by the sharp rise in the cost of living is becoming more apparent.

Already the Zimbabwe Congress of Trade Unions (ZCTU), organisers of a highly successful civil protest against increased taxes last December – albeit having a criminal and riotous element – are working on strategies to resist the escalating cost of living.

But it appears Morgan Tsvangirayi's group does not have to work hard to organise demonstrations against the erosion of the workers' buying power.

While the ZCTU general secretary said the labour movement was still consulting on what course of action to take, residents of the working class suburb of Mabvuku in eastern Harare were already in the streets in a spontaneous demonstration against price increases.

While Mabvuku residents *toyi-toyed* in the streets denouncing businesses for the sharp rise in the prices of basic commodities, economists have said business people have no choice but to increase prices following the nearly 50 percent devaluation of the Zimbabwe dollar in the last three months.

Economist Kenias Mafukidze said doing business in Zimbabwe was now more difficult with the recent increases in the price of basic commodities without adjustments in income.

Mafukidze, who is president of the Economic Society of Zimbabwe, said the price hikes, which averaged 20 percent, were of concern as they had an inflationary drag on economic activities.

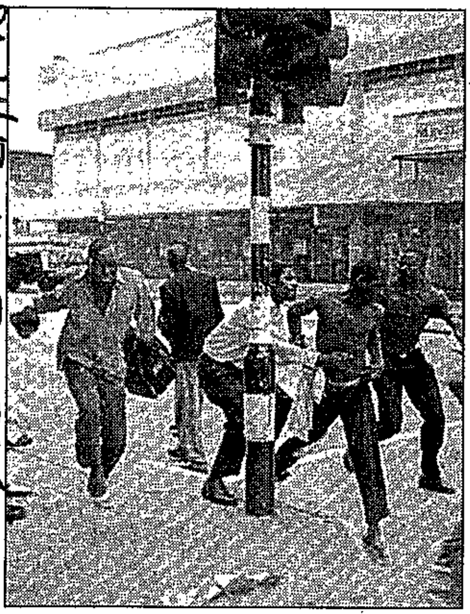
"From the companies' point of view, this is going to impact negatively on them as they face increased costs while at the same time they cannot transfer all these costs to consumers because their purchasing power is already under pressure," Mafukidze said.

He noted that various factors, including the high cost for imported inputs due to the depreciation of the local currency and high cost of borrowing due to the central bank's efforts to control money supply-growth, contributed to price hikes.

Because of the high lending rates by commercial banks, companies were failing to meet their margins. After all, he said, profit was the bottom line of any business.

"Since any company needs to report positive results to shareholders, the only way is to increase prices if they are to survive," he said, adding that without such adjustments some would have to close down.

And company closures would only worsen Zimbabwe's unemployment rate, estimated at



Zimbabwean demonstrators flee teargas fired by riot police in Harare on Monday.
PIC: AFP

50 percent in a country of about 12 million and a factor behind the riotous behaviour and looting that takes place each time there are demonstrations in Harare.

However, the Zimbabwean government – sensing the potential for riots as a result of the worsening cost of living – has blamed the economic woes on what it sees as a vengeful white-led business community unhappy with nationalisation of up to 50 percent of commercial farm land for the resettlement of land-hungry black people.

Information, posts and telecommunications minister Chen Chimutengwende blamed the white establishment for "sabotaging" the economy in order to turn the people against the government but also conceded the government's helplessness because of its commitment to market reforms.

In a snap survey, ordinary consumers, perhaps not so much conversant with the economics of currency depreciation, interest rates and inflation, were bitter about what they called "unjustified price increases", especially on basic commodities such as mealie meal, cooking oil, sugar and bread.

The target of their anger is an "avaricious" business community.

The same sentiments were echoed by the Consumer Council of Zimbabwe (CCZ) who called for government intervention and even the reintroduction of subsidies to protect the poor.

"It's important that the government introduces targeted subsidies on essential goods to cushion vulnerable groups against the increases," said CCZ senior officer Bright Mpofu.

Mpofu also warned of unrest among desperate consumers in urban areas, saying they would not be able to absorb or tolerate the price increases, a situation he said was unhealthy for the country.

Mpofu said it was the responsibility of all stakeholders to make sure that there was harmony and stability at the market place.

He said although it was necessary to make profit, there was need for a harmonious coexistence between the business sector and consumers. He accused some businesses of making "above normal" profits which he called consumer exploitation.

"The two sides (business and consumers) depend on each other and the business sector should remember that it has an economic and social obligation to help consumers," he said.

Opposition politicians, however, have rallied to the side of business against attacks by the government, saying the current hardships were a result of mismanagement of the economy by the government.

Edwin Nguwa of the small Zanu (Ndonga) party blamed the problems on the depreciation of the Zimbabwe dollar and the inability of the government to 'downsize' itself and reduce spending. – *Sapa.*

● Zimbabwe's capital was tense yesterday amid fears of a repeat of Monday's food riots in which at least three people were wounded by police gunfire and millions of dollars of property was looted or destroyed.

Shops and offices in the centre of Harare reopened but businessmen were keeping a sharp eye on the high-density suburbs on the southern and eastern outskirts of town, where most of the violence took place on Monday.

Many demonstrators said they planned to keep up their protests until price increases for basic foodstuffs are dropped. The government has already scrapped a planned 21 percent rise in the price of maize meal and has promised a review of all prices. – *Sapa-AFP.*

Zim calls in army to quell riots

(362)

Sowetan 21/1/98

HARARE – Troops ready to shoot "trouble causers" were sent to Zimbabwe's capital yesterday, the second straight day of rioting over increased food prices.

It was the first time troops were deployed to control unrest since independence in 1980.

"They have not been trained to use batons like the police. They will not hesitate to shoot any trouble causers," home affairs minister Mr Dumiso Dabengwa said yesterday.

He said the Zimbabwe National Army was ordered on alert countrywide in case rioting spread from Harare to other urban centres.

"We have been left with no other choice than to bring in the army," Dabengwa said.

The unrest, the second eruption of rioting in Zimbabwe in recent months, has demonstrated a growing hostility towards president Robert Mugabe's government.

Mugabe has been accused of heading an autocratic, corrupt administration that is driving the country towards economic ruin.

Government officials and their cronies have benefited from land schemes that are supposed to help poor blacks. A pension plan for former freedom fighters was riddled with corruption, leading to increasingly bitter protests by the war veterans until the government agreed last year to pay them over R600 million.

This week police fired teargas and live ammunition at people who looted shops and stoned vehicles.

Yesterday thousands of people evacuated the city centre out of fear of more violence. Military helicopters circled overhead as most businesses locked up by mid-morning.

The day before, demonstrators and police battled in the downtown area, with hundreds of people left choking and retching from teargas. One man was seen bleeding heavily from gunshot wounds to his legs.

Shopping centres in Harare's high-income northern suburbs, unaffected on Monday, shut down yesterday after demonstrators threatened to set fire to one luxury mall.

Most bus services were suspended and minibus taxis ran limited routes, preventing many from reaching their workplaces. – *Sapa-AP.*

● **See also page 12**

Foreign credit to rescue Zimbabwe

(362) BD 21/1/98

Michael Hartnack

HARARE — Zimbabwe's Reserve Bank says it has established foreign credit lines worth $300m with the aim of stabilising the Zimbabwe dollar in the first quarter of this year.

The bank said additional donor support granted by the World Bank and the European Union (EU), and under discussion with the International Monetary Fund, should assist in halting further depreciation.

Since November 14, "Black Friday" — when the Zimbabwe dollar fell from 14 to 26 against the US dollar and recovered following the Reserve Bank's injection of $22m into the market — the Zimbabwe dollar has continued to fall. Yesterday it averaged about 20 to the US dollar and 3,5 to the rand.

At the weekend the EU and World Bank signed agreements to resume budget support which appeared to preclude President Robert Mugabe's plans for immediate radical land redistribution.

To qualify for $20m aid from the EU and $60m from the World Bank, Zimbabwe pledged not to prejudice productivity or farm workers' rights, and to abide by constitutional processes of law.

Papers signed by senior secretary for finance Charles Kuwaza committed Mugabe to conducting land reform in an "orderly" manner that did not push the budget deficit beyond 8,2% of gross national product — an impossible task if Mugabe hopes to offer payment to present white owners and resettle peasant families.

The Reserve Bank was confident it could build up sufficient funds for three months' import cover, and expected the start of tobacco auctions in April to provide further relief.

Most analysts fear more pressure as importers seek to build up stocks in expectation of further decline. Revenue forecasts for Zimbabwe's traditional major exports — gold, base minerals and tobacco — show a downward trend, while manufacturers blame "protectionism" for poor earnings.

The bank said "shortcomings" had been revealed in the foreign exchange market including "vulnerability to nonfundamental factors" such as speculation.

Threat of emergency in Zimbabwe

BD 21/1/98 (362)

Michael Hartnack

HARARE — Business in Zimbabwe's capital ground to a halt for the second consecutive day yesterday as a result of riots which saw President Robert Mugabe deploy troops in the townships and threaten a state of emergency.

Home Affairs Minister Dumiso Dabengwa said the entire army had been put on standby.

The riots have been triggered by sharp increases in the prices of many basic foods following the decline of the Zimbabwe dollar.

Dabengwa warned that the deployed troops had "not been trained to use batons like the police and they will be carrying arms and live ammunition. They will not hesitate to shoot any troublemakers who are encouraging looting and destruction of property."

Sapa reports Mugabe warned that he would be forced to introduce a state of emergency if the riots continued. He said his government would not hesitate to impose the harshness of the law. "We cannot allow hooliganism to continue."

The deployment of soldiers to suppress urban civil unrest is unprecedented in independent Zimbabwe.

Overnight, air force helicopters bombed groups of suspected looters with tear gas in many townships, catching many law-abiding householders as well. The Zimbabwe Broadcasting Corporation reported that a squadron of armoured cars was deployed in Chitungwiza near Harare.

Dabengwa denied reports that up to four people had been shot dead by police in 36 hours of rioting in and around Harare. He said only one looter had been wounded and four policemen seriously hurt.

He said no further demonstrations were justified because maize meal prices — which rose 21% on Monday after sharp increases last year — would revert to their former level.

He refused to elaborate on Monday's announcement that price rises would be reversed. Business sources said they had no knowledge of any meeting between government and business aimed at revoking the increases. But Commerce Minister Nathan Shamuyarira said millers who broke an agreement on prices, reached yesterday, would be "dealt with severely".

Dabengwa said there had been widespread destruction and gave no time limit for deployment of troops, which he denied was tantamount to a state of emergency. He said gangs of looters were still trying to force their way past police roadblocks to attack the city centre. "Somebody did some organising, there is no doubt. It must have started from something, even if it was spontaneous."

Claire Pickard-Cambridge reports that a minibus filled with SA businessmen was encircled by a mob in the city yesterday morning. The businessmen, who did not want to be named, said bricks had been thrown through their windows, narrowly missing them before they managed to flee.

"It was very frightening and makes one reluctant to do business there after such an experience," one said.

Millions lost in riots: Page 7
Comment: Page 9

Real economics forces Mugabe to ditch his big land grab

MARY BRAID

ARG 21/1/98 (362)

Johannesburg – Zimbabwean President Robert Mugabe's controversial plan to confiscate 1 400 white-owned farms has been halted – probably indefinitely – by conditions imposed on new loans by the World Bank and the European Union.

For months, Mr Mugabe, whose government's popularity has slumped to an all-time low, has been sabre-rattling at commercial farmers, threatening a mass land grab after the May harvest with little or no compensation for owners.

In Zimbabwe, 18 years after independence from Britain, commercial farms remain in white hands. Reform is admittedly long overdue, but Mr Mugabe has been using the issue as a smokescreen for the political and economic failures which have sparked unprecedented mass protests throughout the country in the last few months.

Even the most ardent land reformers warned that the crude measures proposed by Mr Mugabe – take-over by force and redistribution among landless peasants – would spell economic disaster for the country.

Not only does the government not have the money to buy the land, it has no funds to invest in machinery or to train black farmers, who generally have no experience of anything other than subsistence farming.

At the weekend, political rhetoric finally gave way to hard economic realities when the beleaguered government persuaded the World Bank and the EU to release $60-million and $20-million (R300-million and R100-million respectively) of frozen budget support.

In return, the government pledged to respect the Zimbabwean constitution which guaranteed compensation to those affected by land reform. The promise contradicts Mr Mugabe's recent threats to ignore the constitution on the issue.

Crucially, the government also has promised not to push Zimbabwe's budget deficit beyond 8,2% of the gross national product – an undertaking which also seems to torpedo the land grab.

Zimbabwe badly needs outside investment. The Zim dollar is in free fall; ironically its difficulties are at least partly due to the uncertainty surrounding the land threats.

The implications of the loan conditions became public as more than 1 000 protesters again took to the streets against price rises. As riot police teargassed and baton-charged the people, the government again blamed whites for the country's problems.

But ordinary people seem not to have fallen for the government line. During last month's riots they queued up to denounce Mr Mugabe's government as corrupt and claim that his days were numbered. – The Independent, London

ANGER OVER RISING PRICES

Soldiers deployed to halt Zim riots

(3b2) CT 21/1/98

HARARE: For the first time since the end of white rule in 1980, Zimbabwean troops have been called in to control urban violence.

PRESIDENT Robert Mugabe warned yesterday that his government would introduce a state of emergency in Zimbabwe if riots over increased food prices continued.

Mugabe said his government would not hesitate to impose the harshness of the law. "We cannot allow hooliganism to continue."

Army units, armed with live ammunition, have been deployed in the capital Harare to control demonstrators and looters.

Home Affairs Minister Mr Dumiso Dabengwa announced the deployment shortly after yesterday's cabinet meeting.

It is the first time that military units have been used to control urban violence in Zimbabwe since the Rhodesian government used troops to suppress revolt in the townships before the country's independence in 1980.

"The deployed army personnel will be carrying arms and live ammunition and will not hesitate to shoot any people who are troublemakers. We have been left with no choice but to bring in the army," Dabengwa said.

The news agency Ziana said tension in Harare had reached explosive proportions as thousands of residents braced for a showdown with authorities. At least one man was shot and seriously injured by police at the Machipisa shopping centre in the politically volatile Highfield high-density suburb.

The unrest that started on Monday and continued yesterday is the second outbreak of rioting in Zimbabwe in recent months, showing a growing hostility towards Mugabe's government.

Mugabe, who has ruled Zimbabwe since independence, has been accused of heading an autocratic, corrupt administration that is driving the Southern African country toward economic ruin.

Government officials and their cronies have benefited from land schemes that are supposed to help poor blacks. A pension plan for former guerrilla fighters was crippled by corruption, leading to increasingly bitter protests by the war veterans until the government agreed last year to pay them more than R1 105m in a budget-breaking move.

Troops 'will be carrying live ammunition and will not hesitate to shoot trouble-makers'.

In this week's rioting, police fired teargas and live ammunition at people who looted shops and stoned vehicles in Harare and some of its suburbs.

Yesterday, thousands of people evacuated the city centre. Military helicopters circled overhead as most downtown businesses locked up by mid-morning.

On Monday police fired teargas as they clashed with demonstrators in the city. One man was seen bleeding heavily from gunshot wounds to his legs.

Police have released no information on the number of people injured or arrested so far.

Shopping centres in Harare's high-income northern suburbs, unaffected on Monday, shut down yesterday after demonstrators threatened to set fire to one luxury mall. Most bus services were suspended and taxis ran limited routes, preventing many workers from reaching their jobs.

The protests were sparked by a 21% increase in the price of corn meal on Monday, following on increases of more than 25% on most essential goods and foods during the first two weeks of 1998.

On Monday night, the government ordered milling companies to scrap the maize meal price rise. Commerce Minister Mr Nathan Shamuyarira said the government had found no justification for the price increase and blamed it on excessive profiteering.

Business leaders have blamed price increases on ruinous government policies that have weakened the Zimbabwe dollar by about 50% against the US dollar since November.

Speaking to journalists yesterday, Mugabe blamed the riots on opposition political parties whom he accused of taking advantage of the country's economic hardships.

"We do not want to go back to the days of the repressive state of emergency because people should be free to move around and express themselves in a peaceful non-violent manner," he warned.

Mugabe said there was no reason for people to riot as everyone was affected by the hardships.

"While we, as government, accept that people are facing economic hardships, there is no need for people to behave in such a savage manner, looting shops, stoning cars and beating innocent people.

"Let me give them a serious warning that they are asking the government to invoke the harshness of the law. The government will not hesitate to impose that harshness on the people. We cannot allow hooliganism to continue," Mugabe said. — Sapa

CAPE ARGUS, WEDNESDAY, JANUARY 21, 1998

Stampede as Harare panics

Hundreds flee troops entering capital

ARG 21/1/98 (362)

Harare – The deployment of troops in Zimbabwe's riot-torn capital caused widespread panic today as hundreds of people tried to flee the city by car.

Shops closed again, while the government met in emergency session.

Hundreds of people drove their vehicles on to pavements or drove the wrong way down one-way streets in a bid to leave the city, while alarmed pedestrians ran in all directions.

The panic was prompted by the deployment of troops at a southern exit of the city.

Three military helicopters were maintaining a permanent watch over central Harare, where President Robert Mugabe's government deployed troops yesterday during a second day of food riots.

He had ordered soldiers to use live ammunition against looters.

The cabinet was recalled from its recess yesterday for an unscheduled emergency meeting to discuss the crisis.

"Yes the cabinet is meeting right now ... to review the situation unfolding in the country," Dr Mugabe's press secretary, George Charamba, said.

Mr Charamba also confirmed Mr Mugabe was to attend a scheduled meeting of the politburo of his ruling ZANU-PF party after the cabinet session.

Mr Mugabe has threatened to impose a state of emergency should the troubles continue.

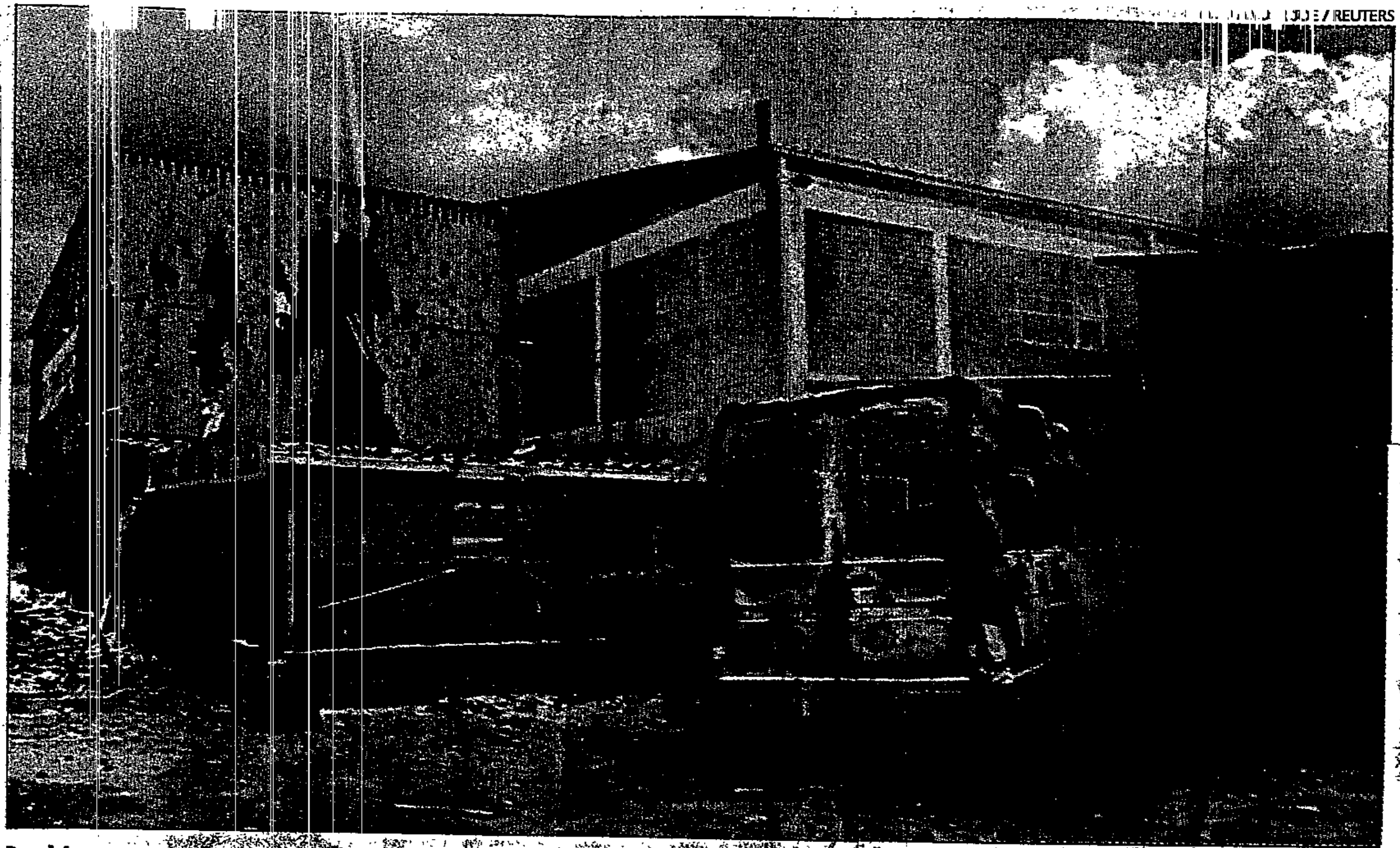
The latest wave of panic and street chaos in Harare lasted for about 20 minutes before order was restored, but shops started closing down again after relative calm in the morning, while staff left office buildings.

Witnesses earlier said a group of soldiers deployed in the city beat up a party of shop owners and workers today as they attempted to clean up the mess left by looters.

Police on guard at the Chitungwiza shopping mall, which was razed in the riots, had just allowed shop employees and their bosses into the centre to clean up when the soldiers burst in, an AFP photographer said.

The soldiers beat some of the workers and shop owners with sjamboks and ordered others to do press-ups and then leave.

Troops confiscated film from photographers and television crews who recorded the incident. – Sapa-AFP



REUTERS

People's response ... a shopping centre and a car smoulder in Glen Norah, Harare, after being set on fire by residents protesting against price increases yesterday.

Army ordered to shoot as looters run amok in Harare

By [illegible]
Star Foreign Service

Harare – The Zimbabwean government called in the army yesterday to stop the looting and food riots that have shut down Harare for the past two days, in what have become the country's most serious civil disruptions since independence.

The army was given orders to shoot any looters. Earlier yesterday, thousands of rampaging demonstrators stripped shops, offices, petrol stations and even doctors' surgeries of anything of value throughout Harare's southern townships.

Helicopters dropped teargas on looting gangs, and sporadic rifle fire was heard near the city centre late yesterday afternoon.

By sending in the army to the rioting townships, the government signalled it would take harsh action to restore order.

"The army men are not trained to use batons like the police," Minister of Home Affairs Dumiso Dabengwa warned. "They carry weapons that are loaded. They will not hesitate to shoot any demonstrators who are intent on looting and destroying property. The government has no choice but to send in the army."

By last night, no deaths had been reported from the widespread rioting, although a few people have been shot and some police officers have been injured. Damage to shops and other property runs into millions of dollars.

Rapidly rising food prices are blamed for the riots, but the orderly way demonstrators marched into the city centre from the townships indicates there was some planning behind the disruptions.

Whoever planned the riots, the violence and looting spread through Harare like wildfire, taking everybody by surprise at the bitterness and rampant looting.

Reuters reports that President Robert Mugabe blamed the riots on his political opponents, state television reported.

"He said he believed there was a political conspiracy behind the current disturbances, and the government would stop that," the Zimbabwe Broadcasting Corporation said.

Star 21/1/98 (362)

NEWS NATIONAL & INTERNATIONAL

Sowetan 22/1/98 (362)

Zim riots spread countrywide

Security forces arrest more than 300 people to retrieve looted property

HARARE – The rioting that has wracked Zimbabwe following the introduction of steep food price hikes on Monday has spread to other parts of the country, including President Robert Mugabe's hometown of Chinhoyi.

The civil unrest, which started in the capital Harare, yesterday spread to the central city of Gweru, the southern town of Masvingo, Mutare on the Mozambican border, Chinhoyi, Chegutu south-west of Harare and the small town of Norton.

In Mutare a councillor's house was attacked, car windows were smashed and shops were looted after a demonstration turned violent.

Businesses opened tentatively in Harare yesterday morning after a government appeal for calm, but at noon panic broke out when an air force helicopter dropped teargas on a crowd of people thought to be preparing to march into the city.

Pedestrians fled, motorists U-turned against the traffic and shops slammed their doors shut.

Thousands of workers and shoppers streamed home on foot as police turned away informal taxis for fear they were ferrying rioters.

Regular bus services were withdrawn early.

In the city's southern townships, police and army units arrested 300 people in raids to retrieve looted property and in the Mutare riots 20 people were arrested.

Mike Auret, chairman of Catholic Commission for Justice and Peace in Zimbabwe, said he had received several reports of brutal assaults on civilians by soldiers while an air force spokesman said two of his men had been severely beaten and thrown into a sewerage pit.

A civilian was believed to be partially paralysed from injuries sustained in the riots. – *Sapa*.

Zimbabwean woes to knock SA exports

(362)

John Dludlu, Janet Parker and Michael Hartnack

SA's exports to Zimbabwe will take a knock as economic troubles in Harare, which triggered food riots this week, reverberate across southern Africa, SA analysts have warned.

International business confidence in southern Africa is also expected to be dampened by the violence following steep price rises in most basic foods, prompted by the depreciation of the Zimbabwean dollar.

President Robert Mugabe's cabinet yesterday appointed a three-minister committee to ensure that "nobody will be able to put up prices of basic food commodities to unaffordable and unrealistic levels". It would review all recent price increases and recommend measures to prevent profiteering.

BD 22/1/98

On Tuesday the army was deployed to quell widespread riots and looting.

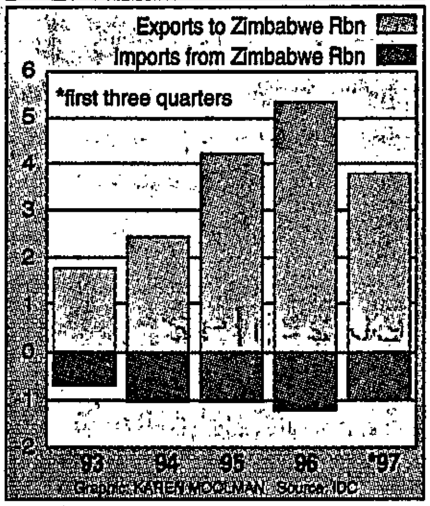
Standard Bank economist Nico Czypionka said an economic slowdown in Zimbabwe caused by rises in interest rates would limit demand of SA's exports to Zimbabwe, which was SA's main trading partner in the subregion.

Figures supplied by the Industrial Development Corporation (IDC) show the Southern African Customs Union — including SA, Botswana, Lesotho, Namibia and Swaziland — ran a R4,14bn surplus in trade with Zimbabwe in 1996. The surplus was R2,9bn in the first nine months of last year. Exports to Zimbabwe represented 4,3% of the customs union total in 1996.

Czypionka said Zimbabwean exports might become intensely compet-

Continued on Page 2

SACU's trade with Zimbabwe



Zimbabwe

(362)

Continued from Page 1

BD 22/1/98

itive, thanks to the currency depreciation, but this would be short-lived as inflation and expensive input costs eroded the gains of a weaker currency.

The IDC said: "It appears that the (SA) sectors exporting machinery and equipment (including electrical machinery), motor vehicles, parts and accessories, chemical products, as well as printing and publishing products, are the most exposed to a future downturn in Zimbabwean import demand."

Kenneth Kotelo, an economist at the Pretoria-based Africa Institute, said the problems in Harare, coming hot on the heels of the aborted coup in Zambia, would negatively affect investor sentiment in southern Africa.

SA Foundation executive director Neil van Heerden said developments in the region were "interconnected". "Consequences can be swift".

SA Tourism Board executive director Michael Farr said the riots were likely to have a detrimental effect on tourism to Zimbabwe and the region.

Foreign markets often viewed unrest problems in a regional context rather than a country-specific context. As a result the southern African tourism region could experience some spillover, but the SA tourism industry would not face severe consequences.

Farr said 30% of SA's foreign tourists also visited other African countries, mainly Zimbabwe. Tourists now might exclude Zimbabwe or postpone the whole trip.

An independent tourism specialist, Delano Caras, said the effect of the riots in Zimbabwe "would not be too bad", unless they continued and spread to Victoria Falls and other important tourist areas.

On the positive side, the IDC said more attractively priced Zimbabwean equities presented opportunities for the less risk-averse SA investor. "Further opportunities are likely to arise in the form of an accelerated privatisation process due to mounting fiscal pressures."

Land plans still stand: Page 6
Government not in control: Page 12

Events are in control of Zimbabwe

Economist Prof Tony Hawkins warns that Zimbabwe's government is no longer in the driving seat and is looking to outsiders to resolve its problems, writes Michael Hartnack in Harare

(362) BD 22/1/98

HAVING destroyed investment confidence both at home and abroad, President Robert Mugabe's government and the wider community here must seek to rebuild it, Prof Tony Hawkins of the University of Zimbabwe has warned.

"There can be no quick fix," he said in a speech to chartered secretaries while food riots paralysed the capital. Recent policy reversals and unpredictability "have soured the business climate to the point where even if the government is seen to climb down over its land policies, the damage has been done", said Hawkins, in one of the most outspoken indictments of public and private sector leadership voiced here.

"If one conclusion stands out it is that events have taken control. The government is no longer in the driving seat. It is locked into reactive mode, unsure which way to turn, how to respond and what solution to try next.

"That all sections of the community, not least the government, are looking to outsiders — the donors, the International Monetary Fund (IMF), the World Bank — to resolve the crisis is profoundly depressing."

Soldiers patrol the streets of Harare in the aftermath of yesterday's looting of shops by demonstrators. Army and police are trying to keep the peace in the tense city. Picture: AP

Referring to white business leaders' pleas to Mugabe for a "team Zimbabwe" approach to land and other reforms, Hawkins said they "must explain how irredeemably, irretrievably compromised players — the government and the present leaders of the business community, including the farmers — who have failed in the past will somehow change their spots sufficiently to make a market economy work.

"Maybe team Zimbabwe is the solution, but it will need different teams from both government and the private sector, along with a different set of rules."

The government, the state-owned media, the World Bank and IMF had been taken aback by the crash of the Zimbabwe dollar and stock exchange at the end of last year, but the weakness of economic fundamentals had been crystal clear. The currency was overvalued, the balance of payments was deteriorating, more than a quarter of the workforce was unemployed, money supply growth was excessive, corruption was growing, real wages were down by more than a third since 1990, while infrastructure and social services were deteriorating.

"Against that background, two events — the unbudgeted payment to the war veterans and the belated decision to rush through a populist package of unfunded and ill conceived land acquisition — set off a train of events that is still unfolding," said Hawkins.

He attacked the IMF for misjudging the situation "encapsulated in two comments". The IMF's local representative Robert Franco "on emerging from the 1997 budget last July judged it to be good although he admitted he had not read it", said Hawkins.

"Confidence in such professionalism was further undermined when the IMF team left Harare last year having detected what it called "a strong adjustment programme". Just how strong that programme is has been made clear for all to see in recent weeks."

Hawkins said it was fashionable among those who read "and even believe" Zimbabwe's state media to believe funding from the World Bank, IMF and European Union will turn the economy around.

"They won't. The promised $270m or so that has been reported would not be enough on last year's estimated balance of payments figures to cover more than a month's outgoings, including factor service payments such as dividend and interest, let alone debt repayments.

"Such blood transfusions of aid or concessional lending are no more than band aid."

Failure to understand that economic policy and business confidence could not be turned on and off like a tap was shown by Commerce Minister Nathan Shamuyarira's statement, in the same breath, that government did not control prices but would outlaw maize price increases which had triggered the riots.

This was "indicative of this government's failure to understand what business is about, what markets mean and what drives investment," said Hawkins.

He said that not all factors were negative and the rains had been better than feared, while floods in Brazil had boosted prices for tobacco, Zimbabwe's main export. But manufacturing would not regain 1991 levels of output (when the SA trade agreement lapsed) until 2000 or 2001, and mining was heading for another difficult year.

He forecast weak economic growth of 3% at best and a volatile currency "heading southward over the year". Inflation was set to increase to around 25%, a key imponderable being fuel which ought to have increased 40% to accommodate devaluation.

"It won't come as a surprise if the government opts to subsidise fuel prices rather than increase them, though how this will be sold to the IMF and what creative accounting techniques will be applied to keep such a subsidy off budget remains to be seen."

He feared there would be "tough wage bargaining" despite government hopes to avoid an award this year.

"Clearly if price controls are reimposed and made to stick — which is highly unlikely— then wage awards will be nearer 25% than 35%. But I wouldn't hold my breath if I were you."

Mugabe and his cabinet meet in emergency session

BD 22/1/98 (362)

HARARE — Soldiers and police enforced an uneasy calm in Harare yesterday while President Robert Mugabe held an emergency cabinet session to discuss food riots threatening his government.

A government source said Mugabe, who warned on Tuesday that soldiers would act harshly against rioters, had interrupted his holiday to chair the special cabinet meeting. "The sole item on the agenda is the protests and nothing else," the source said.

The meeting ended without a statement at midday, but an official said a statement might be released later.

Political analysts have said the riots could pose the most serious threat yet to the 17-year rule of 73-year-old Mugabe.

State radio said police clashed yesterday with rioters in Mutare, east of Harare, firing live ammunition to deter looters. There were no immediate reports of casualties. Military helicopters tracked crowds walking towards Harare and used teargas to disperse them, Ziana news agency said. Police and local newspapers said four policemen and two looters were injured in the first two days of rioting. Damage to shops amounted to millions of dollars and more than 100 looters were arrested.

Yesterday police rounded up more than 300 people found in possession of goods stolen from the Chitungwiza shopping centre, south of Harare, which was stripped by looters on Tuesday. In central Harare, police triggered a brief panic when they teargassed a crowd gathered at the scene of a minor car crash.

Many businesses did not open or closed after only a few hours, and some schools sent pupils home.

The government ordered soldiers and armoured cars to bolster police efforts to curb the rioting on Tuesday, the second wave of violent protest in two months against tax and price rises.

Traders said the Zimbabwe Stock Exchange opened steady yesterday after falling 2,93% on Tuesday in response to the latest outbreak of rioting. Shares drifted lower later in the day, but there was no panic.

One analyst said investor sentiment had plunged in December, when the first demonstrations occurred, and that the latest outbreak had not significantly altered perceptions. The apparently spontaneous riots erupted in response to tax and food price increases.

Mugabe, under pressure from war veterans who helped him win independence in 1980, from trade unions and from consumers unable to cope with rocketing prices, has backed down three times recently in the face of protests and demonstrations. He promised the veterans a Z$4bn payout, withdrew a special 5% tax levy and other user charge increases and, this week, ordered millers to reverse the latest 21% increase in the price of the maize meal staple.

Although Harare and surrounding areas appeared mainly calm yesterday, the little-known International Socialist Organisation urged in a leaflet: "We cannot stop now."

It said: "We must continue our action the whole week to make double sure the blood-sucking bosses and their government reverse the price rises."

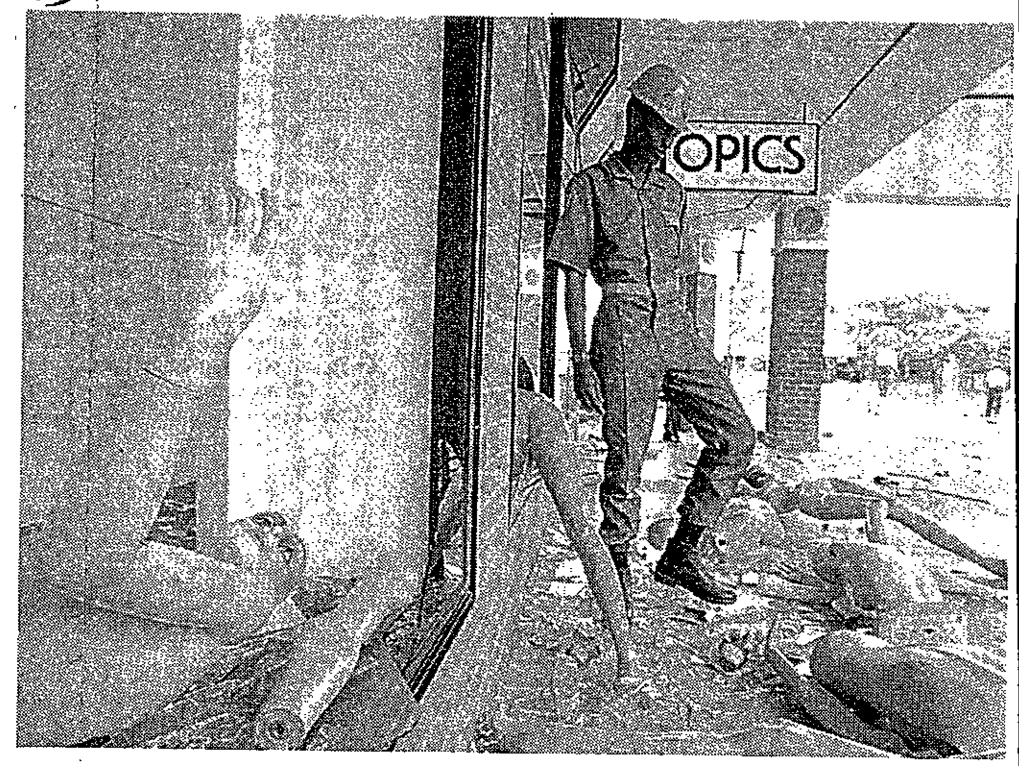
Although there was no formal announcement from Zimbabwe's trade unions, workers said there would be a strike against the government today.

"They say we mustn't come to town tomorrow," said one woman.

Street traders returned to the pavements of the capital as Harare appeared to return to normal yesterday, but in surrounding townships heavily armed soldiers guarded intersections and empty shops stripped by looters.

Soldiers seized film from photographers and one destroyed the videotape of a Reuter cameraman and told him: "Now run like hell."

Armoured cars guarded some intersections and two military helicopters patrolled areas where rioters had clashed with police on Monday and Tuesday. — Reuter.



A security guard walks over dummies thrown from a shop at Chitungwiza shopping centre in Harare yesterday. Demonstrators looted several shopping centres in the town. Picture: AP

Two Algiers blasts kills one, injures another

ALGIERS — Two bombs exploded yesterday in the Algerian capital, killing one person and injuring another, officials said.

One person was killed in a huge blast near the central university campus. Ambulances and police rushed to the scene. There were reportedly no injuries in an earlier blast as the bomb was seen by passers-by.

Algerian newspapers reported yesterday that 43 people, including two old villagers unable to run fast enough to escape attacking gunmen, were killed earlier this week.

The reports come one day after the European Union's 24-hour fact-finding mission succeeded in opening a dialogue with the Algerian government, but failed to gain permission for a United Nations human rights investigation into the massacres.

Nine civilians were killed in two bomb attacks in Algiers and the neighbouring coastal town of Zeralda on Tuesday, Liberte and La Tribune newspapers said.

More than 60 people were wounded in the two bomb attacks, the newspapers said. The authorities gave a toll of four dead and 52 wounded in the two bombings.

Attackers killed seven members of a family in the remote hamlet of Ben Adouan on Sunday night, said EL Watan. The newspaper said the attackers were carrying out an Islamic order handed down by a local Muslim preacher, Rafas Hadj.

Two 60-year-old villagers in Zouabria hamlet in Chlef province, west of Algiers, were killed on Monday night when they could not keep up with fellow villagers fleeing about 30 assailants, Liberte reported. A deputy mayor was killed on Tuesday in the Aomar area of Bouira province, east of Algiers, Liberte said.

Troops found the bodies of three girls near Beni Aissa mountain, about 25km south of Algiers, said El Watan. The soldiers killed 16 rebels in an attack on a rebel stronghold in Beni Aissa, it said.

Security forces clashed with gunmen in the working-class Belouizdad district of Algiers, killing five of them, said La Tribune.

Land plans 'not abandoned'

(362) BD 22/1/98

Michael Hartnack

HARARE — President Robert Mugabe has issued a furious denial of reports that he could be forced to abandon his plans to take over 1 400 white-owned farms by the terms of an agreement signed last Friday with the World Bank and European Union (EU).

The official news agency Ziana said that while touring a black-owned commercial farm on Tuesday he "lambasted" an unnamed SA newspaper "for giving the impression the government wanted to abandon the land acquisition programme".

"We are not going back on the land issue. We cannot accept perpetual occupation of our most fertile land by a few white farmers. We want equality," he was quoted saying. "Zimbabwe cannot be an extension of Britain."

However, Jens Laerk, acting head of the EU delegation in Harare, said the terms of the agreement would "probably force delay" unless Mugabe could obtain alternative funding. The bank will provide an initial $60m budget support and the EU $20m.

"It seems probable that land reform cannot proceed this year," he said. "If the present agreement is not followed it would be disastrous. There would not be any new structural assistance."

In a letter published by the Herald yesterday Martin Williams, British high commissioner to Zimbabwe, said Britain had offered £20m for "willing buyer willing seller" reform but this had not been taken up, and large tracts of land in state hands remained idle. Britain was willing to assist reforms that aided the poor but was "unable to support the … current programme".

Riots: Mugabe set to curb prices

ARG 22/1/98 (362)

Harare – Many factories and banks failed to open in Zimbabwe's capital today, but it was not clear if the slowdown reflected a strike or employer concern after food riots this week.

President Robert Mugabe's cabinet said after an emergency meeting yesterday that workers had a right to protest against the average 20% increase in the prices of basic foods this year.

The government named a cabinet panel to recommend price control measures to prevent similar increases in the future. – Reuters

Mugabe cabinet in emergency session

CT 22/1/98 (362)

HARARE: The food riots now convulsing Zimbabwe pose the most serious threat yet to President Robert Mugabe's 17-year rule, say analysts.

SOLDIERS and police enforced an uneasy calm here yesterday while President Robert Mugabe held an emergency cabinet session to discuss food riots threatening his government.

A government source said Mugabe, who has warned that soldiers will act harshly against rioters, had interrupted his vacation to chair the meeting. "The sole item on the agenda is the protests," the source said.

The meeting ended at midday, without a statement.

Political analysts say the riots could pose the most serious threat yet to the 17-year rule of 73-year-old Mugabe.

State radio said police clashed yesterday with rioters in Mutare, in the east of the country, firing live ammunition to deter looters.

There were no immediate reports of casualties.

Military helicopters tracked crowds walking towards Harare, using teargas to disperse them, Ziana news agency said.

Police and local newspapers said four policemen and two looters had been injured in the first two days of rioting. Damage to shops amounted to millions of dollars and more than 100 looters had been arrested.

Yesterday, police rounded up more than 300 people found with goods stolen from the Chitungwiza shopping centre stripped by looters on Tuesday.

In central Harare, police triggered a brief panic when they teargassed a crowd gathered at the scene of a minor car crash.

Many businesses failed to open or closed after only a few hours. Some schools sent pupils home at least until Monday.

• On Tuesday the government ordered soldiers and armoured cars to bolster police efforts to curb the rioting, the second wave of violent protest in two months against tax and price rises.

Traders said the Zimbabwe Stock Exchange opened steady yesterday after falling 2,93% on Tuesday in response to the latest outbreak of rioting. Shares drifted lower later, but there was no panic.

One analyst said investor sentiment had plunged in December, when the first demonstrations occurred, and that the latest outbreak had not significantly altered perceptions.

The apparently spontaneous riots erupted in response to tax and food price increases.

Mugabe, under pressure from war veterans who helped him win independence in 1980, from trade unions and from consumers unable to cope with rocketing prices, has backed down three times recently in the face of protests and demonstrations.

He promised the veterans a Zim$4-billion (R1bn) payout, withdrew a special 5% tax levy and other user-charge increases and ordered millers to reverse the latest 21% increase in the price of the country's maize-meal staple.

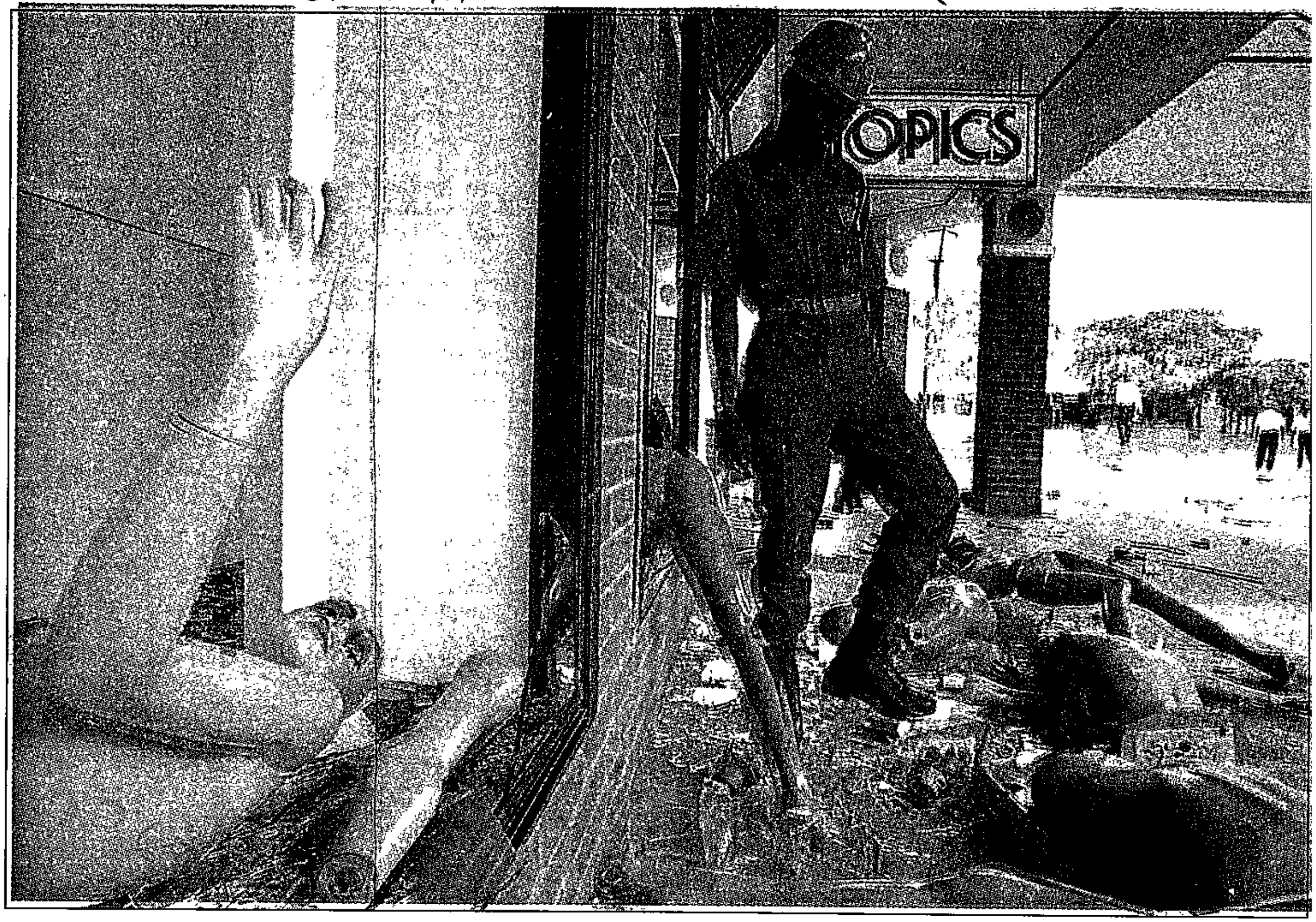
Though Harare and surrounding areas appeared mainly calm yesterday, the little-known International Socialist Organisation urged in a leaflet: "We cannot stop now. We must continue our action the whole week to make doubly sure the blood-sucking bosses and their government reverse the price rises."

Though there was no formal announcement from Zimbabwe's trade unions, workers said there would be a strike against the government today.

"They say we mustn't come to town tomorrow," said one woman.

Street traders were back on the pavements as Harare appeared to return to normal yesterday, but in surrounding townships heavily armed soldiers guarded intersections and shops stripped by looters.

Armoured cars guarded some intersections and two military helicopters patrolled areas where rioters had clashed with police on Monday and Tuesday. — Reuter



LOOTING: A security guard patrols a shopping centre in Chitungwiza, Harare, yesterday after demonstrators looted several shopping centres in the city and surrounding areas on Tuesday. Police were in control of the streets yesterday.

PICTURE: AP

Arrogance of Mugabe comes home to roost

(362)

Star 22/1/98

STAR FOREIGN SERVICE
Harare

Harare municipal worker Esnath Murombo sighed yesterday as she swept the broken glass along the usually busy Simon Mazorodze Road leading to the industrial sites and beyond to the Highfields, Mufakose and Glen View townships.

The Mazorodze Road, a thoroughfare from the poor townships to Harare's glistening city centre, was one of the most embattled in the city's food riots. The shattered glass was from cars and trucks stoned by angry mobs and from the plate glass windows of fast food outlets that were looted.

"I don't know what is happening to our city," said Murombo. "We cleaned up the glass after the national strike (on December 9) and now we clean up this mess. Who knows when there will be more trouble?" And sure enough, just later a stone-throwing mob from the townships marched toward the central business district, only to be turned away by teargas and the threat of gunfire from the massed army troops.

Further down the road, security guards surveyed the gaping holes where plate glass used to surround a Steers outlet. The glass had recently been repaired after the rioting on the presence of the army, helicopters and riot police would restore calm and order and Harare would slowly begin returning to normal.

Like the municipal workers sweeping up the shattered glass, all Zimbabweans are asking themselves "Why?" and "What does this mean?"

The Zimbabwe Congress of Trade Unions had not authorised a strike and no other group claimed responsibility for the most serious civil disturbance the country has seen since independence.

But the causes of the food riots are not hard to find. The Zimbabwe dollar has lost 50% of its value since November, causing an inflationary downward spiral. Food prices have skyrocketed and Harare's lowly paid majority, not to mention the unemployed, found it even more difficult to get by.

The final straw was a 21% price hike of the staple food, maize meal.

The price of mealie meal had already been raised twice in the past two months. What had been simmering discontent erupted into angry violence.

"The government has

Many economists warned of disaster

finance minister. According to official sources he ordered the minister to "find" the money.

This was a hard job for Herbert Murerwa, who had already struggled to keep the high-spending government's budget deficit to below 10% of the GDP.

At the same time Mugabe courted renewed enthusiasm from his rural stronghold by announcing seizure of nearly half the country's privately owned farmland, most of which is owned by whites.

Once again, little heed was given to the economic consequences of this political manoeuvre. Zimbabwe's most productive sector and largest exporter was drastically undermined. The lack of regard for private property caused investor confidence to plummet. The Zimbabwe dollar began its freefall, the stock market crashed, interest rates soared above 30% and prices rose to match that rate.

Many Zimbabwean economists, not to mention the International Monetary Fund and the World Bank, warned of economic disaster, but Mugabe marched defiantly ahead, paying out the war veterans in December and repeating his vows to seize the farmland. Sensing the rising public anger, the government attempted to blame its perennial scapegoat, the country's white minority.

Minister of information

CT
22/1/98

... aftermath ... a policeman clears a Harare city centre street of burning barricades after demonstrations this week that have shaken the nation.

Zimbabwe govt vows to limit price hikes

(362)

Emergency session of cabinet sets up committee to review increases and prevent profiteering

Star 22/1/98

SASA KRALJ / AP

By Andrew Meldrum and Reuters
Harare

Zimbabwe's government has vowed to prevent price hikes similar to those which sparked violent food riots in Harare this week.

Information Minister Chen Chimutengwende said yesterday an emergency session of President Robert Mugabe's cabinet had set up a three-man committee to review all recent price increases and suggest measures to prevent profiteering. The committee is expected to report to the cabinet next Tuesday.

"The government is determined to address the situation fully and as a matter of urgency to ensure that ... nobody in future will be able to put up prices of basic food commodities to unjustifiable and unrealistic levels," the minister told reporters.

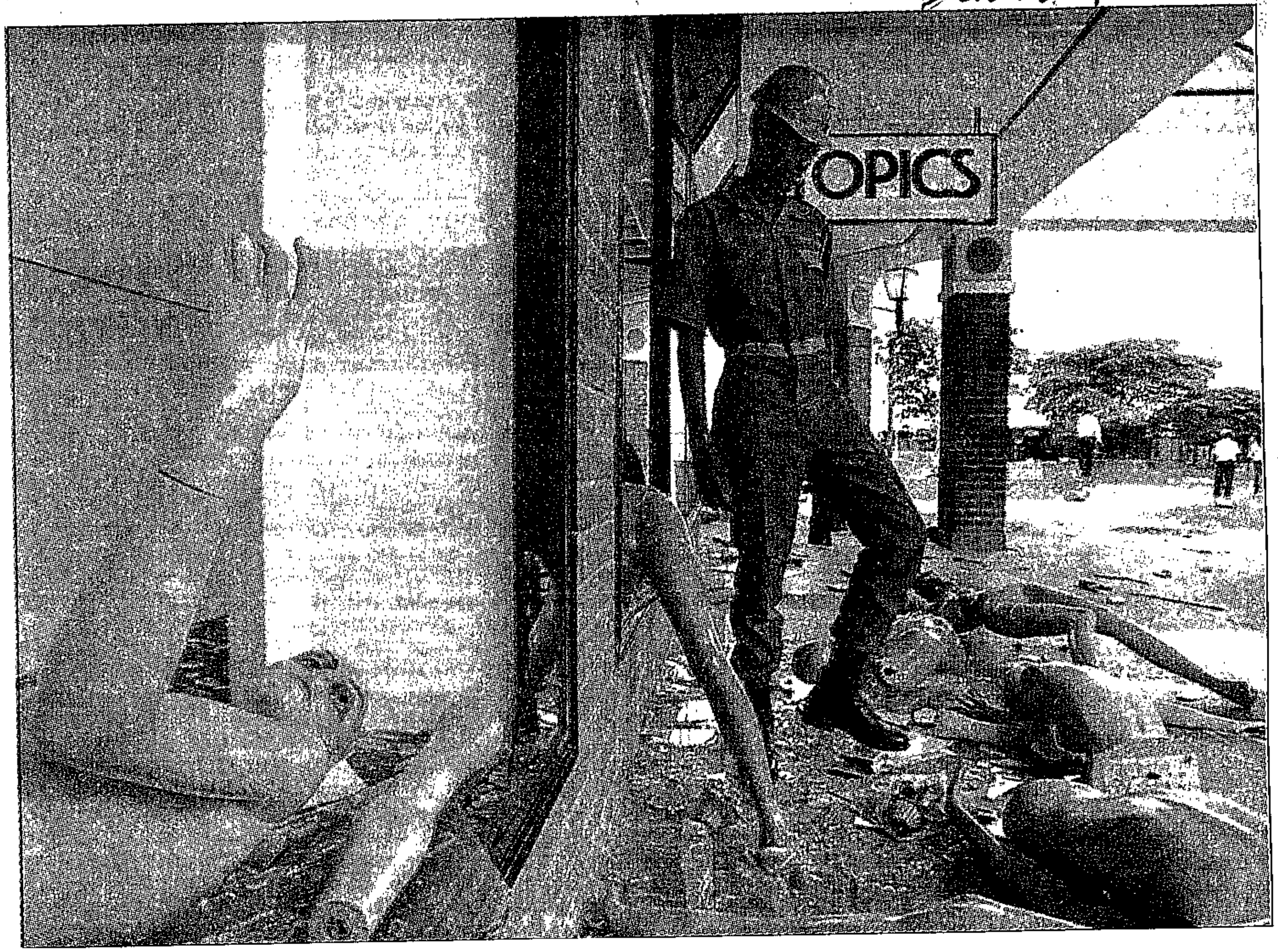
An uneasy calm settled on the Zimbabwean capital last night, but workers said the country faced more disruption after word spread of more strike action planned for today.

"They say we mustn't come to town tomorrow," said one woman yesterday. Union officials were unavailable for comment.

Mugabe's government called in the army on Tuesday to help police restore order after riots by protesters angered by post-Christmas price rises of up to 42%.

Businesses said the rises were necessary to recoup higher costs from the Zimbabwe dollar's 70% drop against the US dollar in 1997. Zimbabwe's markets were subdued yesterday, with industrial shares dropping 55 points while the Zimbabwe dollar firmed on reduced demand.

Chimutengwende repeated accusations yesterday that some whites were fuelling the unrest in retaliation for Mugabe's plan to seize 1 503 mostly white-owned commercial farms to resettle landless blacks.



Cash-test dummies ... a security guard walks over display models thrown from the shop at Chitungwiza shopping centre in Harare yesterday. A crowd of demonstrators looted several shopping centres in the city and surrounding areas. Police and the army were in control of the streets yesterday.

Soldiers guarded looted shops south of Harare, preventing reporters from filming or photographing the damage wrought by angry mobs earlier in the week. Officials said at least 400 looters were arrested.

Political analysts say the riots could pose the most serious threat yet to the 17-year rule of 73-year-old Mugabe, who led the former British colony of Rhodesia to independence in 1980.

Harare's food riots were only partly quelled by the impressive deployment of the Zimbabwe National Army yesterday, and looting spread to other cities.

For the third day, demonstrators protested against high food prices, forcing shops and businesses to close in the city centre and throughout Harare's southern townships. The army and riot police sealed off central Harare from protesters, but there were some skirmishes, and teargas was fired in the central business district.

In the eastern city of Mutare, police shot at looters yesterday, injuring at least one, according to the Zimbabwe Broadcasting Corporation.

There were reports of looting and disturbances in the cities of Gweru, Masvingo and Chegutu.

Protests against brutality by police and the army are expected this week.

There were several reports of injuries and deaths, but none had been confirmed, except for the case of a baby trampled to death by a running crowd.

Meanwhile, President Robert Mugabe's cabinet has appointed a three-minister committee to make proposals on the prices of basic foods.

In a mopping-up exercise yesterday, the army carried out house-to-house searches in the townships for looted goods.

Three hundred people were arrested in Chitungwiza, Harare's largest township with an estimated 800 000 residents.

There are growing complaints that the army's searches are brutal.

"The army has no right to shoot people just because they are exercising their democratic rights," complained a street vendor in central Harare.

■ Namibian President Sam Nujoma flew into Harare yesterday and met briefly with Mugabe. No explanation was given for the meeting.

▶ Mugabe's arrogance Page 17

ZIMBABWE

362

Mugabe's grip slips further

Something has to give as all the promises compete for primacy

FM 23/1/98

Now that the entire donor community has rejected Zimbabwean president Robert Mugabe's land-grab plan, his political future looks bleaker than ever. If he heeds donor advice and opts for a slower, slimmer and altogether less radical land resettlement strategy, he may secure some funding for his plans — but at what cost politically?

This week's angry food-price riots on the streets of Harare are a stark reminder — if one were needed — that Mugabe is losing his grip. One reason for this is his failure to deliver — jobs, schools, homes, higher wages and, above all, land. To back down now on land might not bring out the rioters in the same way as did higher taxes last month and increased food prices this week, but it would harden the feeling in the ruling Zanu-PF party, as well as the country at large, that events have overtaken the 73-

year-old founder of the nation.

From the moment Mugabe promised to "solve" Zimbabwe's land problem by redistributing over 1 470 mainly white-owned commercial farms to black peasant farmers it was obvious that the chief obstacle would be finance. Where, government officials and Ministers were asked, would the money be found not just to buy the farms but also to fund partitioning the land, the roads and other infrastructure, and the provision of agricultural credit and extension services? True to form they gave no answers. For a while it was hinted that Britain would pick up the tab, but in his brief visit to Harare earlier this month, junior Foreign Office Minister Tony Lloyd dispelled that notion in the bluntest possible terms.

Last week it was the European Union's turn. Earlier in January the EU had suggested that a donor's conference be called to fund land resettlement — not the land takeover as proposed by the Mugabe government but a coherent, long-run strategy of rural development. Last week, when releasing US$20m in aid to Zimbabwe, the EU's Harare representative Michael Laidler made it clear that any land acquisition programme must be carried out constitutionally, with payment of compensation and a transparent process of land allocation. The World Bank was reported to have adopted a similar stance.

It has long been obvious that donor funding would not be forthcoming for the planned land-grab. Government must either finance the scheme itself (which, with a budget deficit already verging on 10% of GDP, is not a starter), seize the land without compensation (which would run foul of the donor community), or slow down the programme, if not abandon it altogether.

Of these, the most likely option by far is to slow the process to no more than 100 farms annually. An alternative option — to be floated at this week's National Economic Consultative Forum in Harare — would be for the white farmers to come forward with a package of land resettlement proposals as a basis for subsequent negotiation and possible compromise. It is just possible that a farmer-promoted package would win donor support, thereby getting Mugabe — and Zimbabwe's economy — off the hook.

This assumes, however, that Mugabe is in control of events and can go back on his past promises. The reality is different, as this week's events demonstrated. For the second time in six weeks, the capital was brought to a halt by rioters — this time mainly young blacks protesting against the 21% hike in maize meal prices.

Government promptly stepped in to rescind the price increase, but it cannot get away from the fact that over the past year the market price of maize has more than doubled because of a poor harvest and stockpiling in expectation of an El Niño-driven drought this year.

With the abolition of price controls in the early 1990s, government has no power to fix prices, unless this is done using emergency regulations, but the threat to review all prices — not just maize meal — is a measure of Mugabe's mounting desperation. The reimposition of price controls while his treasury is seeking to negotiate new loans with the World Bank and IMF highlights the bind government is in.

Even if this move buys a little time — it can be no more than temporary — the next crisis is not far down the road. Fuel procurement costs have risen over 40% since the petrol price was last adjusted. If government agrees to raise prices by such a margin, the outcry from business as well as the trade unions and people on the streets will make this week's Harare riots look mild.

Yet what alternative does Mugabe have? He has no money to finance a fuel price subsidy which, in any event, would torpedo any chance of an agreement with the IMF. As the problems crowd in, so Mugabe must be asking himself whether retirement is not the best option.

Special Correspondent

NATIONAL NEWS

Mugabe admits Zimbabwe's economy in serious trouble

(362) Sowetan 23/1/98

HARARE – As Zimbabwe's capital inched back to normality in the wake of uncontrolled civil unrest, president Robert Mugabe admitted yesterday the country's economy was in severe difficulty.

Addressing a meeting meant to bring together the heads of national business, government, farming and labour, he also appeared to make significant new concessions on the state's controversial plans to seize 4,5 million hectares of mostly white-owned farms.

But he made no reference in his opening address to the national economic consultative forum to the week of violence that forced his government to order military units into Harare's townships to quell violence and rampant looting.

The meeting was boycotted by the Zimbabwe Congress of Trade Unions and only a handful of white business people attended.

On Wednesday information minister Mr Chen Chimutengwende repeated his charge that a "conspiracy by white people" lay behind the riots.

He told the meeting the government was pressing ahead with its land reform programme.

However, for the first time since the controversy started, he addressed anxieties expressed by farmers, donor nations and economists that the programme was an incoherent land grab that would sink farm output, critically damage the economy and put at least 150 000 farm workers out of work.

Mugabe said "government is fully committed to consultations with the farming, banking and donor community" over the issue.

He said the government wanted to "ensure productivity in agriculture and the welfare of farm workers.

"If government does not redistribute land in an orderly manner today," he said, "in a few years' time, the people themselves will seize it in a disorderly and violent fashion".

Observers say Mugabe and cabinet ministers previously have scorned farmers' fears on the same issues. He also made no reference to his repeated insistence that the government would pay for infrastructure on farms but not for the land, because it had been "stolen" by white settlers.

The observers noted the shift in rhetoric followed a series of undertakings the government had just given to the World Bank and the European Union.

Mugabe also told the think-tank there had been "unprecedented disruptions in the economy" in recent months, and spoke of "the volatility of the financial and capital markets". – *Sapa.*

People power pays off in Zim

(362)

M&G 23-29/1/98

Zimbabweans have come to learn that mass action counts for more than policy. **Iden Wetherell** *reports*

Under attack: As rioting spread through the streets of Harare, police retaliated with gunfire and tear gas. PHOTO: ALEXANDER JOE

Zimbabwe's beleaguered government this week responded to the crisis engulfing it by a familiar mix of bravado and brute force. But the steps it has belatedly taken only serve to expose a pattern of misrule where populist impulses substitute for policy.

A week of unrest has seen thousands take to the streets in often violent protests against food prices. Shops have been gutted, businesses closed and the city centre transformed into a war zone as demonstrators went on the rampage.

The protests reflected popular anger with a privileged order that has so conspicuously benefited from its political stranglehold at the expense of the poor.

Anywhere else turmoil on this scale would have sent a powerful message for change. But President Robert Mugabe has blamed the violence on a conspiracy by political opponents and threatened to re-introduce the state of emergency repealed in 1990.

The army was called in on Tuesday after rioting continued unabated, despite an edict from Minister of Commerce Nathan Shamuyarira ordering millers to reduce the price of maize meal by 21%. Sporadic protests and incidents of violence persisted well into the week, seriously disrupting business activity.

Mugabe, who had been loftily ignoring the mayhem around the capital, was finally induced to break his annual holiday and convene an emergency Cabinet meeting on Wednesday, the first coherent government response to the crisis.

After five hours of deliberation the Cabinet appointed a four-man ministerial task force headed by Shamuyarira to recommend what measures may be adopted to prevent "profiteering".

"The government is appealing to people in the riot-affected areas to go back to work and not be hoodwinked by hooligans, arsonists, and other forces who have their own political motives," a government statement read.

Minister of Information Chen Chimutengwende identified "other forces" as the energetic, but tiny International Socialist Organisation, which had called for a general strike. He did concede, however, that their capacity to mobilise workers was limited.

Chimutengwende, who had earlier accused white businessmen of raising prices in order to discredit the government, returned to the attack on Wednesday by alleging industrialists and farmers were funding the rioters. He also lashed out at international donor agencies whose support Zimbabwe desperately needs if the economy is to recover.

'There is a growing culture of looting and lawlessness. Lawlessness in the master begets lawlessness in the subject'

"A country that has implemented a structural adjustment programme will have mass poverty and automatic suffering," he complained, saying Zimbabwe was being punished for trying to address colonial anomalies such as land distribution.

While the Cabinet was sitting, rioting spread to the eastern city of Mutare. Gweru, Chegutu, Norton and Masvingo were also affected. Casualties in Harare have been difficult to estimate as the police have refused to release details. However, unconfirmed reports suggest at least five people have been killed by police gunfire, or by individuals guarding their premises. Amnesty International has strongly condemned the use of lethal fire. Many of those arrested have been savagely beaten.

The Grain Marketing Board, which precipitated this week's events by indicating it would raise its prices to millers, is a state-owned body. Prices have been increased by other government-owned agencies including the Zimbabwe Electricity Supply Authority, Air Zimbabwe and the Posts and Telecommunications Corporation.

The price rises, matched by increases in all sectors of the economy, follow hikes in sales tax and the collapse of the Zimbabwe dollar, both symptoms of arbitrary and ill-considered fiscal policies, observers say. The dollar fell dramatically in November after Mugabe promised hefty payments to veterans of Zimbabwe's liberation war without any thought as to where the money was going to come from.

His decision in November to nationalise half the country's commercial farms, many of them highly productive, precipitated a flight of capital from the Harare Stock Exchange.

In the absence of any visible leaders, this week's protests soon took on a life of their own as the city's disaffected under-class vented their frustration on retailers.

The violent eruptions have taken many by surprise, not least the government. But analyst Lupi Mushayakarara sees the pattern as inevitable given the state's own record.

"There is a growing culture of lawlessness and looting," she says. "Lawlessness in the master begets lawlessness in the subject."

The damage caused by rioting will cost firms millions of dollars to repair and is bound to take the shine off Zimbabwe's claim to be a friendly investment destination free of the sort of problems bedevilling South Africa.

With a team from the International Monetary Fund in Harare to supervise the resumption of balance-of-payments support, the government's room for manoeuvre is limited.

The Cabinet has already been obliged to make far-reaching concessions on the vexed issue of land reform as a condition for support from the European Union. In talks with Mugabe in Brussels on January 7, the European commissioner for development, João de Deus Pinheiro, offered EU support for a donors' conference on land.

But far from endorsing Zimbabwe's arbitrary and opaque land acquisition policy, the conference will lay down strict guidelines, EU diplomats have indicated.

This week's events, by scaring off investors, have made the government even more vulnerable to donor pressure. But they have also strengthened the country's fledgling civil society which moved quickly to rebut government attempts to shift responsibility for economic problems.

A joint statement by church and civil-rights organisations accused the government of promoting "a culture of confrontation and crisis management", and said the blame for the country's present predicament lay squarely with the authorities, whose mismanagement of the nation's finances had forced up the cost of living for the majority to intolerable levels.

While human-rights groups may have identified the problem as one of governance, Zimbabwean workers and the seething lumpen-proletariat in the townships have learnt that the power of the people pays. The government surrendered to civil service strikers in 1996; to a whole variety of protesters last year, including war veterans and trade unionists; and now to the mass action on prices.

Receiving President Sam Nujoma of Namibia this week, Mugabe appeared unruffled by the traumatic events unfolding around him. His complacency may be misplaced this time. While the latest protests may not be the turning point some observers are reporting, they certainly reflect growing resistance to the 73-year-old president's hitherto unassailable grip on power.

AFRICA

Mugabe softens land stance in speech on economy

BD 23/1/98 (Bb2)

HARARE — As Zimbabwe's capital inched back to normality in the wake of uncontrolled civil unrest, President Robert Mugabe admitted yesterday that the country's economy faced severe difficulties.

Addressing a meeting meant to bring together the heads of national business, government, farming and labour, he also appeared to make significant new concessions on the government's controversial plans to seize 4,5-million hectares of mostly white-owned farms.

However he made no reference in his opening address, to the national economic consultative forum, to the week of violence that forced his government to order military units into Harare's townships to quell violence and rampant looting that also broke out in most other urban centres.

The meeting was boycotted by the Zimbabwe Congress of Trade Unions, the national labour movement, and only a handful of white business people attended.

Mugabe said the government was pressing ahead with its land reform programme, but for the first time in the last year that the controversy has raged, addressed anxieties expressed by farmers, donor nations and economists that the programme was an incoherent land grab.

Mugabe said his government was "fully committed to consultations with the farming, banking and donor community" over the issue.

The government, he said, wanted to "ensure productivity in agriculture ... and the welfare of farm workers. If government does not redistribute land in an orderly manner today, in a few years' time, the people themselves will seize it in a disorderly and violent fashion."

Observers say Mugabe and cabinet ministers had previously scorned farmers' fears on the same issues. He also made no reference to his repeated insistence that the government would pay for infrastructure on farms but not the land, as it had been "stolen" by whites since the arrival of the first European settlers in the 1890s.

The observers noted the shift in rhetoric followed a series of undertakings the government had just given to the World Bank and the European Union that land reform would not hit agricultural production or put farm workers out of work, and that it "would be conducted in a transparent way, fully compatible with the rule of law and the constitution of the country".

Mugabe also told the think tank there had been "unprecedented disruptions in the economy" in recent months, and spoke of "the volatility of the financial and capital markets" and "significant imbalances in macroeconomic fundamentals".

He listed high unemployment, "quite low" business optimism, high interest rates and cut-throat competition abroad.

He claimed the government had embarked on the second phase of its economic reform programme that would allow "market forces to determine ... prices of goods and services".

The Zimbabwe Programme for Economic and Social Transformation would increase deregulation of the economy, see a "faster pace of privatisation" of state-owned corporations and trim down the public service.

His remarks followed a cabinet statement on Wednesday which repeated warnings the government would impose price controls in the wake of rioting on Monday and Tuesday.

Four people were reported killed in the violent food riots, which caused a great deal of damage in Harare. However life seemed to have returned to normal in the city centre yesterday.

Initial reports said two people were shot dead during clashes between rioters and police and two others, including a young child, died after being crushed by a fleeing crowd. — Sapa-AFP.

Business slates Mugabe as he skates over unrest

(36a) ARG 23/1/98

Harare – Business and community leaders rounded on President Robert Mugabe for being remote and surrounded by "deadwood" after he addressed a key business forum, a day after rioting ended in the capital.

Mugabe: 'remote'

In his keynote speech yesterday at an eagerly awaited National Economic Consultative Forum of government and private business leaders, Mr Mugabe admitted to economic "disruption" but made no reference to three days of rioting, which petered out on Wednesday after he ordered troops on to the streets.

Press reports say the violence cost at least five lives and millions of dollars through looting, destruction of property and lost business.

Sombre-faced captains of industry and commerce, still trying to calculate their losses and wondering if they would recover, grabbed the opportunity to tell the president that he should publicly comment on the rioting in order to help restore business confidence.

"It appears that the government is detached from the situation on the ground," a professor from the University of Zimbabwe, Heneri Dzinotyiwei, told the conference.

"This is evidenced by the fact that there is often reaction, rather than a prediction of what might happen and then try to avoid it."

A former student activist, Fambainesu "Warlord" Chakaredza, claiming he represented the rural and urban "grassroots people", declared: "We feel that you (cabinet ministers) are so far away from us and that the president is generally misinformed.

"When such issues are not raised at presidential level, we feel that the president is surrounded by deadwood of some sort."

Mr Mugabe, who addressed about 120 business leaders, academics, ministers and other policy makers, admitted that business optimism was "at present quite low" but blamed this on "prohibitively high increases in interest rates". – Sapa-AFP

REUTERS

On guard: Zimbabwean soldiers patrol the streets of Harare's high-density suburb of Highfields. The army was deployed to quell protests over the past week against price rises in basic commodities

Food riots a clear warning to Mugabe

ARG 23/1/98 (362)

ANDREW MELDRUM

Harare – Municipal worker Esnath Murombo sighed as she swept the broken glass along the usually busy Simon Mazorodze Road leading to the industrial sites and beyond that to the Highfields, Mufakose and Glen View townships.

Mazorodze Road, a thoroughfare from the poor townships to Harare's glistening city centre, was one of the most embattled in the city's food riots.

The shattered glass was from cars and trucks stoned by angry mobs and from the plate glass windows of fast-food outlets that were looted.

"I don't know what is happening to our city," said Mrs Murombo. "We cleaned up the glass after the national strike (on December 9) and now we clean up this mess. Who knows when there will be more trouble?"

Harare's reputation as Africa's most orderly, tidy and generally pleasant capital city was shattered this week when the city erupted into three days of violent food riots in which property worth millions of rands was looted or destroyed.

So far, the loss of life has been limited to the tragic report of a baby who fell from his mother's back and was trampled to death by a rampaging crowd.

For three days virtually all commercial and industrial activity came to a halt as gangs of hundreds of rioters roamed the streets, stoning all vehicles and looting shops, offices, petrol stations and even doctors' surgeries.

Police succeeded in keeping the mob away from the city centre and its large, well-stocked shops.

But they were not able to control the situation in the southern black townships where the mobs had a looting free-for-all.

Like the municipal workers sweeping up the shattered glass, all Zimbabweans are asking themselves "Why?" and "What does this mean?"

The Zimbabwe Congress of Trade Unions had not authorised a strike and no other group claimed credit for the most serious civil disturbance the country has seen since independence.

But the causes for the food riots are not hard to find.

The Zimbabwe dollar has lost 50% of its value since November, causing an inflationary spiral.

Food prices have sky-rocketed and Harare's lowly-paid majority, not to mention the ranks of the unemployed, found it even more difficult to get by.

The final straw was a 21% price increase of the staple food, maize meal.

The price of mealie meal had already been raised twice in the past two months.

What had been simmering discontent erupted into angry violence.

"The government has no one to blame but itself," said Zimbabwe's leading opposition figure, Margaret Dongo. "They have mismanaged the economy and they must take the responsibility."

The outspoken Mrs Dongo will not be heard by most Zimbabweans because the state-owned newspapers, radio and television refuse to quote her.

President Robert Mugabe's economic management of Zimbabwe has always been, at best, clumsy and inept. What should be one of Africa's healthiest economies has become inflation-ridden, debt-burdened and plagued by an unemployment rate of 50%.

As Mr Mugabe's ruling Zanu-PF party saw its popularity eroding, it sought to buy back support at the expense of the economy.

Mr Mugabe's arrogant disregard for the health of the economy was astonishing. He sought support from the country's 50 000 war veterans by paying them unbudgeted "gratuities" and pensions worth R1,2-billion.

Mr Mugabe did not consult his finance minister. According to official sources he ordered the minister to "find" the money.

This was a hard job for Finance Minister Herbert Murerwa, who had already struggled to keep the high-spending government's budget deficit to below 10% of GDP.

At the same time, Mr Mugabe courted renewed enthusiasm from his rural stronghold by announcing seizure of nearly half the country's privately owned farmland, most of which is owned by whites.

Once again, little heed was given to the economic consequences of this political manoeuvre. Zimbabwe's most productive sector and largest exporter was drastically undermined. The lack of regard for private property caused investor confidence to plummet.

The Zimbabwe dollar began its freefall, the stock market crashed, interest rates soared above 30% and prices rose to match that rate.

Many Zimbabwean economists, not to mention the International Monetary Fund and the World Bank, warned of economic disaster, but Mr Mugabe marched defiantly ahead, paying out the war veterans in December and repeating his vows to seize the farmland.

Although the owners of looted shops have doubtlessly suffered, the bad news from the food riots is mostly for Mr Mugabe.

Either he must respect his country's economy and begin accountable management of it, or a population plagued by falling living standards will turn on his government again.

He has already encountered immense international pressure to moderate his stand on land seizures.

Both Britain and the European Union have offered cold, hard cash for land reform which respects property rights.

Many Zimbabweans hope he will pause and re-think his positions on the land issue, the economy and democracy. – Independent Foreign Service

MEDITATIONS

When you eat the labour of your hands you are praiseworthy and it is well with you.
Psalm 128

Calmness and tolerance act like air-conditioning in a room; they increase man's efficiency.
Brahmakumari

Ye are the light of the world. A city that is set on an hill cannot be hid.
Holy Bible, Matthew 5:14

The disbelievers reject Our messages because of their iniquity and arrogance, though their souls are convinced thereof.
Qur'an 27-14

Harare calm as soldiers patrol streets

(362)

Star 23/1/98

At least five people, including baby, reported dead week of unrest

AFP
Harare

Life returned to normal in Zimbabwe's capital yesterday after three days of riots which, press reports say, claimed five lives and saw millions of dollars in property looted or destroyed.

Army units deployed during the unrest were still present on the southern outskirts of Harare, where street violence over high food prices and economic hardship had erupted at the beginning of the week.

Two of the dead – a baby and a 7-year-old boy – were trampled to death by mobs fleeing police. A 14-year-old boy was run over by a car and two men were shot dead, reports said.

At least nine people have been treated for bullet wounds in hospital.

President Robert Mugabe's government sent troops into Harare's suburbs on Tuesday, warning they would not hesitate to shoot looters.

The government has declared the worst affected suburbs "disaster areas", which means looted shopkeepers may receive state assistance to get back into business.

An emergency cabinet meeting on Wednesday set up a ministerial committee to probe the price rises which sparked the riots and work out how to prevent "profiteering" in future.

The government has blamed everyone from international donors and their economic prescriptions to white farmers and industrialists for the upheaval.

But the independent Financial Gazette said in an editorial yesterday that a whole range of policies of Mugabe's Zanu-PF party "have plunged the economy into near-collapse".

The Anglican and other churches also squarely blamed the authorities.

Economists say a series of government decisions last year led to the collapse of the value of the Zimbabwe dollar, which, in turn, sparked the price rises.

One of those measures was an agreement to pay billions of dollars to veterans of the country's independence war.

Another was the announcement that the government would seize about 1 500 white-owned farms for redistribution, causing uncertainty over the future of agriculture.

The Financial Gazette said the payment to the war veterans, who helped to win Zimbabwe's independence in 1980, had triggered "an inflationary spiral whose toll will show a nation literally on the ropes".

► Mugabe's intransigence
Page 12

Mugabe alters his land-grab approach

Harare – Zimbabwe's President Robert Mugabe said yesterday his government would consult farmers and foreign donors on its controversial plans to seize mainly white-owned commercial farms to resettle peasants.

In a hint that he may be softening his hardline drive to grab farmland, Mugabe (73) told a national economic consultative forum the government would go for derelict and under-used land, "oversized" farms and land belonging to absentee landlords.

The government is currently considering appeals from all but 60 of the 1 503 farm owners whose land it earmarked in November for compulsory purchase.

Many farmers are appealing to the government to spare their land because they are using it productively.

Industry and international agencies have criticised Mugabe's plans for wholesale land seizures, saying the plans undermined the concept of investment security and would ruin the country's agriculture-based economy.

An unnamed official of the Commercial Farmers Union, which represents 4 500 mainly white farmers, yesterday repeated the union's stance that it wants to work with the government to resolve the land issue.
– Reuters

White farmers in bid to solve land issue

'Team approach' to bring private sector, government together

ARG 24/11/98 (362)

Harare – Zimbabwean white commercial farmers are upbeat about the outcome of a proposal they have made to the government in a bid to resolve a deeply controversial land redistribution problem.

David Hasluck, director of the Zimbabwe Farmers' Union (CFU), which represents more than 4 000 white commercial farmers, said that a key national economic forum held on Thursday had favourably received the proposal, dubbed "Team Zimbabwe".

"There was a general consensus that the only way to go on the land issue is to have a team approach," Mr Hasluck told a news conference yesterday.

The forum was the first of its kind ever to bring together private sector economic experts and government ministers. It was tasked with recommending to government practical national economic strategies to create wealth, reduce unemployment, increase production and improve standards of living.

"We hope that parties who were there will now react and sign on to give a critical mass to make the programme work," Mr Hasluck said.

The aim is to try to come up with a working plan that can "be received by donors, worked on by government and helped by us to resolve the land issue that has so severely damaged our economy", he added.

The aim is to address poverty alleviation and to 're-establish investor confidence'

The government has so far earmarked about 1 500 white-owned commercial farms for compulsory acquisition and plans to redistribute millions of hectares to landless blacks.

President Robert Mugabe on Thursday pledged to work in consultation with the farming, banking and donor communities in the land reform process, to ensure high agricultural productivity.

Mr Hasluck said the "Team Zimbabwe" concept addressed poverty alleviation and sought opportunities for increased participation of blacks in commercial farming. It also aimed to create a sound structure in the agricultural sector and to "re-establish investor confidence which has been so badly eroded in the last few months".

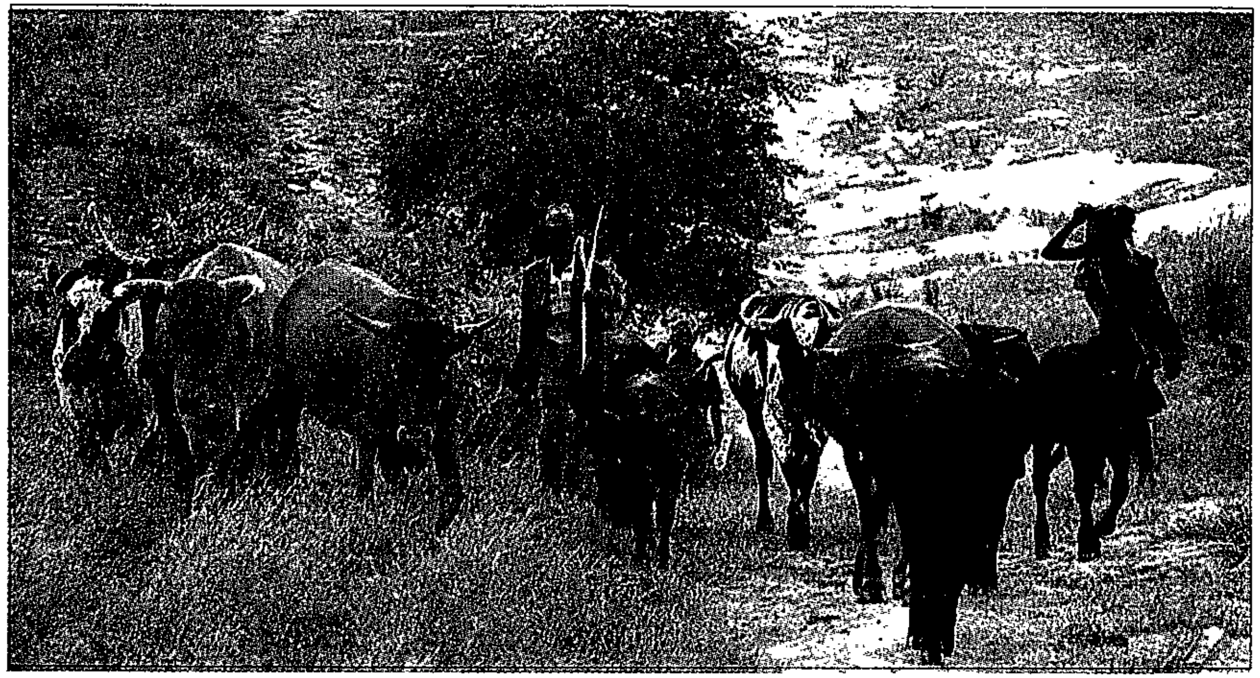
He said it was overwhelmingly decided that the concept be adopted and the CFU was awaiting a formal acceptance of the proposals.

The concept, however, has been heavily criticised by information minister, Chne Chimutengwende. Last week he accused white farmers of conniving with white businessmen to hike prices of basic commodities. This, he said, would sabotage the national economy and derail the land acquisition plans.

"The minister's outbursts are untrue, unhelpful to Zimbabwe, because it shows how misinformed he is in his important portfolio of information ministry. Nobody believes what he alleges," Mr Hasluck said. Mr Chimutengwende has also charged that whites fomented the food riots which caused millions of dollars' worth of damage to property.

Parts of Harare were rocked by food riots and looting for three days from Monday. The violence left at least five dead, according to press reports, while others were injured. Mr Mugabe deployed troops to quell the unrest and gave them orders to use live ammunition against looters.

If the government proceeds to acquire land in a vague and disorganised manner, Mr Hasluck warned, "Zimbabwe will be a poorer country". – Sapa-AFP



Dreams: black farmers tend their cattle on a formerly white-owned farm. The Mugabe government is going ahead with land redistribution

Shocked community accuses president of ignoring social, financial crises

ARG 24/11/98 (362)

Harare – Three days of violent food riots in Zimbabwe have raised serious doubts over President Robert Mugabe's government, accused by a shocked population of ignoring the country's social and financial crises.

Business and community leaders rounded on Mr Mugabe on Thursday for being remote and surrounded by "dead wood" when he addressed a key business forum, the day after rioting ended in the capital.

In his keynote speech at to the National Economic Consultative Forum, Mr Mugabe admitted to "disruption" but made no reference to three days of unrest which petered out on Wednesday after he had ordered troops on to the streets.

The violence, which claimed at least five lives, was sparked by sudden price increases of staple foods which some blame on the collapse last November of the Zimbabwean dollar.

The independent press and, to a certain extent, even those papers which openly support Mugabe, have criticised the authorities for minimising the social unrest since it first reared its head in December.

The anti-government sentiment was captured in a cartoon that appeared in the opposition weekly The Independent on Friday, showing Mugabe atop a tank, with the cannon twisted around to point directly at himself.

"We will not hesitate to deal with those responsible for the food riots," reads the caption.

Until now the government has never hesitated to apportion blame for the series of crises that have hit Zimbabwe since the end of last year.

The plunge of the dollar was dismissed as temporary and put down to unscrupulous white businessmen, who Information Minister Chne Chimutengwende accused of price-gouging in a bid to destabilise the government.

According to Mr Mugabe, this week's food riots were orchestrated by "certain opposition forces".

Political commentators have scolded the authorities for failing to heed the warning laid down by demonstrations in December, when tens of thousands responded to a trade union call to march in protest against government policies.

They also suggest that the loss of confidence in Zimbabwe's economy was partly sparked by the government's decisions to raise pensions – despite a lack of funds – for 45 000 independence war veterans and to appropriate 1 500 mainly white-owned farms for redistribution.

For The Independent, the food riots were simply the inevitable result of collective public anger and despair, with unemployment running at 40%, prices soaring out of control and threats of additional fiscal levies in a country with one of the heaviest tax rates in the world.

The only concrete measure to be taken by the government so far has been the creation of a special committee to battle speculation.

While Mr Mugabe should have little difficulty getting more funds out of institutions like the World Bank, popular demands for positive government action on the economy are becoming overwhelming.

John Makumbe, a professor of political science at Zimbabwe University, believes that Mr Mugabe has been so damaged by recent events that he will find it difficult to see through his current presidential mandate which ends in 2002. – Sapa-AFP

4 held after bribery attempts on farmers

(B62)

ARG 24/1/98

Harare — Four people have been arrested for trying to solicit bribes from Zimbabwean white farmers whose land has been earmarked for acquisition by promising to get the move reversed, the Commercial Farmers Union (CFU) director David Hasluck, said.

Mr Hasluck said the designation of white farms for compulsory acquisition was carried out using a political approach and that political influence was being used in some areas to try to remove some farms from the list gazetted late last year.

The government has earmarked some 1 500 white-owned farms to be taken over for redistribution to landless blacks.

Most of the farmers whose farms were listed have lodged objections and are awaiting a response from the government.

Alleging corruption in the process, Mr Hasluck said four people were in jail pending trial for soliciting bribes from farmers, promising to have them removed from the list. Mr Hasluck said the arrests were made in recent months, but gave no more precise details.

"I cannot say whether the politicians have taken money, but they certainly are using their political influence to get (some) people off the list," he told a news conference.

■ The police and army arrested 2 300 people during a clampdown on violent food riots that reportedly killed up to eight people this week in Harare, the government announced yesterday.

"Those arrested are being prosecuted," the Information Ministry said.

"The police wish to thank all law-abiding citizens for the co-operation and information leading to these arrests," the statement added.

The army is still deploying units on the southern outskirts of Harare, where street violence over rising food prices erupted on Monday. — Sapa-AFP.

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ARG 24/1/98

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Although Mr Mugabe's government has loudly complained about the country's white-dominated business sector, there were only a handful of white executives invited by the government to attend the conference. Philip Baum, chief executive officer of Anglo American Zimbabwe, was one of the few white executives attending.

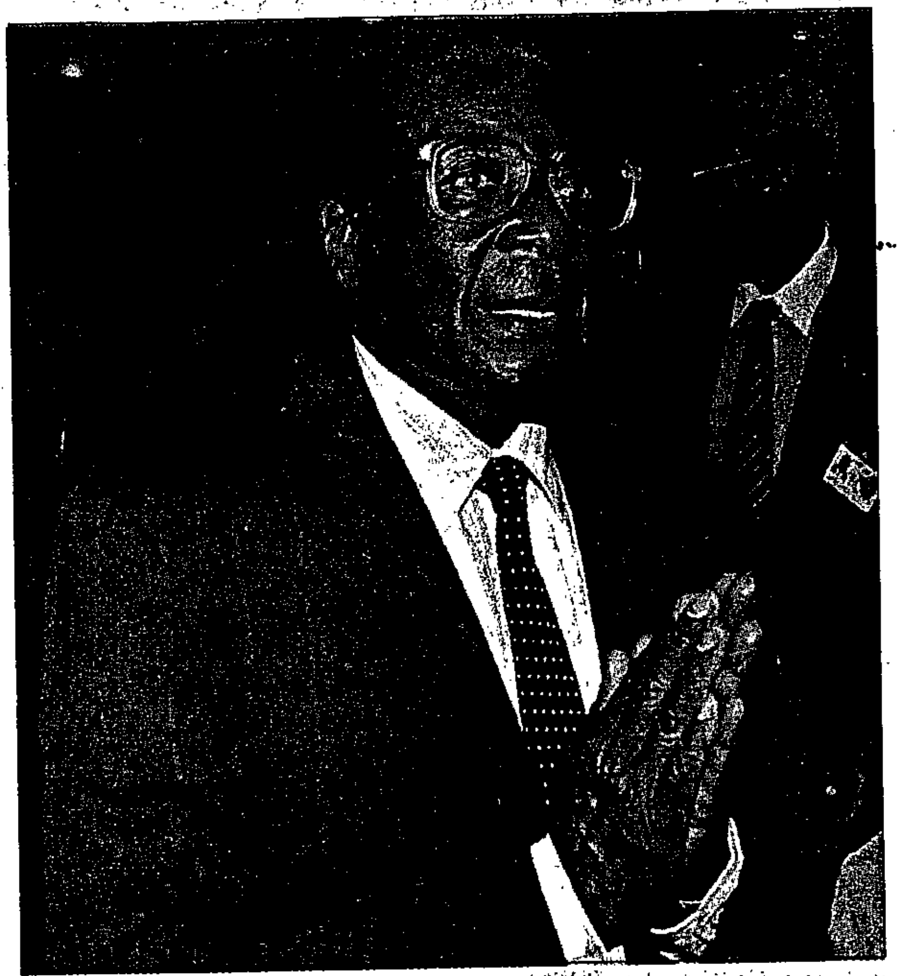
Mr Mugabe reiterated that he would not back down from his plans to nationalise nearly half of Zimbabwe's commercially-owned farmland, most of which is white-owned.

"I must warn you that if the government does not redistribute land, then in a few years' time the people themselves will redistribute land, and if they do it, alas, it will be in a disorderly and violent manner."

The Zimbabwe Congress of Trade Unions refused to attend the economic conference, dismissing it as a "circus".

But many business leaders told Mr Mugabe that his government had lost touch with the people and urged the government to cut its spending and to sell off the state's large, loss-making corporations. – Independent Foreign Service

Union leader issues warning, page 23



A helping hand: Zimbabwe President Robert Mugabe is looking for solutions

Business leaders issue warning against reinstating price controls

ARG 24/1/98 (362) 362

Harare – Zimbabwe's business community has warned President Robert Mugabe against reinstating price controls after violent food riots this week.

Mr Mugabe on Wednesday appointed a cabinet committee to seek ways of preventing future sharp increases in basic consumer goods prices.

The committee, which is to report to the cabinet next Tuesday, will also review all recent price increases and suggest ways to combat profiteering.

"I don't believe in price controls – that would be retrogressive," said Confederation of Zimbabwe Industries President Jonee Blanchfield. She suggested limited subsidies on selected basic consumer goods to assist the poor.

Three people, including two schoolchildren, have been killed in the violent protests against rises of up to 42% in basic commodity prices, and more than 2 000 have been arrested.

Zimbabwe National Chamber of Commerce president Danny Meyer said he believed the government remained committed to the economic reform programme but was wasting energy on the price committee.

Mr Meyer said: "There is no point in the ministerial committee being set up, because prices are rising because of the unstable macro-economic environment.

"But I believe the government is committed to reforms, as we saw in the national economic forum today," he added, referring to a one-day meeting in Harare of some 200 business, civic and government leaders.

Zimbabwe Congress of Trade Unions secretary-general Morgan Tsvangirai said the forum's effectiveness was limited because it was dominated by individuals representing no corporate constituency.

Mr Mugabe gave the opening address at the forum, which was convened to discuss economic problems.

The agenda includes his own controversial plans to seize mainly white-owned commercial land to resettle black peasants.

Economic analysts say inflation, which has averaged above 20% since 1991 when Western-backed reforms were launched, has eroded real wages to pre-independence levels.

Independent economic consultant Mervyn Ellis said Zimbabwe's social instability would persist as long as the authorities failed to tackle its political problems.

Zimbabwe under seige: after three days of rioting in protest against spiralling food prices, a

Mugabe hammered for abuses after bloody riots

Army free to shoot 'looters, troublemakers'

(362) ARG 24/1/98

ANDREW MELDRUM

Harare – Zimbabwe is labouring to get back to normal following the three days of violent food riots which rocked the capital this week.

Law and order was restored throughout the city yesterday as shops and businesses cautiously re-opened. Traffic was light throughout the city, largely because many factories remained closed for the week.

Eight people died in the riots, according to police sources quoted in the Zimbabwe Independent, contradicting official reports that only one person was killed. Scores of people were seriously injured in the melées, many by broken glass from windows shattered in the looting sprees.

Millions of rands in property has been destroyed and millions more looted from shops.

More than 2 300 people have been arrested in the mopping-up exercise in which the police and army are searching house-to-house in Harare's townships. They are searching for evidence of goods stolen in the orgy of looting. Many township residents complain that the army searches are brutal and

Busy day: a hawker dozes at his stall in Harare. Food prices have increased by 42%

that many innocent people are being beaten. Human rights organisations are investigating the complaints.

Amnesty International condemned the Zimbabwean government's method of putting down the riots by authorising the army to shoot "looters and other troublemakers". Amnesty appealed to President Robert Mugabe "to ensure that human rights are not violated while the army and police restore order".

The riots were not confined to Harare. Looting and clashes with the police occurred in the eastern border city of Mutare, Gweru in central Zimbabwe, Masvingo, Mardondera, Norton, Chegutu, Murehwa and several other smaller centres. Police are questioning the newly elected mayor of Chitungwiza, Harare's largest township, for the fatal shooting of a man and the serious injury of two others. Joseph Macheka, who was elected mayor of Chitungwiza last month, is alleged to have shot the three people last Monday as they gathered with a large mob in front of his bottle store. Mr Macheka says he fired warning shots into the air and into the ground, before he fled his shop, which was later looted. Mr Macheka is a member of Mr Mugabe's ruling Zanu-PF party.

Incredibly, Mr Mugabe managed to address the government-sponsored National Economic Consultative Forum on Thursday without making any reference to the food riots which were the most serious civil disturbances Zimbabwe has seen since its independence in 1980.

Mr Mugabe stated that Zimbabwe was facing a daunting array of serious economic problems, including high unemployment, a falling currency, falling standards of living, sky-high interest rates and a lack of confidence in the business and investor communities.

"No one else can take us out of such deep economic problems, but ourselves," said Mr Mugabe to the gathering of 200 businessmen and other community leaders.

Although Mr Mugabe's government has loudly complained about the country's white-dominated business sector, there were only a handful of white executives invited by the government to attend the conference. Philip Baum, chief executive officer of Anglo American Zimbabwe, was one of the few white executives attending.

Mr Mugabe reiterated that he would not back down from his plans to nationalise nearly half of Zimbabwe's commercially-owned farmland, most of which is white-owned.

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Union leader issues warning, page 23

A helping hand: Zimbabwe President Robert Mugabe is looking for solutions

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ARG 24/1/98 (362)

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"But I believe the government is committed to reforms, as we saw in the national economic forum today," he added, referring to a one-day meeting in Harare of some 200 business, civic and government leaders.

Zimbabwe Congress of Trade Unions secretary-general Morgan Tsvangirai said the forum's effectiveness was limited because it was domi-

Mob hysteria mustn't go too far, warns union leader

(362) ARG 24/1/98

Harare – Economic pain erupted into political crisis this week as rioting and widespread looting spread through Harare and President Robert Mugabe called in the army to restore order.

The object of public anger was a 21% rise in maize meal prices, but more profound problems are at the centre of the storm. Zimbabwe is in an economic vice and Mugabe, in power 18 years, has spent the past year bumbling from crisis to crisis.

Last year the civil servants went on strike after Mugabe granted pay hikes to government ministers but tried to renege on increases agreed with civil servants. Then the nurses and doctors went on strike, the veterans went on strike, the air-traffic controllers went on strike...

Then Mugabe announced in October that he would confiscate, without compensation, 40% of the nation's commercial farm land and turn it over to landless blacks.

The markets worried that Mugabe would either further bust the budget or implement the resettlement programme in a way most destructive to Zimbabwe's agriculture-dependent economy: no funds for the old farmers, no funds for the new farmers to buy tools, machinery and supplies, no money to pay commercial banks to whom the white farmers owe some Zim$4 billion (R1,2-billion) and no provision for the lost taxes and foreign exchange now brought in by commercial farmers.

Market meltdown began as nervous whites moved their money. The Zimbabwe dollar dropped 75% on Novem-ber...

ods to our most productive areas.

Because we are an agriculture-based economy, agriculture provides material for the economy. You must not undermine the economy.

But they don't have the resources for a proper land resettlement programme. To properly identify beneficiaries and resettle them would take huge resources. The government performance is so poor, I don't know what the government could offer as a workable programme.

The existing productive land that has already been acquired has been given to a corrupt élite. We had land scandals where ministers transferred huge amounts of land to themselves. What is going to happen to existing farm workers?

Some of the political élite have two or three farms and they are seriously underutilised. Land reform could take 10 years, not one year (as planned by Mugabe).

You need to work out title deeds, provide finance. It can take years. I think it is foolhardy. But the land issue is the only card left for Mugabe to play.

Q: On the streets of Harare there doesn't seem to be noticeable racial tension, but the government announcements about the land issue, price hikes and the strikes have been very bitter toward whites. What is the current state of race relations?

A: The race divide has always been used to whip up ...

Fighting back: Morgan Tsvangirai says he was beaten unconscious on the orders of President Mugabe

In the farm crisis war veterans began a wave of protests, sparked because government ministers had bled dry a fund meant for them.

Without consulting cabinet or parliament, Mugabe reversed course and agreed to give 50 000 veterans of Zimbabwe's liberation war Zim$50 000 (R13 900) gratuities and $2 000 (R556) monthly pensions.

To pay the veterans Mugabe tried to force a substantial tax hike through parliament, which refused, in spite of overwhelming control by Mugabe's Zanu-PF party. Mugabe enacted it the next day by executive fiat.

'The old man should just step down. He has nothing more to offer. There must be young people to provide a fresh breath'

arg 24/1/98

At a Zanu-PF party congress vice-president Simon Muzenda demanded that members show the party leaders the same kind of unquestioning obedience they would show a religious order.

Unfazed, delegates shouted in unison "Hatidi" (We do not want) when a stunned Mugabe mentioned the tax package.

Into the fray stepped the once-docile Zimbabwe Congress of Trade Unions. Morgan Tsvangirai, the labour federation's secretary-general, organised a nationwide strike on December 9 to block the tax package.

Harare erupted in violence as police attacked demonstrators with teargas and batons.

Two days later Tsvangirai was beaten unconscious by eight thugs.

In spite of the beating he vowed more strikes would come in January unless Mugabe dismissed the national police chief, the Home Affairs minister, scrapped other taxes and called a constitutional conference to move power away from the president towards the parliament to fight corruption.

Ross Herbert, Africa correspondent for the Independent Foreign Service, interviewed Tsvangirai about the ongoing crisis.

Q: Initial reports on this week's riots in Harare blame the 21% rise in maize meal prices, which the government claims is a conspiracy by white business to embarrass the government. What is the cause?

A: Nobody takes that (conspiracy) comment seriously.

The intent is to drive a wedge between business and employees after the December 9 protests. It is not just maize alone. It is tied to the broader price rises. Unions had nothing to do with this week's strike.

It was an expression of economic discontent, but it was also an expression of discontent in the financial and political management of the country.

You can be certain that this is a defining moment for Zimbabwe. The unemployed have no jobs, the farmers have no land, the interest rates are too high for business. What has the government done for 17 years in power?

Q: The currency crisis and recent price hikes stem from the market's reaction to the land acquisition plan and payments to veterans in October and November. How critical is land reform to Zimbabwe and how do you analyse the issue?

A: Land reform is a must for this country. It must rehabilitate communal areas, which are seriously overcrowded.

You must relocate some people, but those left need to learn proper skills. You need a proper extension service. You do not want to transfer communal methods...

That was genuine national interest. The protest was about tax and government accountability. The question of using the race trump card is very convenient but it is very old-fashioned. I don't need a white man to tell me that I am over-taxed.

Were it not for the economic disadvantage perpetrated by Smith's policy, race would not be an issue here.

The whites still maintain the overwhelming economic power.

Politics here is an end in itself, not a means. They put up a policy of indigenisation, but they put so much political rhetoric into it that it loses any economic meaning. What has always been lacking with this government is any kind of strategic plan.

For 17 years, why didn't Zimbabwe have a veterans programme or a land programme with specific goals? There are no economic plans for anything.

Q: What do you think the future will hold for Mugabe?

A: The old man should just step down. He has nothing more to offer.

There must be young people to provide fresh breath. He has given 30 to 40 years of his life to this country. That is enough.

The economic challenges are beyond him.

If he hangs on (the people) will throw out the baby with the bath water. And that is a very risky situation.

Q: You have said the government was involved in your beating after the December protest. Is this just supposition?

A: We know the instruction came from Mugabe himself. It is not just supposition. After I was attacked we had reports that they were celebrating. This demonstration shook the political establishment. It almost became a political threat. Why should workers have to pay for the shortcoming of government, for corruption and looting?

Q: What is your prognosis for the future?

A: I think 1998 will be a tough year because the conditions and the situation are not improving.

The problem is that people have tasted power and Zimbabweans will have to practise restraint so that mob psychology doesn't go too far.

We now have a system where people know that to get what they want they must apply pressure and the state will eventually give in.

Everybody is making demands, but the state is bankrupt.

I think the government has only one budget option, and that is to cut political patronage, which is its political base.

Once they do that, political fragmentation will follow.

Before the December 9 protests I was becoming frustrated but parliament's refusal to pass new taxes has given me hope.

Zimbabwe is not a normal society because there has been no public debate and parliament was marginalised and had simply become a conveyor belt for executive orders.

I think that parliament realised that had it given in to Mugabe on the tax issue it would have no future. December 9 has raised the possibility of debating public issues. – Independent Foreign Service.

Zimbabwe's economic pain erupts into crisis

(362) Star 24/1/98

By ROSS HERBERT and ANDREW MELDRUM
INDEPENDENT FOREIGN SERVICE

Harare – Economic pain erupted into political crisis this week as rioting and widespread looting spread through Harare and President Robert Mugabe called in the army to restore order for the first time since independence.

Zimbabwe laboured to get back to normal yesterday as shops and businesses cautiously reopened. Traffic was light throughout the city, largely because many factories remained closed for the week.

Eight people died in the riots, according to police sources quoted in the *Zimbabwe Independent*, contradicting official reports that only one person was killed. Scores of people were seriously injured in the melees, caused by broken glass from plate-glass windows that were shattered in the looting sprees.

Millions of rands in property has been destroyed and millions more looted from shops. More than 2 800 people have been arrested in the mopping-up exercise in which the police and army are searching house-to-house in Harare's townships. They are searching for evidence of goods stolen from the orgy of looting.

Many township residents complain that the army's searches are brutal and that innocent people are being beaten.

The object of public anger was a 21% rise in maize meal prices, but more profound problems are at the centre of the storm. Zimbabwe is in an economic vice and Mugabe has spent the past year bumbling from crisis to crisis.

Last year there was the civil servants' strike, after Mugabe granted pay hikes to government ministers but tried to renege on increases agreed with civil servants. Then there was the nurses' and doctors' strike, the veterans' strikes and the air traffic controllers' strike. In October, Mugabe announced that he would confiscate, without compensation, 40% of the nation's commercial farmland and turn it over to landless blacks.

The markets worried that Mugabe would either further bust the budget or implement the resettlement programme in a way most destructive to Zimbabwe's agriculture-dependent economy: no funds for the old farmers; no funds for the new farmers to buy tools, machinery and supplies; no money to pay commercial banks to whom the white farmers owe some Z$4-billion; and no provision for the lost taxes and foreign exchange now brought in by commercial farmers.

Market meltdown began as nervous whites moved their money. The Zimbabwe dollar plummeted in November.

In the midst of the farm crisis, war veterans began a wave of protests, sparked because government ministers had bled dry a fund meant for war victims. Without consulting the cabinet or parliament, Mugabe reversed course and agreed to give 50 000 veterans of Zimbabwe's liberation war Z$50 000 gratuities and Z$2 000 monthly pensions.

To pay the veterans, Mugabe tried to force a substantial tax hike through parliament, which refused despite overwhelming control by Mugabe's Zanu-PF party. Mugabe enacted the tax the next day by executive fiat.

At a Zanu-PF party congress, Vice-President Simon Muzenda demanded that members show the party leaders the same kind of unquestioning obedience they would show a religious leader.

Unfazed, delegates shouted in unison "Hatidi!" ("we do not want") when a stunned Mugabe mentioned the tax package.

Into the fray stepped the once-docile Zimbabwe Congress of Trade Unions. Morgan Tsvangirai, the labour federation's secretary-general, organised a nationwide strike on December 9 to block the tax package. Harare erupted in violence as police attacked demonstrators with teargas and batons. Two days later, Tsvangirai was beaten unconscious by thugs.

MORGAN TSVANGIRAI: Not just maize alone

Despite the beating, Tsvangirai vowed there would be more strikes this month unless Mugabe dismissed the police chief and the home affairs minister, scrapped other taxes, and called a constitutional conference to move power away from the president towards parliament in order to fight corruption.

Tsvangirai gave the following answers in an interview:

Initial reports said this week's riots in Harare were caused by the 21% rise in maize meal prices, which the government claims is a conspiracy by white business to embarrass it. What is the cause?

No one takes that (conspiracy) comment seriously. The intent is to drive a wedge between business and employees after the December 9 protests. It is not just maize alone: it is tied to the broader price rises. Unions had nothing to do with this week's strike. It was an expression of economic discontent, but it is also an expression of discontent in the financial and political management of the country.

The unemployed have no jobs, the farmers have no land, the interest rates are too high for business. What has the government done for 17 years in power?

The currency crisis and recent price hikes stem from the market's reaction to the land acquisition plan and veterans' payouts in October and November. How critical is land reform to Zimbabwe?

Land reform is a must for this country. It must rehabilitate communal areas, which are seriously overcrowded. You must relocate some people but those left need to learn proper skills. You do not want to transfer communal methods to our most productive areas. Because we are an agriculture-based economy, agriculture provides material for the economy. You must not undermine the economy.

(But) they don't have the resources for a proper land resettlement programme. To properly identify beneficiaries and resettle them would take huge resources.

The existing productive land that has already been acquired has been given to a corrupt elite. We had land scandals where ministers transferred huge amounts of land to themselves. What is going to happen to existing farmworkers? Some of the political elite have two or three farms and they are seriously underutilised. Land reform could take 10 years, not one year (as planned by Mugabe). You need to work out title deeds, provide finance. It can take years. But the land issue is the only card left for Mugabe to play.

On Harare streets there doesn't seem to be noticeable racial tension, but government announcements about the land issue, price hikes and the strikes have been very bitter toward whites. What is the current state of race relations?

The race divide has always been used to whip up political tensions. On December 9 there was no race divide. That was genuine national interest. The protest was about tax and government accountability. The question of using the race trump card is very convenient but it is very old fashioned. I don't need a white man to tell me I am overtaxed.

Were it not for the economic disadvantage perpetrated by Smith's policy, race would not be an issue here. The whites still maintain the overwhelming majority of economic power.

Politics here is an end in itself, not a means. They put up a policy of indigenisation but they put so much political rhetoric into it that it loses any economic meaning. What has always been lacking with this government is any kind of strategic plan. For 17 years why didn't Zimbabwe have a veterans' programme or a land programme with specific goals?

What do you think the future will hold for Mugabe?

The old man should just step down. He has nothing more to offer. There must be young people to provide fresh breath. He has given 30 to 40 years of his life to this country. The economic challenges are beyond him. If he hangs on, (the people) will throw out the baby with the bath water. And that is a very risky situation.

You have said the government was involved in your beating after the December protest. Is this just supposition?

We know the instruction came from Mugabe himself. After I was attacked we had reports that they were celebrating. This demonstration shook the political establishment. It almost became a political threat. Why should workers have to pay for the shortcomings of the government, for corruption and looting?

What is your prognosis for the future?

I think 1998 will be a tough year because the conditions and the situation are not improving. The problem is that people have tasted power and Zimbabweans will have to practise restraint so that mob psychology does not go too far.

We now have a system where people know that to get what they want they must apply pressure and the state will eventually give in. Everyone is making demands but the state is bankrupt. I think the government has only one budget option and that is to cut political patronage, which is its political base. Once they do that, political fragmentation will follow.

Before the December 9 protests I was becoming frustrated, but parliament's refusal to pass new taxes has given me hope. Zimbabwe is not a normal society because there has been no public debate and parliament was marginalised and had simply become a conveyor belt for executive orders. I think parliament realised that if it had given in to Mugabe on the tax issue, it would have had no future. December 9 has raised the possibility of debating public issues.

IMF foils land grab

CP 25/1/98 (362)

Mugabe forced to back down

THE INTERNATIONAL Monetry Fund (IMF) has told President Robert Mugabe that it wants a public statement committing it to paying out white farmers in full for confiscated land, and that the process of land reform must be transparent.

An IMF team, led by Michael Nowak, head of the bank's Africa division, flew out of Harare on Thursday after an 11-day mission without issuing a statement.

No comment was available from government on the outcome of talks requesting loans of US $174 million (R857,8 million).

A high-ranking source in consultation with the IMF said the bank left the Zimbabweans a loan proposal with a series of conditions that it insists must be met before the IMF will disburse any money.

"It says it will be expecting Mugabe, as the head of State, and (Kumbirae) Kangae, as the Minister of Agriculture, to make a public undertaking," the source said.

"It must state that the government will compensate farmers for the land it acquires, and that the whole process of land reform will be transparent."

The bank's demand refers to Mugabe's repeated threats that white farmers will be paid for improvements and infrastructure to their farms, but not for the land because it was "stolen" by whites.

Observers say the IMF's demand for a public statement by a head of state is highly unusual, but that it reflects the bank's concern over Mugabe's wild statements on land seizure and the damage done to investor confidence.

"The offer requires a public statement," said the source.

The financing offered by the IMF would be disbursed in three tranches, with each payment dependent on the government meeting "performance criteria", the source said.

BACK AGAINST THE WALL . . . *Robert Mugabe has given the World Bank written undertakings in order to get a US $174 million loan for Zimbabwe*

The ultimatum is seen as a political humiliation for Mugabe, whose bitter rhetoric over land has been the most controversial element in his nearly 18 years of rule since independence in 1980.

He has maintained since then that the return of land to blacks was the main reason for the war against white minority rule, and is one of the most important goals of his government.

Observers say that the IMF's latest ultimatum must mark the final blow to Mugabe's campaign to seize 4.5 million ha of mostly white-owned land which was arbitrarily chosen by officials of the ruling Zanu(PF) party.

The campaign planned the seizure without full compensation for the owners and the intention was to block their legal right to protection from the courts.

Officials of the European Union and the World Bank confirmed this week that Mugabe had given them written undertakings that land reform would be carried out in a transparent way, fully compatible with the rule of law and the constitution of the country.

The undertaking included commitments on government spending on land reform with full regard to the programme's effect on farm production and farm workers.

In a speech on Thursday at a meeting between top government officials and private sector leaders, Mugabe referred obliquely to some of the issues, but made no mention of compensation or transparency.

The source said the IMF was disappointed by Mugabe's statement.

"They regard it as half-hearted and inadequate. It does no good for investor confidence if he makes serious undertakings in private and says the opposite in public."

The bank had said "there is no point in balance of payments support unless there is a statement to restore confidence – otherwise the currency and the economy generally is going to go down the tube."

Mugabe's credibility and style of government has been a major theme in the land wrangle.

Since the signing of the undertaking with the World Bank and the EU, he has repeated that there would be "no turning back" on the land programme.

European diplomats also said that when Mugabe met EU development commissioner Joao Pinheiro on January 7, a week after the document with the undertaking was delivered to the EU, he delivered a 75-minute monologue in which he reiterated that the government would pay farmers for improvements, but not for the land. – Sapa

Politics of bread and butter

(362)

Going hungry to make their voices heard, Zimbabweans took to the streets to protest against price increases. BONNY SCHOONAKKER wonders if anyone was listening

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ess challenge to the government's authority, arguably the most serious since it came to power amid high hopes of African upliftment in April 1980.

The mobs that took to the streets when the troubles began on Monday were leaderless. None of Zimbabwe's opposition politicians or trade unionists took the opportunity to make political capital by speaking on their behalf when the "situation" spread across the country over the next two days.

From Beit Bridge in the south to Chinoyi in the north, people protesting against increases in food prices turned to looting to emphasise their grievance.

There was no one, however, who could speak for them, call them to order or appeal for discipline — just the blunt warning from the government on Tuesday that troops would use live ammunition if the situation did not settle down.

Even the Zimbabwe Congress of Trade Unions, one of Mugabe's few critics, distanced itself from the mob, calling it "a spontaneous outburst sparked by bread-and-butter issues".

"One must understand that the ZCTU has no monopoly in organising protests," Morgan Tsvangirayi, its secretary general, told the Financial Gazette without explaining who else there may be to play such a role.

One such person may be Margaret Dongo, a 38-year-old former guerrilla and Zanu-PF member who resigned from the party in 1995 after widely denouncing it for corruption and nepotism.

Following in the footsteps of Edgar Tekere, the dissident politician who retired into obscurity after his defeat in the 1995 elections, Dongo is a one-woman opposition in a 150-member parliament dominated by 147 Zanu-PF MPs.

In an interview this week, Dongo warned that the country "is on the point of collapse" as a result of the "mismanagement" of the land issue, the budget, the currency, the police, agrarian policies and infrastructure.

"The people have not been consulted about economic policies, they have not been involved in decision-making, they are alienated from this government," she said.

However, Dongo's Movement for Independent Electoral Candidates failed to have its candidate elected as mayor in Chitungwiza, a vast township which falls in her St Mary's constituency and, as it happens, the flash point for this week's food riots.

A by-election to be held in Chitungwiza later this month should provide the first real indication whether Mugabe and his Zanu-PF have lost any support after this week's unrest.

Chitungwiza, 20km south of Harare, was where an OK Bazaars and a TM supermarket were cleaned out, down to the last can of bully beef. Not a pane of glass was left unbroken by the mob that swept through before the police and army restored peace.

When we arrived two days later, the force of the anger still seemed to hang in the air, along with the smell of ash and tear gas.

Were the police disliked here, I asked Emmanuel Magutakuena, a hawker who witnessed the mob attack a police Land Rover and the four policemen in it.

"Not really," he replied, "but the people are angry because they are hungry and have no food. There is no work and no one has money, so they have to attack the police to make their voices heard."

One wonders where in Africa such a lament does not apply, but in Zimbabwe, where the population has trebled since the 70s and almost doubled over the past 10 years, it appears that such discontent may be achieving something like critical mass. Even government ministers have expressed their anguish over the hardships endured in the rural areas and townships.

Not that one is convinced of their sincerity to do much about it. In an astonishing display of the Mugabe oligarchy's *wabenzi-ism*, the government reportedly spent Z$66-million (about R22-million) on 50 Mercedes-Benz E230s for its so-called VIP fleet this week. This is the third such purchase in three years.

Nevertheless, understanding — if not sympathy — for the mob's cause was apparent in Harare this week and was heard from some surprising quarters.

John Gutsai, for example, the owner of the Gutsai Open Supermarket in Glen View. He took a heavy knock on Tuesday when his supermarket about 10km south-west of Harare was hit by looters. He estimates he lost Z$1,2-million (about R308 000) but considers himself fortunate because his staff, forewarned, had barricaded themselves inside by the time the mob arrived.

Even more fortunate than the mob's failure to break into the supermarket was their failure to ignite two 10 000*l* tanksof paraffin nearby.

But Gutsai, who, unlike many of his competitors in Glen View, was back in business on Friday, was philosophical, if not charitable, about the troubles.

"It is an economic thing not a political thing," he said. "The politicians can do their job, but it is the economy that must come right. It is the economy that must do the work."

Zimbabwe's insurance industry disagrees. Gutsai and scores of other businessmen may not be

The notoriously taciturn Mugabe also spoke, but never once mentioned the looting and rioting to an audience that included foreign investors and representatives of the Anglo mining group. He stood up the gang of journalists eager to ask him questions about "the situation".

But, later that evening, at dinner time, in an exquisite sample of poetic social justice, delegates got a taste of the mob's vengeance. It was the turn of the guest speaker, South Africa's Cyril Ramaphosa in his capacity as chairman of New Africa Investments, to speak.

At the instant Ramaphosa stepped up to deliver his speech, a power failure plunged the hotel into darkness, trapping guests in the lifts and halting the kitchen staff who were preparing the conference's three-course closing dinner.

As delegates who had been promised a banquet went hungry, Ramaphosa read his speech by candlelight, after an hour's delay. For all the accusations of incompetence, corruption and conspiracies, the empty bellies of Zimbabwe's politicians could not provide them with a more eloquent reminder of what was behind "the situation" this week.

LIKE the ghost of terrible times past, a bland but sinister word re-entered Zimbabwe's political vocabulary this week: the "situation".

"The situation", a Zimbabwe Broadcasting Corporation newsreader said on Thursday morning as the country awaited what was rumoured to be a nationwide strike, "is under control".

"Situation getting normal", The Herald's front page reported in Harare on the same day as the widespread looting and rioting began to fizzle out and the mass stayaway failed to materialise.

"The people do not hate the government," said a hawker selling tomatoes near the wreck of a police car, "but they do not like the situation."

"The president may discuss the situation with you at a press conference this afternoon," Robert Mugabe's protocol officer told journalists at a conference on economic development. It was a high-level occasion convened with fiendish coincidence, given the food riots and anarchy sweeping Zimbabwe.

But, unlike the days of Ian Smith's rule, when "the situation" was a euphemism for murderous insurgency and an equally murderous response to it, "the situation" is now a fairly accurate way of describing this face-

TIGHT-LIPPED: Despite anarchy on his country's streets, President Robert Mugabe's government paid about R22-million for 50 new Mercedes-Benzes this week Picture: NICKY DE BLOIS

paid out because some insurers have argued that "the situation" is politically motivated and thus not covered by theft and fire policies.

A similar disavowal of political responsibility to Gutsai's was evident at the Sheraton Hotel in Harare this week. Zimbabwe's most senior politicians gathered to share ideas with economists and businessmen in what was billed as the National Economic Consultative Forum Retreat — and which the ZCTU decided to boycott, though for no reason connected to the riots.

Summing up the day's proceedings, Nathan Shamuyarira, the conference's convenor and Zimbabwean Minister of Industry and Commerce, spoke at length about issues such as macro-economic policies, competing in a global economy, investor confidence, and the "divergence of fiscal and monetary policies".

Not once did he mention accountability for the "economic thing" sweeping through his country for three days, or the confidence the electorate might (not) have in his government's ability to enforce some of the harsh policies being proposed by some of the delegates, including Jeffry Sachs, the Harvard free-trade guru.

IMF sets conditions for Zimbabwe's govt

(362)

THE International Monetary Fund (IMF) has told Zimbabwean president Robert Mugabe and his government that it wants a public statement which commits it (the government) to paying white farmers fully for confiscated land.

The organisation also demanded that the process of land reform be transparent.

These developments come after white farmers facing confiscation of their land have offered Mugabe's government all the land he needs for his reform programme.

Zimbabwe's Commercial Farmers Union (CFU), a body of mostly white farmers threatened with the confiscation of almost half their land, said up to 300 000 hectares of white-owned land had been made available for Mugabe's plan to resettle thousands of black peasant farmers.

An IMF team, led by Michael Nowak, the head of the World Bank's Africa division, flew out of Harare last Thursday night after an 11-day mission on talks about Zimbabwean government's request for about R860 million loan.

The IMF team and the government were both tight-lipped on the outcome of the talks.

A high-ranking source in consultation with the IMF said the bank left the Zimbabweans a loan proposal with a series of conditions it insists must be met before the IMF disburses any money.

"It says it will be expecting Mugabe, as the head of state, and Kumbirae Kangae, as the minister of agriculture, to make a public undertaking," a source said.

"It must state that the government is going to compensate farmers for the land it acquires and that the whole process of land reform will be transparent."

The bank's demand refers to Mugabe's repeated threats that the government will pay white farmers for improvements and infrastructure to their farms but refuses to pay for the land because it was "stolen" by whites in the 107 years since the arrival of the first European settlers in the country.

Observers say the IMF's demand for a public statement by a head of state is unusual but reflects the bank's concern over Mugabe's "often wild statements" over the land controversy and the damage they do to the confidence of investors in the economy.

"The offer is on the table for the government, which includes this requirement (the public statement)," said the source.

"If the government complies with this requirement, they will release the money. It has been made clear to the ministry of finance."

Sowetan 8/10/98

IMF mum on Zimbabwe

(362) BD 26/1/98

Michael Hartnack

HARARE — The International Monetary Fund (IMF) has so far withheld comment on negotiations, which were concluded at the weekend on vitally needed budget support for President Robert Mugabe's government.

"They were unhappy with Mugabe's continued shilly-shallying about land and with economic fundamentals as well," financial sources said.

Zimbabwe has requested $174m in loans from the IMF.

Strongly positive statements at the conclusion of the last round of talks in November contrasted with ominous silence yesterday.

Sources said the IMF welcomed Mugabe's pledge to a meeting with business leaders, that "in the implementation of the land reform programme the government is fully committed to consultations with the farming, banking, and donor community".

But, the sources said, the IMF wanted Mugabe and Lands Minister Kumborai Kangai to go further in restoring general business confidence in the wake of last week's food riots.

Mugabe and his state-controlled news media denied reports that he had backed down on land takeovers in response to pressure from the World Bank and European Union.

This made sources believe that it was politically unthinkable at this stage that he would publicly guarantee whites market rate compensation and "transparent" land reallocation to peasants rather than to ruling party moguls, as in the past.

The IMF delegation, led by the head of its Africa division, Michael Nowak, left after 11 days of talks.

The Zimbabwean Commercial Farmers Union (CFU) has presented a possible face-saver to Mugabe. The plan would allow for the settling of land-hungry peasant families on former white-owned farmland while sustaining commercial output and without depriving whites of compensation.

Mugabe's plan involves speedy eviction of 1 480 whites on more than 4-million hectares. Their constitutional right of appeal to the courts has been curbed and compensation for even tangible infrastructure may not be paid if Britain continues to refuse funding. "We are trying to establish a positive thrust and conserve production, while conceding absolutely that there is a need for land redistribution," CFU executive director David Hasluck said.

Farmers have already offered 300 000ha and could meet the target of 5-million hectares aided by donor funding, Hasluck said.

Security forces will maintain their patrols in Zimbabwe

Harare – In the wake of last week's food riots, Zimbabwean troops and police will continue to patrol the capital Harare and a nearby town for at least another week, police said yesterday.

President Robert Mugabe ordered soldiers and armoured cars to help police to crush violent protests over steep increases in the prices of basic consumer goods. At least six people were killed and police arrested more than 2 300 people for alleged looting.

Mugabe interrupted his month's leave on Tuesday to manage the government's response to the riots, which had broken out 24 hours earlier and which many political analysts saw as the sternest challenge to his 18-year-old rule.

Police provincial community relations officer Assistant Inspector Francis Muswere said the government would retain a heavy police and army presence in Harare and the satellite town of Chitungwiza "until all is in order".

"I want to assure residents that army and police will be out in full force throughout this week as we continue searching for looted properties," he said. Looted goods worth millions of dollars had been recovered.

Many schools and businesses that have remained shut, fearing further unrest, were expected to reopen today. – Reuters

(362) Star 26/1/98

Everybody wins if the land issue tackled right

Zimbabwean ecologist and former opposition politician Allan Savory appeals for the development of a holistic land policy to address redistribution and soil erosion, writes Michael Hartnack in Harare

(362)

BD 27/1/98

A NATIONAL land policy must reverse the current deterioration of all classes of land in Zimbabwe, including its commercial farms, all of which are exporting more soil down rivers today than every other product combined, warns veteran ecologist Allan Savory.

"Zimbabwe is literally bleeding to death," he said in an appeal to the government to rise above party politics and form a holistic policy with national support.

Savory, a former game ranger and lone opposition voice in the Rhodesian parliament, was pilloried in 1974 for urging all-party talks to end the African nationalist insurgency, only to have his suggestion adopted by then prime ministers Ian Smith and SA's John Vorster when the opportunity had been lost.

Driven into exile in 1978, he today pioneers "holistic resource management" from his headquarters in Albuquerque in the US, but continues ecological projects in Zimbabwe.

In 1980 he reportedly refused a seat in President Robert Mugabe's cabinet to continue his crusade on the environment.

He said the development of a national holistic goal would make it clear that the redistribution of land was essential. He appealed for a national dialogue to end the bitter dispute over continued white ownership of 8-million hectares, while the 20-million hectare communal areas were facing an ecological crisis.

This was "a national issue beyond agriculture and landless people", he said.

Whole civilisations failed when productivity of surrounding land failed. "The levels of business, unemployment, crime, abuse of women and children, social breakdown, urban drift to slums, disease, political turmoil, social violence and upheaval, and never-ending downfall of governments are all directly associated with the productivity and health of land," said Savory.

However, these problems only attracted attention when they showed up in cities and began to threaten the government.

Savory said his experience working with government officials in several countries on managing natural resources had taught him that holistic policies "had to proceed from a point of national agreement over what everyone deeply desires — a goal that links human desires and needs to the land which sustains the nation and the economy".

He suggested that a draft policy should list forms of production needed to achieve the quality of life all Zimbabweans required and their future resource base.

Savory says land does indeed need to be redistributed — but on the basis of a policy supported by all and one which ensured the reversal of land degradation. No one could be secure or well-governed until this was achieved.

"Once such a national holistic goal is formed, then and only then should ideas be brought forward as to how land might be redistributed — and there are many views being expressed, and many as yet unexpressed, which need to be respectfully heard," he said.

Years of experience showed ideas brought forward before a holistic goal was agreed on "inevitably result in conflict such as Zimbabwe is witnessing", he said. Nor did compromise between conflicting views lead to successful policies. All ideas passing the test of contributing to the defined holistic goal could be moulded into a management policy "healing rather than divisive in a complex community such as Zimbabwe, with many issues and past hurts".

Savory said Mugabe and former agriculture minister Denis Norman had backed holistic management and training in the 1980s but "since then, for reasons associated with governance by many ministries and the slowness of bureaucracy, government has not moved forward and the land of Zimbabwe continues to desertify, increasing droughts, poverty, social violence, land hunger and conflict".

Development of a policy would best be done under Mugabe himself because "it is difficult otherwise to avoid interministerial battles and institutional egos clouding and slowing policy formation", said Savory.

Land had to be redistributed as a matter of urgency, but a holistic policy could see millions — rather than few hundred thousand — resettled with international support and without displacing a single farmer, or disrupting production.

He praised Mugabe's determination to address the long overdue land issue but urged all sectors to insist on participating in policy formation "and to support the president in bringing it about".

Zimbabwe millers in bid to break price deadlock (362)

Michael Hartnack 27/1/98

HARARE — Zimbabwe's millers, including Anglo American subsidiary National Milling, held talks yesterday with Commerce Minister Nathan Shamuyarira in a bid to break the deadlock over maize prices.

Increases in food prices caused widespread protests and rioting last week. When the riots broke out last Monday, Shamuyarira announced that millers had been ordered to revoke 21% increases in the wholesale price of Zimbabwean's staple food, which had gone up that day from Z$25,09 to Z$30,25 a 5kg bag.

The following day he said talks with millers and the parastatal Grain Marketing Board had resulted in an agreement that the board would revoke its new pricing policy, paying farmers Z$1 200/t while demanding that millers pay Z$2 900/t in advance and underwrite the cost of transportation into town.

Fearful of a confrontation with President Robert Mugabe's government, millers withheld comment, but sources said the board had not revoked the price increases and millers were having to supply retailers at the risk of driving themselves into the red by several million dollars a day.

Supermarkets, which continued to sell meal at Z$25,09 yesterday, denied claims by the state-controlled media that millers were withholding supplies.

The millers' difficulties are compounded by claims that increases in the price of staples since the beginning of the year were "engineered" by white businessmen to embarrass Mugabe in the wake of the designation of 1 400 farms for government takeover.

(362) CT (BR) 27/1/98

'Great helmsman' has run out of steam

Tony Hawkins

The Zimbabwean ship of state drifts aimlessly in turbulent waters. Those nominally in charge argue angrily among themselves over who will lead the mutiny. Meanwhile, the Great Helmsman leaves the bridge for the umpteenth time to hurry to Kampala to chair a meeting of the Organisation of African Unity.

Taxes are raised and then withdrawn; the exchange rate loses a third of its value. Government officials claim a deal with the International Monetary Fund (IMF) is imminent.

As thousands of food-price rioters loot the satellite towns around the capital, it is revealed that the cabinet has spent Z$66 million (R17,1 million) on 50 new Mercedes-Benz sedans for its members. A "political conspiracy", says the Helmsman crossly; a white business plot says the clownish minister of information. This is Zimbabwe over the past 10 weeks.

Two lessons are clear. President Robert Mugabe's government is at sea. The Z$4 billion payout to war veterans has sparked a fiscal crisis that is still unravelling, while the promise to take over 1 470 commercially owned farms, most of them belonging to whites, has been given the thumbs down by just about everyone who might have helped pay for the grandiose scheme.

Whichever way Mugabe turns, the way is barred. He cannot take over the land because he hasn't got the funds; he has paid the war veterans, but has been left holding the tab because, first his own backbenchers, then his own party and finally the general public, led by the trade unions, have refused to pay higher taxes.

There is no strategy — merely reaction to events. When the millers increase the price of maize meal and the people take to the streets, the government reimposes price controls, insisting all along that this is a one-off response and not a return to blanket controls.

The second, less obvious lesson — one that business leaders will not accept — is that it is too late for national economic consultative meetings of the kind organised in Harare last week. After 18 years in office, the Mugabe government has run out of steam, ideas and increasingly of support. It is time for a change.

"You cannot," says a Harare economist, "teach old Marxist dogs new market-driven tricks." Yet that is what the World Bank, the IMF and donor communities have been trying to do since 1990. After substantial initial progress, the wheels of reform became stuck in the sand in 1993-94, where they have remained ever since. At the hint of crisis, the knee-jerk reaction is to bring back price controls, confiscate foreign exchange accounts and curb forward cover contracts.

What began as a run on the Zimbabwe dollar last November has now degenerated into a full-blown social and political crisis. While an IMF package would take some of the pressure off the exchange rate, it would be only a partial solution, since so great is the loss of business confidence in the government that foreign assistance would be no more than a band-aid.

In this context, the promised Zimprest programme — a second round of economic reforms — still to be published, is fatally flawed before it starts. It depends on capital inflows of over US$500 million annually which, unless Mugabe or his successor abandons his land takeover plans — and does a great deal more besides — is pie-in-the-sky.

The third lesson is that Zimbabwe cannot be rescued from outside. The solution has to be home-grown, which, given the political dimension of the crisis, implies that the solution must be partially political — at least a new leader, at best a new government.

At this stage, neither looks likely. Some believe that Mugabe's cabinet colleagues hope to persuade him to accept being kicked upstairs, leaving him with the trappings of power, the foreign travel and endless conferences, while an executive prime minister manages the economy. But disagreement reigns within the ruling Zanu-PF party over just who would be the successor.

A new government is simply not on. Zanu-PF has a virtual monopoly of the 150 parliamentary seats. There is no serious political opposition and again, unlike Zambia, no Frederic Chiluba waiting in the wings to launch a party and defeat Mugabe at the polls.

This explains why the business community is looking to outsiders to save the day. There is no one else. But it is a dangerous strategy, because the donors and foreign lenders cannot be seen to be championing the cause of the white farmers in the land dispute against the government. That would play into Mugabe's hands.

The government has few options. A new plan for land that would be gradually implemented over 20 years would humiliate Mugabe in the eyes of his followers, and internationally, hastening his downfall.

A harder solution of taking over 200 farms or more a year would dislocate agriculture, undermine exports and investment and set the economy back a generation.

The most likely outcome is to continue papering over cracks: talking tough and doing very little; promising land, homes and jobs if not next year, well then in 2000; keeping the World Bank happy by agreeing to privatisation and public spending cuts.

This might keep the party together and keep Mugabe in office for a while longer but the medium-term implications would be dire. After 18 years of procrastination, the government has really to grasp the land nettle, tackle the budget crisis, develop a serious industrialisation strategy and woo foreign investment.

If the past is any guide, Mugabe is not the man for such an agenda. Nor, as one looks through the ranks of the cabinet, is there anyone else whose talents spring to mind as an economic reformer. The crisis has some way to run yet, but the longer it takes to unravel, the more the economy will suffer. Zimbabwe's hopes of sustained Asian Tiger-level economic growth depend on political change first, and economic change later. — Independent Foreign Service

☐ *Tony Hawkins is professor of economics at the University of Zimbabwe in Harare*

State media rallies to defence of beleaguered Mugabe

Star 28/1/98 (362)

Harare – Zimbabwe's embattled government has cranked its state media into action to defend President Robert Mugabe against charges of mismanagement, which political analysts see as the main source of its economic crisis.

The country suffered unprecedented food riots last week, forcing Mugabe to order troops and armoured cars to assist police in crushing the protests in Harare and a nearby town, which left at least six people dead. The military and police continued to patrol the streets yesterday.

At a national economic consultative forum convened after the riots, Mugabe endured hours of accusations that his government had run down the economy and led the country into a foreign currency crisis, high unemployment and social instability.

The forum was closed to the press, but government and industry sources said Mugabe listened most of the time, making no comment.

But over the past week Zimbabwe's dominant state media has been hitting back at the government's critics.

The main newspapers, state radio and television have all quoted a furious Industry and Commerce Minister Nathan Shamuyarira alleging the forum was marred by individuals who had wormed in to discuss politics rather than business.

In a commentary, the pro-government Sunday Mail newspaper said the forum had been reduced to a "nauseating spectacle" with neither depth nor objectivity.

The newspaper also accused the foreign press – regularly attacked by the government for allegedly exaggerating Zimbabwe's problems – of blowing up the food riots story.

Over the past eight years, Mugabe has been accused of heading an increasingly autocratic and corrupt administration that has run out of ideas. He denies the claims.

The government charges that many manufacturers raised the price of basic commodities by between 17 and 42% on January 5 to retaliate against Mugabe's plans to seize more than 1 500 mostly white-owned farms for a peasant resettlement programme. But industry denies the accusation. – Reuters

Army support for police withdrawn

Harare – Zimbabwe's government said yesterday it was withdrawing army units sent to help police quell food riots that left six people dead in Harare and a nearby town last week.

An official said the police would "continue with investigations, apprehend culprits and recover loot".

The state news agency had earlier reported Defence Minister Moven Mahachi as saying soldiers would return to barracks only when the government was satisfied that peace has been restored. – Reuters

Retreat over land grab — IMF

BD 29/1/98 (362)

Michael Hartnack

HARARE — President Robert Mugabe's plans for a speedy takeover of 1 400 white-owned farms for redistribution to black Zimbabweans suffered another credibility loss yesterday when the International Monetary Fund (IMF) said it had assurances that appeared to rule out land seizures. These included a government undertaking to consult the farming community.

The fund confirmed it had been given assurances the land reform programme would be effected in accordance with the law and consistent with its limited financial "and administrative capacity to resettle successfully farmers from overcrowded marginal lands".

Banking sources said the belated statement, after 10 days of talks between an IMF delegation and finance ministry heads, stopped short of pledging immediate disbursement of its $178m budget support, as confidently forecast by Mugabe's spokesmen.

On Tuesday, Lands Minister Kumbirai Kangai said he expected evicted whites to be out by July, so incoming black settlers could plant during the 1998-99 rains. Minimal provision has been made in the current budget for compensating whites or providing essential infrastructure for peasants from the overcrowded 20-million hectare communal areas.

"Public announcement of this (land reform) programme and its pace of implementation will be in accordance with the fiscal framework agreed with the IMF mission, and the programme will safeguard agricultural productivity and the welfare of farm workers.

"Government has also advised the mission that it is committed to full consultation with the farming community," the IMF said.

The statement implied a backdown on Mugabe's claim farm takeovers were "not a matter for the courts" and that constitutional provisions would be ignored. It also alluded to warnings from the Commercial Farmers' Union that 470 000 farmworkers and their families risked being left jobless and homeless, and that Z$7bn in farm production, much of it in exports, was in jeopardy.

Reference to the "fiscal framework" suggests the team — led by IMF Africa department head Michael Nowak — insisted that outlays for resettling peasants and compensating whites should not push Zimbabwe's deficit beyond agreed targets.

The World Bank and the European Union incorporated similar conditions on land in agreements signed with the finance ministry on January 16, prior to release of Z$100m combined budget support.

The money is vitally needed to offset current pressure on the Zimbabwe dollar, which has lost 50% of its value since Mugabe pledged Z$5bn in payouts to ex-guerrillas, and published lists of farms for takeover.

The IMF, not specifying when disbursements would follow, said talks had focused on "an economic programme that could be supported by a one-year IMF standby credit". "Understandings" were reached on most "major (programme) elements", the IMF said, but it did not refer to remaining problem areas.

Zimbabwe woes spark unease

(362) ARG 29/1/98

Few African states will gloat over Mugabe's troubles

For Zimbabwe's neighbours, the disturbances over food prices and crude formulas for effecting land reform are delivering some chilling messages.

Few governments faced with limited resources with which to satisfy demands such as those articulated and violently demonstrated by the poorest of Zimbabwe's poor on the streets of Harare recently, will be standing back to gloat over the misfortunes visited upon the Mugabe regime.

Afro-pessimists will do well, though, out of the unfolding Zimbabwean tragedy.

They always are poised to write off yet another instance of post-colonial failure.

Once again, this places South Africa squarely in the sights of those who might scoff that, as has happened in Zimbabwe, the buried hatchets of the apartheid era are bound to be dug up at some low point or the other in the future.

However, while South Africa continues to prove the pessimists

INSIDE STORY

South Africa and its partners in the SADC owe it to the people of Zimbabwe to voice their discontent with the one-party state, writes **TYRONE SEALE** of the Independent Foreign Service in London

woodwork of the Zimbabwean kind.

In pleading the case for the region, South Africa therefore would do well to steer clear of inadvertent support for a neighbour, albeit friendly, that has had more than enough time – and the benefit of regional and international prece-

in any way a scheme that endangers food production and Zimbabwe's economic health.

"I hope that Zimbabwe's government will pull back and go for a properly organised redistribution of benefits to people in Zimbabwe."

In London this week, a Foreign Office source reiterated the dim view adopted by the Tony Blair government of events in Zimbabwe.

But, said the source, while Britain had a "forthright dialogue" with Zimbabwe, it welcomed any support it could get from other quarters.

Understanding South Africa's reluctance to be southern Africa's moral bully, Britain could not expect much by way of outright condemnation by South Africa of developments for the worse in Zimbabwe.

However, Britain was hoping that its wish for Zimbabwe to adopt "economically responsible policies" would be shored up by pronouncement and actions originating within southern Africa.

Britain was keen to pursue deeper relations with the Southern African Development Community.

However, this depended on how quickly the SADC could develop its own structures and capacity for use in situations like the one besetting Zimbabwe.

Furthermore, Britain would wish to see more attention paid to the challenge raised by President Mandela at last year's SADC heads of state summit in Malawi.

At the summit, Mr Mandela

Trouble and strife: the effect of recent food riots after President Mugabe raised the maize price is reflected in this cartoon by Andy

wrong, [illegible] to be seen as a preachy, moralistic big brother on the southern African block.

Apart from avoiding the bad manners of telling the neighbours how to conduct their affairs, South Africa, as a former agent of destabilisation, now wishes to pursue its own economic resurgence in tandem with its neighbours.

The former pariah state does not want to be an island of wealth in a sea of poverty.

However, while South Africa owes its neighbours an immeasurable moral and material debt arising from damage wrought under previous governments, it can ill afford to try to blend in as best it can with [illegible] – to change [illegible] about the desirability of the one-party system.

Indeed, it could be argued that South Africa and the rest of its partners in the Southern African Development Community owe it to the people of Zimbabwe, in the current situation, to express themselves unequivocally on the Mugabe regime's hardened adherence to unworkable solutions.

As the former colonial power in the region, Britain is paying particularly close attention to developments in Zimbabwe.

Britain is one of a sizeable community of countries that continue to call on international development, or aid, funds.

As part of a community of donor states, which have set themselves the target of halving world poverty by 2015 rather than throw money at seemingly lost causes, Britain is becoming increasingly choosy, some would say ruthless, in the way it identifies countries with which it feels it can do business politically and economically.

Britain's status as South Africa's main trading partner speaks volumes about this relationship.

Much as this might present South Africa with a relative embarrassment of riches, this relationship does serve as a powerful signal to South Africa's neighbours about the esteem accorded the new democracies of a highly competitive world.

Clare Short, Britain's Secretary of State for International Development, steadfastly believes that South Africa has developed into a stabilising, exemplary force in a region where even Mozambique, one of the poorest nations in the world, is showing remarkable fortitude in getting former combatants to work together to eradicate poverty.

But Ms Short's approach to Zimbabwe is starkly different.

Earlier this month, she told the House of Commons: "The situation in Zimbabwe is indeed very worrying. We have made our attitude to the present land proposals very clear.

"I personally have written to the Land Minister and the Minister of Foreign Affairs.

"We have said that it is true that land is distributed very unfairly in Zimbabwe and that we would be willing to back a properly organised system of land redistribution that gives some land to the poor and enables them to improve their livelihoods and reduces poverty in Zimbabwe.

"But we will not fund or support

[illegible] the non-negotiable right of citizens to take part unhindered in politics.

He cautioned then that the Southern African Development Community could not idly stand by while political or civil movements were being harassed.

The situation in Zimbabwe clearly demands a practical interpretation of the SADC's moral stance.

Were the SADC to succeed in this venture – in the way the frontline states brought pressure to bear on the apartheid regime – this will significantly enhance the far more complicated, continental effort to bring about new policing and persuasive powers in the Organisation of African Unity.

Strings attached to Zim IMF loan

(362) CT 29/1/98

HARARE: In a surprise turnabout the International Monetary Fund (IMF) has released an R880-million loan to Zimbabwe, in return for assurances from President Robert Mugabe's government that it will moderate its land redistribution programme.

Although Mr Mugabe has stated "there is no turning back" on his plan to nationalise 1 500 large-scale farms without compensation, his government has now given assurances to the IMF that it will pay compensation to farmers and will carry out the land redistribution in a transparent and responsible manner.

The IMF insisted on this public statement because in recent months the Mugabe government had given private assurances to the IMF and other donors, but then had made contradictory public statements.

The government refused to make a public statement, so local IMF representative Mr Robert Franco issued a statement on Tuesday: "Government has given assurances it will implement its land reform programme in accordance with the law, and consistent with its limited financial and administrative capacity to successfully resettle farmers from overcrowded marginal lands.

"Public announcement of this programme, and its pace of implementation, will be in accordance with the fiscal framework agreed with the IMF mission. The programme will safeguard productivity and welfare of farm workers."

Political analyst Mr Iden Wetherell, assistant editor of the *Zimbabwe Independent*, said: "This clearly restricts the government from undermining these assurances by making populist statements." — Independent Foreign Service

ZIMBABWE (362)

FM 30/1/98

Old man Bob on the blink

Unable to deliver on his promises, Mugabe's time is running out

After last week's riots, President Robert Mugabe's political future looks less secure than ever. Backbenchers and even Cabinet Ministers have been heard to complain that the "old Man" is out of touch and should step down.

President Robert Mugabe . . . out of touch and should step down

Easy to say, but difficult to achieve. Nobody seems to be in any hurry to cast the first stone and, significantly, when some businessmen drummed up the courage at last week's National Consultative Forum to attack the government, they were careful to criticise those around the president rather than Mugabe himself.

A week after the riots which left four people dead and millions of dollars of damage in the high-density satellite towns around the capital, there is still no clear idea who was behind them. There seems little doubt that they were orchestrated, but by whom and why is unclear. Some blame Mugabe's challengers in the Cabinet seeking to embarrass him and push him into resignation. Others see it as a government-inspired plot to demonstrate to the IMF and World Bank — both of whom had visiting teams in Harare last week — that they were asking too much of the government.

Whatever the truth, the genie is now out of the bottle which will make it enormously difficult for Mugabe, or his successor, to govern. Two issues stand out — land and the fuel price.

On land, the government is in a bind. It dare not back down, though many white Zimbabweans, especially the farmers, are sure it will. It cannot just take the land without compensation since this would alienate the entire donor and international business community, and it doesn't have the money to buy the land (see page 46).

If Mugabe retreats as the donors, the World Bank and the international media expect, his humiliation at the hands of foreigners might well destroy him in the eyes of his followers. But his successor would know that a compromise over land that failed to meet the exaggerated expectations of the masses would be political suicide.

Yet, what alternative is there? The donors will fund a land resettlement programme, but only a phased, gradual scheme that would fall far short of what Mugabe has promised to deliver. The only way out, apparently, is a fudged compromise allowing all the players to claim some of the spoils, but the mood of the angry rioters suggests that won't be acceptable.

The fuel price issue is altogether less serious but raises similar questions. Zimbabwe's petrol sells at US27c/l against 45c in SA and the State-owned National Oil Company reportedly loses Z$190m (US$10m) monthly.

There is no way that a government that is seeking money from the IMF and World Bank can allow this to continue for much longer. Again, what is the alternative? A 40% price hike would bring the rioters back on to the streets, spur inflation and further hit business confidence.

Last week's decision to bring back price control on maizemeal got the rioters off the streets, but only at the cost of making a deal with the IMF even more difficult and raising the spectre of more subsidies. Despite this, the IMF might come through with some short-term support for Harare, but nothing that will alter the fundamentals. A $100m standby would help stabilise the currency, for a few weeks, but Zimbabwe needs both more and longer-term money. Neither the IMF nor the Bank is likely to provide that at this stage. Mugabe is well and truly boxed in.

Special Correspondent

THE PRESS (362)

FM 30/1/98

Zim journalist under threat

Kanhema's permanent residence questioned after he roused ANC ire

The Department of Home Affairs is trying to serve a letter on Zimbabwean-born journalist Newton Kanhema ordering him to leave SA within 21 days. It has already served a similar letter on his wife Jean.

The letter has not been served on Kanhema, though, because *The Sunday Independent* senior reporter is on a four-month sabbatical at Emory University in the US city of Atlanta.

The department says he no longer qualifies to live in SA because of a discrepancy in his application under the special moratorium granted in mid-1996 to people living in SA from member countries of the Southern African Development Community (SADC), which includes Zimbabwe.

To qualify for permanent residence under the moratorium, SADC citizens had to have lived in SA continuously from July 1991. The department is questioning Kanhema's claim. His wife's right to remain here is dependent on his eligibility.

Kanhema is known to have angered upper echelon members of the ANC by his bold, probing reporting. His interview late last year with controversial ANC Women's League leader Winnie Madikizela-Mandela, in which she sharply criticised the incumbent ANC leadership for reneging on election promises, is a case in point.

Fellow journalists suspect the move against Kanhema is retaliation for his reporting, but that the ANC-led government is trying to depoliticise the move by focusing on his residence status, with that of thousands of other SADC citizens living in SA.

Kanhema is not without friends in the ANC and is believed to have requested one high-ranking ANC leader to intercede on his behalf. Lawyers for Independent Newspapers have meanwhile taken up his case with the department.

Sunday Independent editor John Battersby confirms that Home Affairs is contesting Kanhema's right to permanent residence and that a letter, dated January 14, has been served on his wife requesting her to leave within 21 days.

"The matter is in the hands of lawyers of Independent Newspapers and the company will take appropriate steps on the advice of the lawyers," says Battersby.

Patrick Laurence

AFRICA

Zimbabwe's economy pins hopes on IMF cash

BD 30/1/98 (362)

HARARE — Zimbabwe's struggling economy, which many economists see growing by 1,5% this year, was likely to be boosted by aid from the International Monetary Fund (IMF), business leaders said yesterday.

"I am very positive after reading the IMF statement. It gives us a lot of hope for our economy," said Jonee Blanchfield, the president of the Confederation of Zimbabwe Industries. "I think we have bottomed out now and I am seeing a gradual improvement of (business) confidence."

The IMF, one of the key sponsors of Zimbabwe's western-backed economic reforms, said on Tuesday it had reached broad agreement with President Robert Mugabe's government on a new $176m programme to rescue its economy, battered by controversial government policies last year.

The package commits the government to tighter fiscal discipline, acceleration of its privatisation programme and implementation of Mugabe's controversial land reforms within the confines of the law and budget.

The director of the 4 500-member, mainly white Commercial Farmers' Union, David Hasluck, said the union was pleased with the IMF statement which he said fitted in well with its "Team Zimbabwe" proposals.

"It's good news," Hasluck said. "We are very happy with the IMF stand and we now need to discuss with the government what it means for them."

The IMF said the government had agreed its plans to seize 5,5-million hectares of mainly white-owned commercial farmland would be implemented within its financial and administrative capability; addressing poverty alleviation, productivity and the welfare of farm workers.

"Public announcement of this programme and its pace of implementation will be in accordance with the fiscal framework agreed (on) with the IMF mission," the IMF said.

Mugabe, who argues it is immoral for just 4 500 people to own 70% of the country's prime commercial farmland, last year listed 1 503 mainly white-owned farms for compulsory acquisition.

He said the government would compensate farmers for improvements only and not the soil, arguing the farms were seized by British settlers more than 100 years ago.

The union's "Team Zimbabwe" proposals, crafted with some leading business executives and economists, suggests the government immediately resettle peasants on about 60 farms, whose owners have not appealed against the December designations.

It suggests setting up a special fund to help blacks get into commercial farming and convening a donor conference to discuss the costs of resettlement.

Hasluck said farmers wanted the land reform programme to be tackled once and for all, saying: "We cannot afford to delay the land reform programme. It's too important to be put aside."

Independent economic consultant Mervyn Ellis said the IMF agreement might help rescue Zimbabwe's agriculture-based economy, aided by welcome rains this month that have lashed the country throughout January, the forecast peak month of an El Niño-induced drought.

"The economy is not in a chronic condition and it can be turned around now," he said. — Reuter.

Mugabe's empty mansion taunts Zimbabwe's poor

31/1 - 1/2/98

ARG 31/1/98 (362)

Harare. – When Robert Mugabe married Grace Marufu, his former secretary, in August 1996, he resolved to provide her with a home fit for a first lady.

But as Zimbabwe's president struggled last week to contain growing economic unrest, the R8-million house on the outskirts of Harare had become a potent symbol of the gulf between the veteran Marxist and his impoverished people.

Nicknamed "Graceland" by its neighbours, the brown brick house has 32 rooms. Three cottages have been built for servants in grounds ringed by a spiked fence to conceal them from prying eyes.

Six months after the house was completed, however, Mr Mugabe, 73, and his 34-year-old wife do not appear to have moved in. Ms Marufu is said to have changed her mind about living so far from the city centre.

"She is a disgrace," said Simpliso Chinawa, who ekes out a living by selling vegetables on a pot-holed road nearby. "How can the government go about putting up taxes and asking the people to be patient when a house like that is built and then left empty?"

The house reflects the lavish lifestyle enjoyed by Mr Mugabe, the diminutive former guerrilla leader who has ruled the country since shortly after the fall of Ian Smith's government in 1979, and his bride, who has become a focus of resentment amid mounting economic woes.

The tone was set by their wedding, planned as a modest affair, to which 10 000 guests were eventually invited at an estimated cost of more than R16-million.

Ms Marufu, who once worked in a Harare flea market, has quickly grown accustomed to the trappings of power. On one occasion, she reportedly commandeered a state airliner to fly her to Cape Town on a shopping trip.

According to reports, Ms Marufu has even persuaded Mr Mugabe, once a teetotaller, to stock a cellar beneath the official presidential residence with fine wines.

One cabinet minister is reported to have claimed that as Ms Marufu's influence has grown, she has exerted increasing control over access to the president.

"One has to crawl on one's belly like a crocodile on ground spread with fresh dung, bare-footed and clapping one's hands, before you can get past her to see the emperor."

Opposition members of parliament, who claim some of the money to build "Graceland" came from a government fund set up to provide housing for the poor, have criticised the president's wife for making speeches at charity functions in which she has spoken of her desire to "put a roof over everybody's head if I could".

'The R8-million house near Harare has been nicknamed Graceland'

Margaret Dongo, an opposition MP, asked: "Why should one family milk our resources? The people are tired. You cannot fool them any more with empty and stupid promises about how things will eventually improve. The timebomb is ticking."

Mr Mugabe's perceived remoteness from his people was cited by some commentators as a factor in riots that flared last week following rises of up to 21% in the price of staples such as maize and cooking oil. The increases have since been rescinded.

For the first time since he was elected president almost 18 years ago, Mr Mugabe was forced to deploy the army as the disturbances threatened to turn into a full-scale challenge to his authority. Shop windows were smashed and goods looted as military helicopters fired tear gas at the crowds.

At least four people died in three days of rioting that spread from Harare to other cities, including Chinhoyi, Mr Mugabe's home town.

More than 2 000 people have been imprisoned as the troops targeted those suspected of involvement in the looting.

Mr Mugabe has presided over relentless economic decline amid allegations of widespread state-sanctioned corruption.

Inflation is running at 24%, while the value of the Zimbabwe dollar has halved in the past two months. Nearly half of the country's 12 million people are unemployed, and some survive on a bowl of porridge a day.

"The anarchy is the result of pent-up anger," said Trevor Ncube, editor of the weekly Zimbabwe Independent. "This country is destined for violent change."

Mr Mugabe's announcement last November that about 1 480 mostly white-owned farms were to be seized and redistributed to blacks has become the subject of an international dispute that may force him to compromise.

Although his supporters insisted last week the seizures would go ahead, the policy has been denounced by the International Monetary Fund, which is calling for an unequivocal undertaking to compensate white farmers in full for any land that might be taken from them.

Western diplomats say Mr Mugabe could be creating further trouble for himself with an attempt to reduce the threat of unrest by introducing price controls rather than following free-market principles.

Theresa Murewera, a Harare academic, has a different suggestion to restore confidence.

"Mugabe could show he is serious about reform in one simple step," she said. "His wife is always going on about the pain she suffers when she sees children begging on the streets. He could hand over her empty mansion and let the homeless sleep in it."

– Sunday Times, London

State of grace: Robert Mugabe and his wife Grace are under fire for their lavish lifestyle

OPPORTUNITIES

Firm to be liquidated as 'Mugabe's Marxist plan' backfires

BD 2/2/98

Michael Hartnack (362)

HARARE — Zimbabwe's State Trading Corporation, one of the last relics of President Robert Mugabe's 1980s plan for a "Marxist Leninist transformation", is being wound up with debts of Z$4m.

Previous plans to commercialise it have been ditched.

At the height of central economic controls in 1980 to 1992 the parastatal corporation made multimillion dollar profits through its privileged access to foreign currency allocations.

Manufacturers and exporters, who were forbidden to hold foreign exchange they earned, had to pay mark-ups of up to 900% for imported inputs, as treasury bureaucrats routed foreign currency to the corporation and "briefcase businessmen" linked to the ruling Zanu(PF) party.

The demise of the system after 1991 liberalisation reforms, backed by the World Bank, led to discontent among former beneficiaries, and Mugabe's resulting drive for "indigenous" ownership of established firms.

Commerce Minister Nathan Shamuyarira told parliament he did not accept the logic of a bill he was forced to bring before the house, establishing a successor company that would inherit the ZSTC's assets and liabilities and then liquidate itself.

He said it had been obliged to accept "what I have been advised".

He said the cabinet had refused the employees' request to buy the company.

They "did not deserve special favours as some of them were responsible for the woes of ZSTC", he said.

All the employees, whose total number he did not reveal, but which is reported to be about 50, would receive termination of service benefits.

After economic liberalisation, even government ministries sought to source goods directly from suppliers in order to avoid ZSTC mark-ups.

Liberian President Charles Taylor gives the peace sign as traditional dancers honour him in Monrovia, where Ghanaian immigrants crowned him Chief Okatakyie (the greatest of warriors). The honour makes Taylor, who fought a seven-year civil war before being elected president six months ago, His Excellency Dahkpanah Chief Okatakyie Dr Charles Ghankay Taylor. Picture: AP

Zimbabwe editor 'must be punished for offensive stance'

(362) BD 2/2/98

Michael Hartnack

HARARE — The editor of the state-controlled Herald newspaper is under threat of dismissal after writing editorials accusing the ruling Zanu (PF) party of losing touch with the people.

The board of directors of state-controlled Zimbabwe Newspapers had a stormy meeting last week over Tommy Sithole, whose editorials challenged official claims whites were behind the Zimbabwe's foot riots last month.

Sources said Information Minister Chen Chimutengwende wanted Sithole, once considered an ultra-loyalist to the ruling Zanu (PF) party, moved to be "group public relations manager" and Sunday Mail editor Charles Chikerema to take over the Herald. "Tommy must be punished," Chimutengwende was reported to have said after Sithole's offending editorials.

Board chairman Honor Mkushi said a decision on Sithole's future "has not been finalised, but the matter is definitely under discussion".

Anyone who "hurled abuse at racial minorities in the hope the problems would go away was deluding himself", Sithole wrote as troops were deployed in townships for the first time since independence in 1980.

Chimutengwende claimed whites engineered the riots in revenge for the lists of 1 400 farms earmarked for takeover by the government.

"Have the price hikes entirely been the responsibility of the evil white man?" asked another 600-word editorial understood to have been written by Sithole.

In 1996 President Robert Mugabe revised the mass media trust deeds to give himself even tighter grip on news outlets, including the national news agency Ziana and Zimbabwe Newspapers, which publishes the two daily newspapers, the Herald and the Bulawayo Chronicle.

Last year Mugabe forced the removal of Zimpapers MD Simba Makoni, for attempting to sack Chikerema, Mugabe's cousin.

Chikerema had embroiled Zimpapers in record defamation damages, defying company guidelines in his virulent attacks on government critics.

Zimbabwe war veterans invest Z$50m in new fund

BD 21/2/96 (362)

Michael Hartnack

HARARE — The newest player among Zimbabwean financial institutions is the Zexcom Foundation, formed under the patronage of President Robert Mugabe as "the commercial arm of the Zimbabwe Liberation War Veterans' Association".

Just before Christmas, about 52 000 registered former guerrillas from the 1972-80 war each received Z$50 000 tax-free gratuities, and have invested Z$50m in Zexcom, says veterans' association chairman Chenjerai Hunzvi.

The fund was then launched and its goals, which focus on socioeconomic empowerment for war veterans, have been set out in a series of advertisements.

Hunzvi hopes that war veterans will go on to invest Z$500 a month of their Z$2 000 life pensions, boosting Zexcom's funds Z$26m a year. "This will make us a powerful organisation."

A statement appealing to ex-guerrillas for their backing says the fund wants "development intervention aimed at improving the fortunes of war veterans and their dependants through ... meaningful participation in the economic mainstream. Only registered war veterans can subscribe."

Disputes continue over the register, with Hunzvi claiming there are up to 90 000 ex-guerrillas (compared with the 30 000 who came into assembly points during the 1980 ceasefire) while groups representing 50 000 former detainees and guerrilla collaborators seek inclusion and benefits.

Zexcom said subscriptions were being deposited into a common account with Commercial Bank of Zimbabwe (CBZ), and it made a public pledge that funds would not be embezzled.

CBZ, recently privatised under a consortium of black Zimbabwean businessmen, was previously the local subsidiary of the failed Bank of Credit and Commercial International, salvaged by Mugabe's government.

"No effort has been spared in designing an administrative mechanism for the fund which guards against even the remotest possibility of any misuse or abuse of funds as has been the lamentable experience of a number of collective funds in the past," the foundation said.

Only the bank's top management had access to the funds and no investments or withdrawals could be made without the approval of the patron, Mugabe; the soon-to-be-appointed board of governors and directors; and the core management team selected from war veterans, trustees, and technical advisers, the statement said. "No official of the veterans' association can access the funds as no withdrawals are permitted."

Listing benefits of membership, the statement pledges to make veterans "a major player in the economy" through blue-chip investments, giving them higher rates of return without going through "an array of intermediaries". Initial administration of the fund is under the newly created "department of war veterans' affairs" headed by Witness Mangwende, in the office of Mugabe.

Only a thin strip of the Mombasa highway is left after flood water from the swollen Thange River washed away the tar yesterday. A dam has formed at Thange Bridge, hampering repair work on a section of the Nairobi-Mombasa road. Hundreds of passengers are stranded on either side of the river.

Picture: AP

Mugabe may remove editor

BD 3/2/98 (362)

Michael Hartnack

HARARE — President Robert Mugabe was yesterday expected to have final say over Information Minister Chen Chimutengwende's efforts to have Tommy Sithole removed as editor of the main national daily newspaper, The Herald.

Recent Herald editorials accused Zanu (PF) of losing touch with Zimbabwe's 12,4-million people and challenged Chimutengwende's claim that "the evil white man" lay behind food-price rises that led to riots.

Sunday Mail editor Charles Chikerema, who describes himself as "an unrepentant Stalinist" and is Mugabe's cousin, reportedly told senior editorial staff at the weekend he would be promoted to the Herald position from yesterday.

Sithole, once considered an ultra-loyalist to Mugabe, was expected to be offered noneditorial positions either as "group public relations manager" or "executive director responsible for the welfare of journalists".

Honour Mkushi, chairman of the board of Zimbabwe Newspapers, which is controlled by the parastatal Mass Media Trust, confirmed that it had considered removing Sithole at a day-long meeting on Thursday.

In 1996 Mugabe amended the Mass Media Trust deeds to give himself more control over news outlets falling under its control, which include Zimbabwe's daily newspapers.

Bulawayo chronicle editor Geoff Nyarota was removed after exposing the "Willowgate" corruption scandal and ministers' racketeering in cars from the state assembly plant, and Sunday Mail editor Willie Muzaruwa for allegedly giving too much prominence to critical viewpoints. Muzaruwa's successor, Henry Muradzikwa, was summarily dismissed for reporting Zimbabwean students were expelled from Cuba after tests found they carried HIV.

The chairman of Zimbabwe's Olympic committee and a wing commander in the air force reserve, Sithole has been Mugabe's personal pilot.

CT 3/2/98 (362)

Mugabe gilds retirement while citizens tighten belts

HARARE: The government of President Robert Mugabe has announced plans to provide lavish retirement benefits to himself, his wife and their three children, as well as to Zimbabwe's two vice-presidents and their families.

Despite the discontent that lay behind the worst urban violence in 25 years that erupted last month, a bill published at the weekend proposes to give the country's three "royal families" free vehicles, air travel, entertainment, bodyguards, medical attention and staff.

It makes specific provision for "children born out of wedlock", a reference to the two children whom Mugabe's wife, Grace, 34, bore during their adulterous affair.

Civic leaders said the proposed tax-free benefits could inflame the volatile political situation. "It's outrageous," said Mr Morgan Tsvangirai, secretary-general of the Zimbabwe Congress of Trade Unions.

Two weeks ago the government deployed troops in Harare's townships to control riots and looting that broke out after demonstrations against sharp price increases since the start of the new year.

If parliament passes the bill, Mugabe's wife will see her pension rise to two-thirds of his salary of Zim$256 000 (R71 910) a year.

The perks are seen as another bizarre response from Mugabe in the face of the country's worst economic crisis and appear to contradict the government's commitment to the International Monetary Fund last month to an economic austerity programme. — The Times, London

Old lines, exchanges blamed for bad service

Michael Hartnack BD 4/2/98 (362)

HARARE — Hundreds of telephone lines have been out of order in Harare's central business district for two weeks as heavy rain caused water to seep into antiquated lines and exchanges.

During a three-day seminar last week intended to introduce Zimbabweans, particularly businessmen, to the Internet, the net link went down for 24 hours due to a still undisclosed fault.

A spokesman for the seminar organisers said the problem revealed widespread ignorance about the net, which only spread to Zimbabwe two years ago and was still establishing itself.

One business executive complained yesterday that his premises in Harare's suburbs had been without a working telephone for more than five weeks, but the problem was also reported to be acute in inner city areas.

The Posts & Telecommunications Corporation's faults department said its technicians were doing everything possible to rectify complaints, but were hindered by a lack of qualified staff.

Some equipment still in use dates back to the 1950s: it was kept in service through the 1965-1980 sanctions era by improvising Rhodesian engineers, and never replaced due to other government spending priorities since Zimbabwe's 1980 independence. Revoking the parastatal Posts & Telecommunications monopoly in 1996, the supreme court described Zimbabwe's telephone system as "notorious".

Cellphone pioneer Strive Masiyiwa plans to introduce the first private service within weeks after a four-year battle against bureaucracy.

'Harvest will offset low Zimbabwe maize area'

BD 5/2/98

Michael Hartnack (362)

HARARE — A drastic reduction in the area that Zimbabwe's black farmers set aside for maize this year would be offset by ideal growing conditions and a bumper harvest, Indigenous Commercial Farmers' Union chairman Thomas Nherera predicted.

El Niño, the warming of waters in the eastern Pacific and associated weather patterns, led weathermen last year to predict a prolonged dry spell, and many farmers planted millet and other drought-resistant crops.

Meteorologists have since been severely criticised for making incorrect forecasts.

A cultural group, Sangano Munhumutapa, plans to hold a traditional festival to thank ancestral spirits.

Nherera said black large-scale commercial farmers reduced hectares for maize from 80 000 in 1996/97 to 60 000, but expected a 25% increase in yields to 300 000 tons.

Up to a quarter of Zimbabwe's 11-million hectare commercial farming area is understood to be owned by emergent black landowners, 80 of whose properties were listed with those of 1 400 whites in takeover plans published last November by the government.

All the black landowners have appealed and are likely to have the notices revoked, recent lands ministry statements suggest.

Nherera said the rainfall pattern had wiped out the threat of army worm to the maize crops, but cotton had suffered from waterlogging and lack of sunshine. He expected his union members to produce more than 20-million kilograms of Zimbabwe's expected 235-million-kilogram Virginia tobacco crop as blacks moved rapidly into a previously "white" sector.

Fear of El Niño drought conditions, as well as the threat of farm takeovers, caused banks to tighten lending conditions last year. Nherera said his members borrowed Z$390m, but would produce crops worth more than Z$2bn.

He rejected the predominantly-white Commercial Farmers' Union (CFU) plan, unveiled last week, to provide 1,5-million hectares for land reform, as part of a programme aimed at assisting peasants from the 20-million hectare communal areas.

Nherera said what was needed was not "poverty alleviation", as envisaged by the CFU, but black empowerment through the transfer of large units.

"We are saying we do not need this programme. Government should go ahead with compulsory acquisition," Nherera said. His union is closely allied with the government.

Nherera said most of the CFU's proffered 1,5-million hectares would come from marginal areas and would be "disastrous for the country".

AFRICAN BUSINESS

Minister says Zimbabwe government's controversial policy targets 'absentee landlords' and often includes 'derelict farms'

Land handover is aimed at 'curbing unrest'

CT(BR) 6/2/98 (362)

DAMIAN MILVERTON

Cape Town — The Zimbabwe government's controversial farm reallocation policy was aimed at curbing the potential for unrest among young Zimbabweans in the future, Simon Khaya Moyo, Zimbabwe's minister of mines, environment and tourism, said this week.

The government declared last year that it would reallocate ownership of a large number of farms, taking them from existing owners and giving them to poor black Zimbabweans without any land.

This controversial policy became even more unpopular, particularly among the descendants of European settlers in the country, when it was announced that farmers would only be compensated for any capital improvements made to their properties.

Moyo told an African mining conference on Wednesday that the policy had been misunderstood by many, particularly the British government, which has ruled out helping President Robert Mugabe's administration to fund the programme.

"All we are trying to do is avoid a crisis tomorrow," the minister said.

He said "thousands" of young Zimbabweans were leaving school and finding few employment opportunities. He said the government did not want these former students to "take up axes and do what they think is best for them".

He said the government, in designating which farms would be targeted for resettlement, had also included black Zimbabwean property owners.

"And why not? When they own three, four or five farms and others have nothing," he told delegates. "It is a home matter, it is an internal matter. We are handling it the best we can."

There has been growing unrest in Harare with Mugabe's administration as it seeks to fund substantial pensions to veterans of the war against white rule, which led to full independence in 1980.

A national strike late last year was followed by violent clashes between police and those protesting at proposed tax increases.

There were also riots in response to price rises by millers producing corn meal, a staple of the Zimbabwean diet.

Moyo denied that the deterioration in civil order or proposed land allocations had the potential to harm foreign investment.

"Zimbabwe is an attractive place for any kind of investment," he maintained, citing laws allowing foreign acquisitions of up to 40 percent in listed local companies and the ability of foreign companies to repatriate 100 percent of any dividends or profits earned in the country.

Zimbabwe was "at peace with itself and with its neighbours".

Moyo stressed that the "land reform" process had no implications for foreign mining companies in Zimbabwe as "all minerals rights are vested in the state already".

He said the farm reclamations targeted "absentee landlords" and often affected only "derelict land".

Turning to investment opportunities, the minister highlighted the potential development of a gas industry through the exploitation of coal-bed methane gas.

He said a methane gas industry would make a significant contribution to Zimbabwe's power industry while also offering "downstream" opportunities.

Research into methane gas potential within Zimbabwe's enormous coal reserves had found large extractable gas reserves, Moyo said. — Dow Jones

Mugabe seen to be 'feathering his nest'

CT 6/2/98 (362)

HARARE: Two weeks after angry mobs looted Harare suburbs over increases in food prices, President Robert Mugabe has submitted a bill to parliament that will provide him, his family, his two vice-presidents and their families with free unlimited cars, air travel, entertainment, staff, bodyguards, and pensions for life.

The bill explicitly provides for illegitimate children, to ensure the children he fathered out of wedlock with his former secretary and now wife, Grace, are covered.

"This incenses people because this pension extends to wives and children when everyone else is living under very hard conditions," said Mr Morgan Tsvangirai, secretary-general of the Zimbabwe Congress of Trade Unions.

EGO: Robert Mugabe

With scandals still simmering over government ministers looting a housing fund and a fund for people injured in the war of independence, the pensions are a potential flashpoint.

Recently, Mugabe decided to buy some 50 luxury Jeep Cherokees and 50 Mercedes to ensure government officials move around with dignity.

Economic pain in Zimbabwe suddenly grew worse last year after Mugabe decreed pensions would be paid to protesting war veterans and that 40% of commercial farmland would be confiscated and given to the landless within a year.

His government had no money for either programme, nor, in the case of the land resettlement scheme, the administrative capacity to assist the thousands of peasants involved.

The International Monetary Fund agreed last week to resume lending for one year, after Mugabe gave assurances land resettlement would be financed without widening the budget deficit and that resettled farmers would be given proper finance and support, instead of simply being dumped on vacant land.

Privately, a wide variety of government officials, bankers, and parliamentarians have said a rash, ill-planned land programme would be an economic disaster.

But so deep is Mugabe's distrust of critics that he seems to push ahead stubbornly precisely because he is criticised. And those close to him appear unwilling to challenge him.

His predicament raises significant issues for South African foreign policy. A disaster in Zimbabwe has the potential to ruin hopes for the Southern African Development Community. Without integration between South Africa and an economically sound and growing Zimbabwe, SADC is little more than another multinational talk-shop.

If an ill-considered land programme destroys commercial agriculture in Zimbabwe — as predicted by nearly every farm organisation, black or white — it will increase already tense trade relations with South Africa and boost the flow of Zimbabweans into this country.

South African diplomats must be careful not to tread on Mugabe's ego or appear to be lecturing. However, it is legitimate to express diplomatic concern that his land reform could reverberate across the region.

Mugabe has grossly oversimplified the issue, declaring that whites stole land from blacks by conquest and the solution is to take it back. Rectifying past inequities is important, but it misses the broader problem: peasants want economic empowerment.

If Mugabe is left to his own devices, the economy will continue downward, dragging other economies with it and raising the risk of serious public disorder as the public tries to turn his attention away from feathering his nest to serious reform. — Independent Foreign Service

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'Racist' Zimbabwe farmers earmarked to lose their land first

Star 6/2/98 (362)

Harare – White farmers in Zimbabwe who use racist terms or bad-mouth the government will have their farms seized for the resettlement of blacks, Agriculture Minister Kumbirai Kangai has warned.

Any farmer using the term "you bloody kaffir" or referring to "bloody (President Robert) Mugabe" or the "bloody government" is "a bad farmer", Kangai told parliament on Wednesday. "We will acquire his farm."

Kangai urged MPs to report racist farmers in their areas. "I would be very interested in dealing with such forces," he said.

Kangai said such "social and political" reasons had already played a part in the targeting of some farms among the 1 500 the government plans to take over in a controversial land reform programme.

Ruling-party MP Jacobus de Wet, himself a white, told parliament he had been abused by other white farmers when he asked them to contribute money towards Independence Day celebrations.

The farmers had told him to "go to your bloody Mugabe and get your donations", he said.

He claimed they also said their farms were "still in Rhodesia", while Zimbabwe was "outside". Kangai asked De Wet to submit the names of the "Rhodesians", adding "we can deal with them without any problem".

Some 4 000 white farmers own around 30% of the land, while millions of blacks are crowded into impoverished communal land. – Sapa-AFP

'Tourists need reassuring on Zimbabwe'

BD 9/2/98 (362)

Michael Hartnack

HARARE — Since the recent food riots, one of Zimbabwe's main tour operators had been sending 50 faxes a day to clients, assuring them it was safe to come to the country, Herbert Nkala, chairman of the Zimbabwe Tourism Council, said recently.

"We need to do a lot of public relations work to re-establish our position as a safe destination," said Nkala, who took over last month from David Chapman as head of the organisation linking hoteliers, safari operations, restaurateurs and other sectors of the rapidly expanding industry with earning potential estimated at Z$2bn a year.

Nkala said the riots had undermined Zimbabwe's ability to attract tourists. "Over the past 10 years the industry's selling point has been safety," said Nkala, MD of the parastatal Rainbow tourism group.

Meanwhile, the fall in the value of the Zimbabwe dollar since November might make the country more attractive as a destination, he said.

Staff cuts at Anglo's timber firm 'not due to redistribution'

(3623) (3621)

Michael Hartnack

HARARE — Anglo Zimbabwe subsidiary Border Timbers will be laying off nearly 600 staff due to falling local consumption, "deep-seated problems" with export markets in southeast Asia and interest rates exceeding 30% on debts put at Z$80m in the past half-yearly report.

However, at a news conference yesterday MD Bursary Mamvoto denied cuts were linked with designation for redistribution to black Zimbabweans of half Border Timbers' 10 000ha Sawerombe Estate at Chimanimani, 400km southeast of Harare.

Mamvoto said Sawerombe was virgin land where planting of forest was in progress. Anglo Zimbabwe CE Philip Baum said Sawerombe's future was "sub judice" as negotiations were continuing. It is part of Border Timbers' 32 000ha holdings in Zimbabwe's Eastern Highlands. BD 10\2\98

t November's listing of 1 400 estates — including Sawerombe — for takeover, "had absolutely not" influenced Border Timbers' cutbacks nor commitment to Anglo's long-standing forestry operations, said Baum. Although Anglo was encouraging outsourcing of timber, forestry was an expensive operation with strong economies of scale, he said.

Redundant employees from the workforce of 3 299 would be given preference in subcontracting, for which the timber industry offered scope.

Anglo had recently invested more than Z$200m in a wood processing plant aimed at the southeast Asian market. It would now have to scale down production to keep prices competitive.

Negotiations on retrenchment packages for 373 permanent staff were taking place in Mutare and 208 contracts would not be renewed.

INTERNATIONAL BUSINESS

Zimbabwe investors hesitant

(3b2) BD 11/2/98

Michael Hartnack

HARARE — Zimbabwe stock market investors are still waiting on the sidelines to see when the International Monetary Fund (IMF) intends to release funds to the country, broker Quincor James Capel says in its latest review.

It warned that investors had ignored announcements that talks went "well" between President Robert Mugabe's government and the IMF, "mainly because the institution did not make any firm commitments".

Zimbabwe's state-controlled media reported last month that the IMF was "content with progress" on economic reform and would release Z$3,3bn in budget support, but a later IMF statement revealed that its board would meet only next month to consider loans for a smaller amount.

"Whatever little foreign investor confidence was left was kept in check as the nation experienced some of the worst civil disturbances since independence."

The market remained jittery as business ground to a halt during recent disturbances fanned by a 21% increase in maize prices.

The industrial index fell a further 3% and the equity market would remain "in the doldrums" until uncertainty eased.

Relative stability of the Zimbabwe dollar at around $17,75 to the US dollar could have been due to temporary closure of business and reduced import demand.

However, continuous January rainfall raised cautious optimism.

A good harvest depended on rains until late February in the 11-million-hectare commercial areas and until April in the 20-million-hectare communal ones.

The review warned that local fuel prices had yet to be adjusted to reflect the 50% slide in the Zimbabwe dollar's value since November, when the government announced a Z$4,5bn payout to former guerrillas and published its list of 1 400 white-owned farms due for takeover.

Increases in fuel prices could trigger more demonstrations, yet subsidies would be too strenuous on the budget.

"The country may find itself faced yet again with the suspension of donor funding, which is crucial for balance of payments support," Quincor James Capel said.

"There is a need for striking a political as well as economic balance to reach some form of stability and restore investor confidence," it said.

"Given the current uncertainty in the economy, we believe the market will remain unstable and our recommendation is for investors to stay in blue chips.

"Bargains are available but need to be selected carefully."

The review cautioned that the parastatal, Finhold group (which owns Zimbank), had yet to feel the benefits of restructuring and David Whitehead also remained a "sell" due to textile prices and availability of large quantities of second-hand clothes.

However, Murray & Roberts in Zimbabwe had shown excellent interim results and TSL looked promising with a 235-million kilogram tobacco crop due.

Court rules in favour of Ecotel

BD 11/2/98

(362)

Michael Hartnack

HARARE — Cellphone pioneer Strive Masiyiwa received the green light from Zimbabwe's high court yesterday to introduce his service, despite an eleventh-hour attempt by opponents to delay him with yet another appeal.

Judge George Smith said Masiyiwa's Econet could not be stopped from launching a private service immediately to compete with the one the parastatal Posts and Telecommunications Corporation introduced last year.

In December Judge Wilson Sandura ruled that Masiyiwa's rival, Telecel, a Zaire-based consortium in which the husband of former information minister Joyce Mujuru has a stake, was wrongly given the sole private licence to introduce cellphones in preference to Econet.

Masiyiwa has battled for three years to break the parastatal's monopoly against a wall of bureaucratic obstruction, reportedly due to his refusal to accept approved Zanu (PF) moguls as partners.

After Sandura's ruling, Telecel's James Magura initially said he would not appeal to the Supreme Court, but he expected Econet to sell Telecel some of its equity.

Masiyiwa said special treatment would not be offered and Magura lodged an appeal which he believed would delay Masiyiwa by at least a year.

Details of Smith's judgment, which allowed Masiyiwa to proceed, are expected to be released shortly. Masiyiwa's foreign partners, including staff of Ericssons, were at one stage threatened with imprisonment if they continued to work with him.

Côte d'Ivoire to announce reform plans

ABIDJAN — Côte d'Ivoire would detail cocoa and coffee marketing reform plans by April under the terms of an International Monetary Fund (IMF) and World Bank loan signed on Monday, a World Bank official said yesterday.

"They are going to issue a white paper before April 1 on cocoa and coffee liberalisation. It will explain what is being done, when and why."

The world's largest cocoa producer signed a $2,2bn three-year enhanced structural adjustment facility deal on Monday with the IMF and the World Bank.

Under the terms, coffee marketing is due to be completely liberalised by October 1 and cocoa one year later at the start of the 1999/2000 season.

The deal, delayed since last August due partly to a failure to follow loan terms, allows the money to be disbursed ahead of the implementation of some key aspects.

The agreement also gives the country access to the final $45m of an agriculture sector adjustment credit held back by the World Bank — also for noncompliance with reforms since liberalisation of internal marketing in 1995/96.

"We are vigilant, but optimistic," said the official about the prospects for reform completion by 2000.

It is liberalisation of external marketing which promises the largest upheaval, with exporter numbers expected to drop and the fate of former monopoly marketing board Caistab clarified — the World Bank wants the body closed. — Reuter.

Mugabe replaces editor of Herald in his absence

(362)

BD 12/2/98

Michael Hartnack

HARARE — The chairman of Zimbabwe's Olympic committee, wing commander Tommy Sithole, is due home from the Nagano Winter Olympics this weekend, when he will find President Robert Mugabe has replaced him — after 14 years as editor of the Herald — by Charles Chikerema.

Chikerema, Mugabe's cousin and a self-styled "unrepentant stalinist", won a confrontation last year with the new MD of the parastatal Zimbabwe Newspapers, Simba Makoni, who had attempted to remove him from the editorship of the Sunday Mail.

Mugabe had Makoni sent on paid leave and given a multimillion-dollar golden handshake.

Zimpapers chairman Honour Mkushi announced Sithole's replacement yesterday after Mugabe endorsed a month-long campaign by Information Minister Chen Chimutengwende, sources in Harare said.

Chimutengwende reportedly said "Tommy must be punished" when repeated Herald editorials rejected the minister's claim a plot by white businessmen lay behind three days of food riots in revenge for the planned takeover of 1 400 farms.

"Have the price hikes entirely been the responsibility of the evil white man?" asked a Herald editorial condemning bungled management of the economy.

Other editorials said Mugabe's ruling Zanu (PF) party had "lost touch with the people" and this would not go away if ministers "hurled abuse at racial minorities".

Makoni's failed attempt to remove Chikerema stemmed from continued Sunday Mail attacks on whites.

Mkushi said Chikerema would be succeeded at the Sunday Mail by the paper's former managing editor, Pascal Mukondiwa. He gave no reasons for the changes.

Mugabe last year gave himself tighter control by amending the deeds of the Zimbabwe Mass Media Trust, through which the government holds a majority shareholding in Zimpapers, until 1980 a subsidiary of the former SA Argus Group.

Sithole "would be answerable to the MD and the board" in his new position, said Mkushi. The MD's position remains vacant following Makoni's departure. A former cabinet minister pardoned on perjury charges has been tipped for the job.

Sithole's treatment closely mirrors that of former Bulawayo Chronicle editor Geoff Nyarota, who was demoted to group public relations manager after exposing the 1988 corruption scandal when ministers profiteered in cars from the state-owned Willowvale assembly plant.

Chikerema became Sunday Mail editor in 1989 after Henry Muradzikwa was summarily fired by Mugabe for reporting Cuba had expelled Zimbabwean students who tested positive for HIV. Muradzikwa's predecessor, the late Willie Musarurwa, was also fired for "giving too much space to opposition views".

Zimbabwe oil importer in crisis over fuel prices

(362) BD 12/12/98

HARARE — Zimbabwe's official fuel importer was facing a severe financial crisis which had been caused by a government delay in approving new prices, industry sources said yesterday.

They said the National Oil Company of Zimbabwe (Noczim), the state oil importer, was locked in a pay dispute with transporters who supplied retail oil companies, causing fuel shortages in Harare and Bulawayo. "Apparently, Noczim is refusing to increase prices for the transporters because it has not been granted an increase itself by the government," one industry official said.

Noczim MD Morgan Mpundu conceded his company had problems with its transporters but said the situation was improving and had nothing to do with nationalreserves which were "more than adequate".

"There have been a few bottlenecks here and there. It is putting the transport together that has caused problems," Mpundu said.

Rumours of hefty fuel-price increases have swirled around the Zimbabwean capital over the past few weeks, with Noczim reported to be seeking as much as a doubling in prices to recover costs caused by the steep fall of the Zimbabwe dollar.

The government, wary of increasing prices weeks after six people were killed during food riots, has reportedly told Noczim to offload its stake in blue chip Delta Corporation and use the proceeds to subsidise fuel prices.

No sales have been reported yet, with brokers saying the government has been unable to find the hard-currency buyers it is said to prefer at 1 600c a share, a 28,1% premium to Tuesday's closing price of 1 150c.

Other sources have dismissed reports of depleted national reserves.

"There is no shortage of fuel," one source said. "It is more a question of transport with the National Railways of Zimbabwe apparently also having a lot of their wagons in the workshops."

Industry officials said Noczim was losing several million dollars a day at present prices of Z\$5,20/l of petrol and Z\$4,03/l of diesel. — Reuter.

Court bid to stop Mugabe seizing white-owned farms

CT(BD) 12/2/98 (362)

FROM REUTER

Harare — A Zimbabwean opposition party lodged a court application yesterday to suspend President Robert Mugabe's controversial scheme to seize mostly white-owned farms to resettle landless black peasants.

"The applicant seeks an order suspending the whole designation exercise until it is clarified fully as to whether it is economically viable and in the interests of the nation as a whole," says the request by the little-known National Democratic Party.

"It is also important to note that the manner in which the exercise is being carried out is in clear violation of the citizens' constitutional rights to their property and their rights to seek recourse to the law in case of a dispute with the government," the application reads.

Mugabe's government has announced plans to seize 5,5 million hectares, about half the country's prime commercial farmland, from mostly white farmers to resettle black peasants from crowded unproductive regions.

Mugabe says he will pay farmers only for improvements, not for the soil, arguing that the farms were seized with little compensation by British settlers more than 100 years ago. He has dismissed warnings that his plan will ruin the farm-based economy and kill 187 000 jobs. — Reuter

State oil importer faces financial crisis

Zimbabwe dithers over fuel increases

(362)

ET(BR) 12/2/98

Godfrey Mutizwa

Harare — Zimbabwe's official fuel importer was facing a severe financial crisis caused by a government delay in approving new prices, industry sources said yesterday.

They said the National Oil Company of Zimbabwe (Noczim), the state oil importer monopoly, was locked in a pay dispute with transporters who supply retail oil companies, causing fuel shortages in Harare and Bulawayo.

"Apparently Noczim is refusing to increase prices for the transporters because it has not been granted an increase itself by the government," one industry official said.

Morgan Mpundu, Noczim's managing director, said his group had problems with its transporters but said this was improving and had nothing to do with national fuel reserves. He said these were "more than adequate".

"There have been a few bottlenecks here and there," he said. "It's putting the transport together that has caused problems."

He referred questions on higher fuel prices to the ministry of transport and energy, but officials were unavailable for comment.

There has been speculation in Harare of hefty fuel price increases for the past few weeks, with Noczim reportedly seeking as much as a doubling in prices to recover losses caused by the steep fall of the local currency.

President Robert Mugabe's government, wary of increasing prices just weeks after food riots killed six people, has reportedly told Noczim to offload its stake in the blue-chip Delta Corporation and use the proceeds to subsidise fuel prices.

No sales have been reported yet, and brokers have said the government has been unable to find the foreign currency buyers it is said to prefer.

Other sources, dismissing reports of depleted national reserves, said Noczim, which asked for higher prices last year, was failing to pay the transporters.

"There is no shortage of fuel," one source said. "There are zillions of litres of oil at Msasa."

Msasa is Noczim's storage depot on the outskirts of Harare, which is capable of storing up to six months of supplies.

"It's more a question of transport: the National Railways of Zimbabwe apparently also has a lot of its wagons in the workshops." The rail group has denied the charge.

Industry officials said Noczim was losing several millions of dollars a day at the present prices of Z$5,20 (R1,45) a litre of petrol and Z$4,03 a litre of diesel.

"There is no doubt Noczim is in a bit of a financial bind," one said. — Reuter

Mugabe not backing down on land-grab plan

Harare – Zimbabwean President Robert Mugabe yesterday said his government would not deviate from the main thrust of its plan to seize land from commercial farmers for resettlement, Ziana news agency reported.

Mugabe was commenting on proposals put forward by the Commercial Farmers' Union (CFU) which would pave the way for farmers to release large tracts of land for resettlement.

"We cannot allow any proposal to diminish the thrust for acquiring the size of land we have stipulated as necessary for land acquisition," said Mugabe. "The responsibility for compensation is for the former colonial master. They should go to Britain for that because we are not going back. This is not politicking.

"We have neither a moral nor legal obligation to pay them," he said. "Britain did not pay for that land, so they should not renege on their obligation."

The 4 500-member CFU unveiled an alternative plan after the government announced its intention to acquire more than 1 500 farms to resettle landless blacks. The CFU offered to release 1,5 million hectares of land now and source about ZD15-billion (R4,2-billion) for the programme. – Sapa

SON 12/2/98 (362)

Editor who urged Zimbabwe government not to blame whites loses position

By Andrew Meldrum
Star Foreign Service

Harare – Tightening the Mugabe government's grip over the news media, Charles Chikerema was yesterday appointed editor of the state-owned national daily newspaper, The Herald.

Tommy Sithole, The Herald's editor since 1983, dropped out of favour with President Robert Mugabe's ruling circle last month during the food riots which rocked the country.

Urging the government to stop blaming white farmers and industrialists for its problems, Sithole's editorials called on the government to start working for less divisive and more positive solutions.

Sithole has been given the position of director of business and public relations.

As editor of the Sunday Mail since 1989, Chikerema has been dubbed "the world's last Stalinist editor" for making the weekly newspaper into a mouthpiece for the most abrasive elements of the Mugabe government.

The newspaper regularly blames the country's whites, capitalism, human rights groups, Britain and the Western powers in general for Zimbabwe's economic problems and social unrest.

The newspaper has featured articles praising the late North Korean dictator Kim Il Sung and Ethiopia's deposed strongman Mengistu Haile Mariam.

Despite Zimbabwe's official free-market economic policies, the Sunday Mail invariably features lengthy articles spouting diehard socialist rhetoric.

Two years ago the Sunday Mail's series of anti-white articles caused so many cancellations of subscriptions and loss of advertising that the newspaper was forced to run a statement that it would seek to report for the good of the entire nation.

Although The Herald, under Sithole's editorship, has been loyal to the Mugabe government, it has generally taken a more compromising and moderate stance than the Sunday Mail.

Star 12/2/98

(362)

CE denies meeting was 'subversive'

BD 16/2/98 (362)

Michael Hartnack

HARARE — Anglo Zimbabwe's CE, Phillip Baum, has denied claims by a state-controlled newspaper that he convened a meeting with "a hidden agenda deterimental to the peace and stability of the country".

"That's absolute balderdash. This was a public meeting at which some government people were invited," Baum told the Sunday Mail, whose editor, Charles Chikerema, becomes editor of the daily Herald today.

Simultaneously, the Sunday Mail attacked new US ambassador Tom McDonald for alleged "master race contempt" in a speech in which he urged businessmen to "stay positive", saying recent setbacks "cannot undo 17 years of success" since 1980 independence. McDonald applauded President Robert Mugabe's record but said some businessmen were worried about "a disturbing direction" in state policies in view of runaway inflation, soaring unemployment and reports of corruption.

The Sunday Mail attacks were seen as significant pointers to the tone of Zimbabwe's state-controlled media now that Herald editor Tommy Sithole has been removed for questioning ministerial claims that white businessmen plotted last month's food riots in revenge for the listing of 1 400 farms for imminent takeover.

Asked for comment by the Sunday Mail on allegations that Anglo Zimbabwe convened a "subversive" meeting of business leaders on January 23, Industry and Commerce Minister Nathan Shamuyarira said: "Captains of industry who consistently undermine the economy upon which their businesses depend are responsible for the economic crisis." Shamuyarira alleged the government had not been told of the meeting, to which many executives, captains of industry and pressure groups were invited and many speakers were said to have blamed government for mismanaging the economy.

Baum, who last year received a permit to move from Johannesburg to take up his position only after meetings between Mugabe and Nicky Oppenheimer, told the Sunday Mail that Anglo would announce a new $70m investment with European partners this week, which would generate hundreds of new jobs. "We would not commit such huge funds if we had no confidence in the government of the day. Now we have sustainable political partnership, and I can't go around undermining that," he reportedly said.

The US embassy denied Sunday Mail claims that business leaders were behind the deletion of Zimbabwe from President Bill Clinton's scheduled tour of Africa.

The Sunday Mail said McDonald's speech "tried to incite the people" by questioning economic policy direction.

Mugabe intervened last year to reinstate Chikerema after he was suspended for breaching company guidelines on defamation and racial attacks.

Zimbabwe paper attacks US envoy over land

Harare – Zimbabwe's state-owned Sunday Mail newspaper launched a scathing attack on the US ambassador yesterday over his criticism of the country's controversial land reforms.

US ambassador Tom McDonald told local businessmen this month that President Robert Mugabe's plans to seize 5,5 million hectares of mostly white-owned farms to resettle black peasants threatened the economic gains made since independence. McDonald said the Zimbabwean government appeared to be "moving in a disturbing direction".

"In particular it must address questions of sustained economic reform, the opening up of the political system, the implementation of a transparent and fair land reform programme, and deficit reduction," he said.

The Sunday Mail criticised McDonald for being "presumptuous, disrespectful and spiteful".

"It was ... a bit disgusting to say the least; cheap, provocative, insensitive and rude," editor Charles Chikerema wrote in an editorial.

McDonald's comments showed he was against land redistribution and was urging Western countries not to support Zimbabwe's reforms while assuring white farmers of support, said Chikerema, a nephew of Mugabe.

The president has said he will pay farmers only for improvements to their land, arguing that the farms were seized with little compensation by British colonial settlers more than 100 years ago.

Agricultural experts say Mugabe's reforms could cut agricultural production by a third and leave about 187 000 workers jobless in a country with unemployment of more than 50%. – Reuters

(362) Star 16/2/98

Mugabe intervenes in special permit grant

(362) BD 19/2/98

Michael Hartnack

HARARE — President Robert Mugabe's government has intervened yet again in Zimbabwe's four-year cellphone saga, creating a special licence for a Zairean-led consortium including ruling party moguls.

Telecel, which the government announced last year would get the sole private cellphone operating licence, lost out in December to Strive Masiyiwa's Econet, which a high court judge decided was wrongly debarred after its year-long fight to launch a service.

Bureaucratic obstruction tactics enabled the parastatal Posts & Telecommunication Corporation subsidiary Net-One to launch a service, confined to major cities.

Information Minister Chen Chimutengwende announced that Telecel would be granted a specially created third cellphone licence on condition it dropped its planned appeal against Econet's high court victory.

Judge George Smith ruled last week that Telecel's appeal must not hinder Econet's immediate entitlement to introduce its service.

There was an outcry when former information minister Joyce Mujuru announced last year the award of the sole private licence to Telecel. Retired general Solomon Mujuru is a member of the consortium. Other partners include black economic empowerment groups linked to the ruling party.

Telecel claims it invested Z$360m to meet the conditions of the licence it won briefly last year.

Masiyiwa has so far made no comment on whether he will challenge the latest development.

Anglo Zimbabwe plans $70m mine

(362) BD 19/2/98

Michael Hartnack

HARARE — Anglo Zimbabwe is planning a $70m platinum project, which will create 1 400 jobs, subject to an agreement on fiscal arrangements with the government.

The Unki mine near Shurugwe in the Zimbabwe midlands will rank as the third-largest investment in the country since independence. Only the Sengwa North coal-fired power station project and Hartley Platinum mine exceed it in scale of investment.

Anglo Zimbabwe said yesterday the Unki mine would produce 1,02-million tons of ore a year with an in situ grade of 5,4g/t of platinum group metals and gold. Annual output including gold was expected to be 118 000 ounces, with 2 500 tons of base metal.

Anglo Zimbabwe CE Philip Baum said agreement still had to be reached on the ownership structure of the project, which might include the government. Initial negotiations had taken place with Zimbabwe's mines ministry and Anglo was waiting for government's decision on a working team.

Baum said Anglo Zimbabwe was already in partnership with government at its Bindura Nickel subsidiary.

Anglo hoped to start production at Unki within four years of the agreement being reached.

With a life of 20 years, Unki expected annual throughput of 1,02-million tons and believed extensive ore reserves should permit extension. Baum estimated the mine would generate Z$15bn in export revenue during its life, with a Z$4bn annual contribution to the fiscus. Its output should make Zimbabwe the world's third-largest platinum producer.

He said Z$40m had been spent on feasibility studies. The mine is in uninhabited communal territory.

Zimbabwe to probe 'revenge' redundancies

BD 20/2/98 (362)

Michael Hartnack

HARARE — Agriculture and Lands Minister Kumbirai Kangai says the Zimbabwean government is checking whether four recent announcements of redundancies by Anglo American were in revenge for listing of farms owned by the Oppenheimer family for redistribution to blacks.

"We will investigate to see whether these retrenchments are related to the action we have taken. As a government, we will take action if these retrenchments are related to that exercise and if they are unjustified."

Anglo Zimbabwe CE Philip Baum said that "the retrenchments are not related to land designation at all and to suggest that is utter rubbish".

Yesterday Angzim public relations manager Ezra Kanganga said: "The retrenchments flow from strategic reviews which were conducted last year, which focused on how the businesses could be run more efficiently in the light of changing circumstances, particularly in the Far East."

At the weekend Baum had to fend off attacks by the government controlled Sunday Mail that a business leaders meeting he convened on January 23 was "subversive" with a hidden agenda detrimental to peace and stability of the country.

Presidential press spokesman George Chiramba confirmed Nicky Oppenheimer has written personally to President Robert Mugabe appealing for reversal of plans to take over five extensive ranches in the drought prone south and east, which have been in the family since the 1940s. Mugabe passed the matter to Kangai, who said: "It's not going to be a special case".

Since September Anglo has announced 1 300 job cuts at its head office, and at its subsidiaries Bindura Nickel Mine, Zimalloys and border Timbers.

The action we are going to take depends on the facts on paper, warned Kangai. "If we find that the retrenchments are unjustified we will simply order them to justify what they have done and we will take it up from there.

On Wednesday Baum announced plans for a new $70m platinum project near Shurugwe in the midlands, subject to fiscal arrangements including a possible government stake, the future tax regime, recruitment of expatriate skills, and whether it will be able to export free of the monopolies imposed by the Reserve Bank and parastatal Minerals Marketing Corporation.

Zimbabwe mining 'resilient'

BD 20/2/98 (362)

HARARE — A top Zimbabwean mining official said yesterday the industry had the resilience to ride out the slump in mineral prices, rising production costs and an unstable local currency.

"There is still life in this industry (despite) higher transport costs, electricity and wages which have all made operations that much more expensive," Chamber of Mines CE Derek Bain said. He based his optimism on increasing production at Hartley Platinum mine, announcement of a new mine by Anglo American Zimbabwe and a rise in diamond prospecting.

Mining officials say the Zimbabwe dollar's 69,9% depreciation last year, while improving local earnings, was not sufficient to cover the cost of importing vital machinery.

The gold sector, which earns half of mining export receipts, was hard hit by the price slump, with 1 600 miners losing jobs in the last half last year.

"Most mining products are subject to cyclical variations in pricing and with improvement in the world economy, we hope things will improve," Bain said. The Hartley Platinum mine in central Zimbabwe, a joint venture between Australia's BHP Minerals and Delta Gold, would lift production this year, he said, noting that minerals worth Z$8bn were exported last year, up from Z$7,5bn the year before.

He said, however, a cloud hanging over the industry's horizon remained President Robert Mugabe's plans to forcibly buy half the country's prime commercial farmland to resettle landless blacks. "Certainly it's had a very adverse effect on investment and some claims have been lost to designation."

However, Mines Minister Simon Moyo recently told an international mining conference the land reform programme would not interfere with mining operations. — Reuter.

nology funding went into internet start- tions, which originally won backing from icon Valley as outsourced research and er Silicon Valley firm which invested in 1996.—Financial Times.

Barclays adds its voice to Zimbabwean chorus of discontent

BD 20/2/98 (362)

Martin Rushmere

HARARE — International banking group Barclays has added its voice to the growing chorus of private sector discontent over the Zimbabwe government's handling of the economy.

The chairman of the Zimbabwe subsidiary, David Zamchiya, says in his announcement of the results for the year to end-December last year, that the government must start instilling some strong discipline to avoid getting deeper into an economic quagmire.

He says the economy "delicately hangs in the balance" between significant growth and a return to the pattern of stagnation and decline that existed before. structural adjustment was introduced seven years ago.

"If Zimbabwe is to retain a viable economy it now has no other alternative than to take the International Monetary Fund prescription, which requires a strict control on budgetary expenditure. This is a discipline that has to be exercised by all sectors of the population" — a reference to payouts to former guerrillas and recent bouts of spending on luxury vehicles for senior government officials coupled with what observers have called "outrageous" pension packages for the president and the two vice-presidents.

The bank chairman says there must be "genuine acceptance of a free market economy and a break from government's traditional ideologies and mindsets".

Zamchiya, a former justice minister in the ruling Zanu (PF) government, takes a swipe at the government's plans to forcibly take over commercial farms. He says that the proposed resettlement of peasants on the farms must be "coherently and transparently co-ordinated".

"While very few people are against land redistribution, it has to be borne in mind that many downstream agro-industries with large labour forces would be seriously disadvantaged if the land issue is accelerated to the detriment of optimum farming production," Zamchiya says.

"It is also critical that land values are not allowed to collapse and that compensation payments are seen to be realistic by the commercial farmers, the supporting financial institutions and the investment and donor communities," the bank chairman says.

The bank recorded a 28% increase in after-tax profits for the year, somewhat higher than the year-on-year inflation rate of 21%, to Z$238m (about R66m). But, in line with the tougher business climate, provision for bad and doubtful debts rose 255% to Z$92m.

Reuter.

network

INTERIM REPORT

Stop and sell the roses, Zim urged

ARG 21/2/98 (362)

ANDREA WEISS

Zimbabwe should stop growing tobacco and switch to roses, according to a speaker at the international conference on the Economics of Tobacco Control.

Eddie Maravanyika, a masters student at the University of Cape Town school of economics, said a real possibility for crop substitution in Zimbabwe lay in rose blooms, which could be more profitable than tobacco.

Tobacco accounts for about a quarter of the country's foreign exchange and nearly double the earnings from gold.

The industry in Zimbabwe provides work for one tenth of the national workforce, ranging from labour in the fields through to manufacturing in factories.

In the agricultural sector alone 33% of jobs depend on tobacco farming.

Zimbabwe is already a significant exporter of roses and was ranked sixth in the world in 1990.

However, only 200 hectares are under roses, compared to more than 80 000 under tobacco.

Farmers were also held back from switching crops because of the interest on debt repayments, which at the beginning of the year was nearly 35% and expected to increase with the depreciation of the Zimbabwean dollar.

Zimbabwe is also drought-prone and tobacco was able to produce substantial yields, even in dry years.

"The greatest obstacle, however, lies in the difficulty of transporting the highly perishable goods to market. Roses must be brought to market within 48 hours of harvesting, and while air transport is an obvious solution, this route is undermined in Zimbabwe's case by high airfreight charges, low capacity and a meagre selection of destinations," he said.

Mr Maravanyika said if one assumed a global perspective, then Zimbabwean tobacco farmers might indeed have a crucial role to play in reducing the tobacco epidemic.

But he added that rose blooms were unlikely to provide an immediate solution because tobacco-growing had been carried on in Zimbabwe for almost a century and was deeply "embedded in the psyche of many tobacco farmers".

He said the Zimbabwean government could help farmers make the switch by establishing stronger trade ties with countries which import roses.

He suggested a gradual process with a few farmers would be the optimal way of achieving the change, and allow other farmers the opportunity to see first-hand the earning potential of a horticultural crop.

Zimbabwe's dependence on tobacco was acknowledged by South African Health Minister Nkosazana Zuma, who said in her opening speech to the conference that while South Africa's economy was not dependent on tobacco, some of its neighbours were.

She said: "We need global solutions to this very real problem, and crop substitution programmes need to be given a meaningful place in the international tobacco control agenda."

BRENTON GEACH

Kicking the habit: Zimbabwe farmers should consider replacing their tobacco crops with roses

Zimbabwe eyes Old Mutual

(362)

DEMUTUALISATION

By JABULANI SIKHAKHANE

OLD Mutual's demutualisation plans may hit a snag in Zimbabwe, where historically fragile relations between the two parties could lead the authorities to wring out concessions from the Cape assurer.

The concessions could include having Old Mutual's Zimbabwean operations hived off into a separate company, controlled and run by a Zimbabwean-registered company.

Old Mutual said in August last year it planned to convert from a mutual society to a public company. The mutual insurer is working on a scheme to be submitted to authorities in each country where it operates. The scheme will also have to be approved by policyholders.

Old Mutual has branches in Botswana, Kenya, Malawi, Namibia and Zimbabwe, where it is the largest insurance group, with a 68% share of the market. As of June 30, 1997, Old Mutual Zimbabwe had assets under management of Z$23.2-billion, making it the largest investor on the Zimbabwe Stock Exchange, where its share investments are estimated to account for as much as 20% of listed shares.

Sources say that the Zimbabwean authorities are keen to wrest away this financial power from an SA company.

The Zimbabwe Independent newspaper reported in September that the Zimbabwean government had "expressed reservations" about Old Mutual's plans to demutualise.

Quoting government officials, the weekly newspaper said the government was likely to push for the Zimbabwean operations to be hived off.

The issue of where and how Old Mutual invests the funds under its control has been a sore point for the Zimbabwean authorities, who have reportedly clashed twice with Old Mutual.

A report by the Economist Intelligence Unit, an international economic research group, says Old Mutual has twice refused to bankroll government-sponsored projects. Government officials were said to be piqued when Old Mutual refused to finance the government's controversial Z$1-billion Pungwe water project in Manicaland in 1995. Recently, Old Mutual would not support the Z$500-million private placement of shares in the Commercial Bank of Zimbabwe (CBZ).

Old Mutual submitted a bid with subsidiary Nedbank SA and associate the Central African Building Society to buy 99% of CBZ. The bid was rejected by the government and the CBZ management. The government sold 80% of CBZ to the public and the bank's management.

When Old Mutual's bid failed, the consortium applied for a licence to establish a bank, named Premier Bank. The government refused.

In 1996, Old Mutual was locked in battle with government over the appointment of new chief executive Graham Hollick to replace Bryan Bradford. The government wanted a black executive in the position.

Johannes van der Horst, general manager in charge of demutualisation at Old Mutual, disputed the claim that the insurer and the Zimbabwean government were on bad terms.

He said the government had reacted positively when informed of the demutualisation.

Van der Horst said demutualisation was "a very complex process which could take up to a year and a half".

ST(BT) 22/2/98

Vendors, police at odds

BD 23/2/98

HARARE — Fruit and vegetable vendors fought running battles with Zimbabwe police at the weekend, after the vendors defied orders to sell their goods from designated points.

The vendors — who were in groups — reportedly had some of their fruit taken by the police against their will.

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One vendor, Lloyd Mutasa, said he had lost mangoes worth about Z$300, which he had ordered from Masvingo (formerly Fort Victoria), 260km south of Harare.

Democratic Party secretary-general Urayayi Zembe said his party was establishing resistance groups to prevent police officers from arresting the vendors, who were attempting to use honest means to survive.

"People should be vigilant and continue with vending on the streets to survive in these days of economic hardship," Zembe said. — Sapa.

Zimbabwe's Truworths blames economic climate

BD 23/2/98

(362)

Martin Rushmere

HARARE — Zimbabwean fashion retail group Truworths, an associated company of SA's Wooltru, has recorded a 30% drop in net profit to Z$8,5m for the six months to mid-January, against the same period the previous year.

A worsening economic climate that led to a decline in consumer confidence is blamed for the poor results. Turnover increased by only 16%, compared with an average inflation rate of 21% for the period.

Riots and strikes in December were an important contributing factor, as shoppers stayed away. "December trading, which normally contributes a high percentage of turnover for the six months, was so disappointing that it had a negative impact on the overall result for the entire period," says the company, which forecasts difficult times for the rest of the year.

For the full year to mid-July 1997, net profit was Z$11m.

Truworths's fortunes have been slipping for the past year and there has been a boardroom shake-up coupled with stricter accounting controls. Once one of the best performing counters on the Zimbabwe stock exchange, the share price has fallen from a high of Z$11 to as low as Z$1,5. It is now trading at Z$3,5.

Mugabe attacks 'empire building' party leaders

BD 24/2/98 (362)

Michael Hartnack

IN HIS first public acknowledgement of the backstairs infighting now taking place among would-be successors, President Robert Mugabe has accused his lieutenants of "empire building".

"Zanu (PF) was now dominated by unreliable, undependable and uncommitted leaders," he told the government controlled Herald in an interview on Saturday. Mugabe said he "did not believe in grooming a successor"; one should be "chosen by the people".

"Who knows, I might want to groom my own son, and I don't think that's what people want." Mugabe has two sons by his wife Grace, an increasingly powerful figure in view of her control of informal access to him.

Mugabe's fourth term as president is due to end in 2002. Amendments to the Presidential Pensions Act aim to assure both legitimate and illegitimate offspring lavish benefits whatever happens to him. Despite reportedly successful treatment for throat cancer last year, doubts about Mugabe's ability to retain his 18-year grip on power have surfaced with recent food riots.

As a result, say party sources, the 27 politburo members are jockeying for position, bridled only by sharp reminders of Mugabe's ability to dispense or deny patronage.

Mugabe's removal of former Herald editor Tommy Sithole, for daring to challenge claims whites were behind the food riots, sent a strong signal to stay in line. Sources believe Sithole's deviation from 14 years of conformism may have resulted from miscalculation that Mugabe was about to go.

Like Sithole, Justice Minister Emmerson Mnangagwa, who headed the Central Intelligence Organisation throughout the 1980s Matabeleland unrest, has been striving to revise his personal image, speaking out for press freedom and constitutional reform.

Mnangagwa's successor at the CIO, Sydney Sekeramayi, who comes from Mugabe's Zezuru section of the Shona people, was once considered the most likely heir, but his ethnic base is threatened by retired Gen Solomon Mujuru (former guerrilla commander Rex Nhongo).

However, it was party chiefs in the southern Masvingo Province who were understood to be the principal targets of Mugabe's claim in his interview. "Some leaders in Zanu (PF) are building empires around themselves at the expense of the grassroots whose interests they are supposed to articulate."

Mugabe has wrestled with factionalism among the area's Karanga people, who dominate the security forces and regard themselves as political kingmakers. Alliance of the Karanga with former supporters of Vice-President Joshua Nkomo's Zapu in neighbouring Matabeleland would break the 25-year mould of Zimbabwean politics.

Eastern Manicaland, once pro-Zanu (PF), has also been racked with factionalism since former provincial chairman Edgar Tekere was expelled and founded the opposition Zimbabwe Unity Movement. In Mutare a Zanu (PF) internal faction leader Lazarus Nzareyabani last year bit off a rival's lip. Significantly, Mugabe's disciplinary machinery was unable to unseat Nzareyabani from parliament.

Tardy reserve bank puts spike in safari firm's agreed takeover

Michael Hartnack BD 24/2/98 (362)

HARARE — Bureaucratic delay at the reserve bank has wrecked a multimillion-dollar planned takeover of Zimbabwe's leading safari company, Touch the Wild, by the parastatal Rainbow Tourism group and Mauritius-based Ireland Blyth.

"The sale of Touch the Wild was agreed and signed but has not been approved by the reserve bank," a spokesman for the firm told travel agents and tour operators in a circular. No formal statement was issued to the press, apparently for fear of sparking further confrontation with President Robert Mugabe's government.

The circular to the tourist trade said Touch the Wild's founder, former game ranger and ruling Zanu (PF) MP Alan Elliott, was back running the company from Bulawayo with his wife.

Touch the Wild is opening four Zambian lodges to compensate for sites it built up, over 20 years, and then lost, on state land in Zimbabwe's Hwange area because government reallocated them to "indigenous" entrants to the tourism industry.

In September the Rainbow Tourism group announced it had gone into partnership with Blyth and acquired six Touch the Wild lodges in Masvingo, Hwange, Matopos and Victoria Falls, as well as 75 vehicles.

The firm handled 25 000 foreign tourists in 1996.

Elliot and his board — it included 50% shareholder Zimbabwe Sun Hotels — repeatedly extended the deadline for Rainbow and Ireland Blyth to obtain reserve bank approval. Meanwhile Ireland Blyth personnel moved into Touch the Wild offices.

Sources said there was a split on the Touch the Wild board, with Zimbabwe Sun's John Smith wanting to push ahead. Smith said this week he had "nothing to add".

In November the Zimbabwe dollar crashed and Rainbow was no longer able to afford the deal in US dollar terms, believed by tourist industry sources to run into eight figures.

To compensate for the camps he lost in Hwange — the area he represents as a ruling party MP — Elliot is opening one camp on the Zambian side of the Zambezi River, above Victoria Falls, two in central Zambia's Kafue and one in the eastern Luangwa wildlife area.

Nyika head remains in row over control of Zimasco

Michael Hartnack

26/2/96 (362)

HARARE — Retired general Solomon Mujuru hoped to break the stalemate with President Robert Mugabe over "indigenising" the Zimasco mining group by obtaining other black partners, mining sources said yesterday.

"Mujuru is still very much involved. He has not relented at all on the deal. Options that he has offered, which have a broad-based indigenisation thrust, are still subject to approval by a cabinet committee working on the deal," officials reportedly told the Zimbabwe Financial Gazette.

There has been no comment from Zimasco MD Bill Smart. However, mining industry chiefs said yesterday agreement might be at hand.

Zimasco, formerly a subsidiary of the US-based Union Carbide, has been under threat of nationalisation since people Mugabe called "former Rhodesians", headed by SA-based Patrick Quirk, bought a controlling interest. Mugabe claimed Quirk gained control for vastly less than the amount Union Carbide offered the company to his government for nearly 10 years ago. The deal was "not transparent" and would not be tolerated, Mugabe said.

However, when Mujuru's Nyika Investments bought a 27% holding for a reported Z$40m last May, Mugabe vetoed this, too.

Mugabe's legal powers to enforce the veto were dubious, and a politically damaging courtroom row loomed with Mujuru, who has a substantial following among 50 000 fellow ex-guerrillas and whose wife, Joyce, is a politburo member.

Zimasco is understood to have given Mujuru the shares at a massive discount in the expectation of the presence of a member of the politburo on the board, which would resolve political difficulties.

Mujuru has refused to back out of the deal. He hopes the cabinet's "indigenisation committee" will approve his proposed compromise, which envisages Nyika offering 20% of its Zimasco shares to approved "consortiums of indigenous businessmen".

Zimbabwean body criticises tax blitz

HARARE — Zimbabwe's main industrial body yesterday slammed a tax-collection blitz on companies, saying the drive was slowing production.

Confederation of Zimbabwe Industries president Jonee Blanchfield said the exercise, introduced last year to clamp down on firms allegedly evading duty on imported goods, was delaying the delivery of vital material to manufacturers.

"While we acknowledge that the authorities must collect the full revenue due to the state for the benefit of everyone, we believe that this should not be done at the expense of industry and exports," she said.

The drive by the department of customs and excise, she said, was defeating the objective of collecting maximum revenue as it significantly slowed down business operations and manufacturing processes, lowering the tax eventually due from companies.

Blanchfield said the blitz was also increasing industry's operating costs as companies were forced to bear the costs of inspection and lengthy storage times.

President Robert Mugabe's cash-strapped government has been on a tax-collection drive for a year to boost its coffers and help cut a budget deficit that has averaged 10% a year for 10 years. — Reuter.

Anglo Goliath is target for Mugabe hitmen

BD 26/2/98 (362)

Michael Hartnack

HARARE — Anglo American Corporation is estimated to own between 35% and 65% of Zimbabwe's economy, but its CE in Zimbabwe, Phillip Baum, declines to answer queries on the matter.

The Zimbabwean subsidiary has been under political attack since President Robert Mugabe lashed out at multinationals in 1995 for allegedly failing to advance black managers.

Nicky Oppenheimer then met Mugabe, concluding an offer of 20% of the shares in Bindura Nickel and smoothing previous objections to the grant of a work permit for Baum. Former Anglo director Ellias Ngugama returned as local nonexecutive chairman.

Although the corporation unveiled plans last week for a US$70m platinum project in the Zimbabwean midlands, attacks by the state-controlled media continued, with Baum having to deny claims that Anglo had a "secret agenda to undermine peace and stability" in revenge for the listing for takeover of five Oppenheimer family farms. The names of 60 subsidiaries and associated companies appear on information boards in the company's impressive Charter House, in the heart of Harare.

Most historic and most controversial of them is the British South Africa company founded by Cecil John Rhodes.

In an expansion venture unparalleled in the history of the British empire, the BSA company ran Southern Rhodesia as a commercial subsidiary, not a crown colony. From 1890 to 1923 an almost entirely white electorate (a handful of blacks meeting property qualifications had the vote) then rejected union with SA in favour of self-government. Southern Rhodesian taxpayers dug deep to buy railways, minerals rights and other BSA company assets, refusing to pay for the 1895 Jameson raid on Paul Kruger's Transvaal Republic.

Anglo American Corporation took over the residual BSA company in 1956.

Harare's telephone books list the mining, industrial and agricultural enterprise under the name "Anglo American Corporation Services Ltd", but it is generally called "Anglo Zimbabwe".

While many Anglo Zimbabwe subsidiaries are listed on the local stock exchange, Anglo Zimbabwe is wholly owned by SA's Anglo American Corporation and its shares are not traded.

Although Rhodes went to Zimbabwe looking for "the second Rand", Anglo currently owns no gold mines but will be returning to precious metals with its UNK1 Platinum Group project.

Congo deals turn sour for Zimbabwean businessmen

Michael Hartnack

HARARE — Zimbabwean businessmen who rushed to win export orders to President Laurent Kabila's Democratic Republic of Congo have run into problems with payments, black empowerment campaigner Phillip Chiyangwa has claimed.

He suggested Kabila's officials were withholding cash since they learned of a Z$400m export credit guarantee scheme.

"How can a person rush to export tons of goods without having first worked out how payment will be made? What people tend to forget is that the (Congo) has just come out of a revolution, and you do not simply take your goods there without having guarantees on payment," Chiyangwa said.

He did not mention companies involved, or how much they were owed. But even the Congo's embassy in Harare is in trouble, having defaulted on rent for a Borrowdale house for more than three months.

Chiyangwa, who said on January 7 he had arranged Z$400m in credit guarantee facilities through the Native Investments Africa Group, which he chairs, said Zimbabwean exporters were "entirely to blame for their own misfortune because they did not use the mechanism that had been put in place to benefit them".

The largest local exporter to Kabila's Congo is Zimbabwe Defence Industries, which has contracts worth more than Z$2bn to supply items to Kabila.

Chiyangwa said payment arrangements some local exporters had made directly with Congo clients had not worked out after they decided to bypass his group's credit facility.

When Kabila's government became aware of the facility, problems had arisen for the Zimbabwean suppliers.

Mugabe rules out retirement plans

Michael Hartnack BD 27/2/98 (362)

HARARE — A week after his 74th birthday, President Robert Mugabe has ruled out retirement, saying rumours of it had already unleashed a power struggle among his lieutenants.

"Indeed, some of them have been vying already for the post and undertaking activities which, to say the least, are not helpful to the party," Mugabe told the independently owned Financial Gazette in an interview published yesterday.

He said that if he were to announce a definite date to retire his colleagues would "probably start eliminating each other".

The president is due for re-election in 2002, having been in office since independence in 1980.

Mugabe said: "So let us be busy organising the affairs of the state and not talking about retirement at this stage.

"So I say no — leave it to me when the day comes. I will announce it, but it has not come yet."

After celebrating his birthday at a gala meeting of the 21st February youth movement in faction-ridden Masvingo province, Mugabe accused his subordinates of "creating empires" and ignoring their duties.

He alleged that Zimbabwe's current economic woes — which included 50% unemployment and runaway inflation — stemmed from the lack of commitment among his subordinates.

Apathy about the effectiveness of the parliamentary process was illustrated yesterday when results were announced of a by-election at St Mary's, a low income township of Harare which was badly affected during last month's food riots.

Only 9% of 35 000 registered voters bothered to turn out after a campaign marred by the attempted petrol bombing of the losing independent candidate, Marjorie Zenda, and assaults on many of her supporters.

"The opposition should know who is running the country. We are supported from above and we shall continue to beat them. St Mary's is Zanu (PF) — full stop," a kierie-wielding activist told Ziana news agency on Sunday.

Zenda polled 973 votes against 3 543 for Zanu (PF)'s Patrick Nyaruwata and 207 for the little-known Zimbabwe Labour Party.

The previous MP is awaiting trial on a charge of shooting dead a teenager outside his bottle store during the January riots. Zanu (PF) controls 147 of the 150 parliamentary seats.

ZIMBABWE

(862) FM 27/2/98

Tobacco growers pose dilemma for Mugabe

Annual auctions the litmus test for country's foreign earnings

If there's one segment of Zimbabwe's industry that continues to bedevil President Robert Mugabe it's the tobacco growing sector. Its 1 400 growers still represent the height of wealth and privilege among the population of 70 000 whites.

Yet the irony is that Mugabe has never been more dependent on this small sector, which is a vital part of the country's economy. On March 31, when the annual tobacco auctions get under way, its importance will again be underlined.

This year the crop could bring in as much as 35% of the country's foreign earnings, up from the usual 25%. Not because of any tremendous surge in prices but because other exports, notably gold and base minerals, are flat.

Tobacco prices are expected to remain at last year's levels which averaged US$2,33/kg. The effect of the world antismoking lobby has largely been ignored — land under cultivation is the largest since independence, 96 000 ha. This is expected to produce a crop of 230 000 t.

Going on the most pessimistic price assumption of $2/kg, the value realised at the auctions will be at least $460m, or 13% of GDP.

This level of dependency will make it more difficult for Mugabe to move against white tobacco growers. And the controversial issue of land redistribution appears to be unresolved.

However, a total of 550 tobacco farms are included in the 1 500 proposed for redistribution by Mugabe and account for 25% of tobacco production. The potential loss of income may yet stave off government's efforts to carve up what is potentially its forex lifeblood.

The Tobacco Association believes that land appropriation may not lead to a big drop in production. Nevertheless, its effect on confidence could be dire.

"Quality, reliability of supply and competitiveness are what we have to concentrate on," says the association. "Foreign buyers are not interested in the details of our problems — all they want to know is that the tobacco types they want will be there. If they don't they will immediately go elsewhere so it's essential to keep their confidence."

Robert Mugabe . . . still dependent on the weed that kills

Tobacco growers have once before paid the price for disappointing the market. In 1965, in the wake of sanctions in the then Rhodesia, the tobacco crop fell from 200 000 t to 40 000 t. World cigarette manufacturers immediately turned to Brazil. Their attention led to a hike in production from 36 000 t/year to 360 000 t/year. Today Zimbabwe is the third biggest exporter, behind Brazil and the US.

"For our part we have to make sure that costs of growing are kept as low as possible," says the association. There is also the realisation that world supply is consistently greater than demand, with the number of cigarettes being smoked rising by only 1,5% a year compared with a 12% rise in crops under cultivation.

The industry has left itself open to political criticism because it remains predominantly white. Black growers account for only 2% of Zimbabwe's crop despite the establishment of schemes to train black growers. Such delicate inter-racial co-operation has been thrown into jeopardy by Mugabe's political posturing and the furore over commercial farm acquisitions.

Tobacco growers point to real logistical difficulties to achieve a more equitable distribution in the industry.

Zimbabwe's appeal on the world market is the unique flavour of its tobacco, partly a combination of soils and climate but also a result of plant breeding and specialised curing techniques. This flavouring makes up 60% of the crop, with the rest consisting of the "filler" type that can be grown virtually everywhere.

Producing the flavour needs expensive equipment and large areas under cultivation. The average commercial crop, mainly grown by whites, is about 50 ha while 20 ha would be considered "enormous" for the average black grower.

Last year politicians made much of the opening of a black-owned auction floor amid hopes that it would pose a real threat to a business that retains all the colonial trappings. In the event the black floor sold only 8% of the crop. Growers complained of poor organisation and delayed payments.

The world market is prepared to take the country's tobacco and for the foreseeable future there is no real danger of any drop in demand. Politicians now have realised that the real challenge for the industry is the involvement of blacks in growing, not selling.

Nearly 70 countries buy tobacco from Zimbabwe, with the European Community taking 48% of last year's 168 000 t exports.

Nobody's betting on how long this trade will last, but the farmers are not taking any chances. If there is one lesson they have learned from sanctions it is that they must not pin all their hopes on one crop. In contrast to 20 and even 15 years ago, tobacco farmers now grow at least one other crop, and account for 30% of maize and 35% of wheat output.

Martin Rushmere

Zimbabwe baker delays Z$30m expansion plan

Michael Hartnack (362) BD 27/2/98

HARARE — Zimbabwe's largest baker, Lobels, has shelved a Z$30m expansion plan as talks between a cabinet committee and industry chiefs on curbing the prices of staple commodities drag on.

Lobels had planned to create 300 jobs by extending production capacity this year, a spokesman said.

Recent increases in bank charges to more than 34% have contributed to the decision to delay the move, along with doubts about the viability of baking and milling if President Robert Mugabe reintroduces statutory price controls. This has been threatened by Industry and Commerce Minister Nathan Shamuyarira in the wake of last month's three-day food riots, triggered by a 20% increase in the wholesale price of maize meal.

A standard loaf of brown bread now costs about Z$5,85. Bread price controls were lifted two years ago under Zimbabwe's economic liberalisation programme, backed by the World Bank.

Zimbabwe's Innscor group has been considering a takeover bid for Lobels, but a management spokesman said no talks were in progress.

The Consumer Council of Zimbabwe says prices of some household basics have gone up 70% in the four months since the currency crashed in value — a crisis triggered by the Z$4,5bn gratuity payments of former guerrillas and the designation of 1 400 farms for takeover by the government.

Shamuyarira said talks with commerce and industry on voluntary price controls were "going on very well", but business leaders privately said the situation was untenable without restored state subsidies — a move ruled out by World Bank and International Monetary Fund agreements.

"We have managed to keep down the prices of essential products for the moment and have agreed to maintain them ... for the next three months, after which we will negotiate," said Shamuyarira.

A food industry executive said: "Millers, bakers and cooking oil producers cannot continue to incur the losses they are experiencing now. Price increases initially mooted will come into effect in April unless government comes up with a workable solution, which at this point looks unlikely." He predicted bread and cooking oil prices would rise 25%.

Maize meal price rises were cancelled when the state-owned Grain Marketing Board cut its price to millers by Z$400 a ton.

A 60% increase in petrol and diesel prices is imminent and inevitable, say economists, and this implies a serious "knock-on" inflation effect throughout the economy.

The executive of the Zimbabwe Congress of Trades Unions (ZCTU) meets tomorrow to discuss further protests against economic mismanagement and high taxation, despite threats from Mugabe, who alleges ZCTU leaders Morgan Tsvangirai and Gibson Sibanda are attempting to challenge his government by inciting violence.

Labour, student protests worsen Mugabe's crisis

(362) (363)

CT 2/3/98

HARARE: Zimbabwe's President Robert Mugabe faces a wave of labour and student protests this week which is likely to worsen a social and economic crisis threatening his 18-year-old rule.

The Zimbabwe Congress of Trade Unions (ZCTU) has called a two-day national stayaway tomorrow and Wednesday to press the government to cut and review some taxes and food prices.

University and college students have promised public protests from today to push claims for increases in their payouts.

The government and some business leaders want the unions and students to call off their protests, saying they will hurt the state's fragile economy and investment image.

Many political analysts say the protests will particularly hurt Mugabe, who has threatened to use force to stop them, saying union leaders are trying to topple him through social unrest.

The 74-year-old Mugabe also accuses the union leaders of being puppets of Zimbabwe's minority white community, who ruled this former British colony of Rhodesia before he came to power when the country gained independence in 1980.

They deny the charges, and in turn allege that Mugabe has run out of ideas and is finding scapegoats and using force as a cover-up.

The former guerrilla leader ordered troops to crush food riots that broke out in January, leaving at least six people dead.

The riots were seen by many as the most serious challenge to his rule.

In December, he used hundreds of heavily armed paramilitary police to stop an unprecedented union-sponsored national anti-tax protest.

"It is risky to use force all the time because it incenses the public and you could get to a stage where the security forces cannot manage," political commentator Ms Lupi Mushayakarara said.

"Dialogue is the way out of this crisis ... but it doesn't look as if we will get that," she said.

Last week, Mugabe said he would "fix" the ZCTU if it went ahead with its planned strike.

On Friday, ZCTU president Mr Gibson Sibanda and secretary-general Mr Morgan Tsvangirai said the strike was on because Mugabe had failed to meet their demands within a month's deadline or even to open talks on the issues.

The ZCTU wants Mugabe to scrap a recent 2,5% increase in sales tax and to review a 5% development levy, a 15% tax on pension profits and recent food price hikes, saying real earnings had fallen drastically since 1991.

The ZCTU says the government should cut its expenditure, which now eats 38% of gross domestic product and has led to a budget deficit of more than 10% a year in the past decade.

Critics say — but Mugabe denies — that he has damaged the economy over the years by directing national resources into a political patronage system aimed at sustaining his rule.

Zimbabwe's economy has been ravaged in the past six months by an unstable currency, huge payments to independence war veterans, and investor confidence shattered by controversial state plans to seize mostly white-owned farms to resettle black peasants. — Reuter proposing the amount be doubled for the 1999 fiscal year.

In a report to committee chairman Ben Gilman, staff members said SA had "the willingness, the infrastructure and the institutional capacity to host an international academy on the Budapest model. No other nation in the sub-Sahara has these qualities."

They recommended that the academy be "run jointly" by SA and the American FBI and DEA, and suggested that $1,2m be budgeted for first year start-up costs.

that of SA's 97 ports of entry, only 17 were fully covered by customs, immigration and police.

The state department also expressed "concern" that SA authorities were not taking sufficiently aggressive steps against money-laundering. Legislation had been passed to make criminal the laundering of drug money, but not the proceeds of other criminal enterprises. SA banks were not required to report large or suspicious transactions in currency and other monetary instruments.

Police 'not helped to cope with stress'

SA's police officers are not being helped to cope with high stress levels, contributing to a high suicide rate, delegates at a specialist conference heard last week.

The conference of police officers, academics and psychologists was told that in the past two years 269 police officers had committed suicide.

A communiqué released after the conference also said that as many as 10 000 police officers out of a 160 000-strong force were absent on any given day.

BD 2/3/98

SA's police are battling high crime levels while trying to change from being a paramilitary force that enforced apartheid to an efficient crime prevention and investigation service.

An average 50 of people a day are murdered in SA, which also has rates of serious crimes several times higher than those in western Europe and the US.

Conference delegates stressed that police officers should be given the tools to deal with stress and trauma. — Reuter.

Mugabe urged to keep privatisation agency separate

(362) BD 2/3/98

NYANGA — A conference reviewing Zimbabwe's privatisation programme has urged President Robert Mugabe to shield a proposed privatisation agency from political interference.

State Enterprises and Indigenisation Minister Cephas Msipa told the conference at the weekend the agency would be established within weeks in the president's office.

However, MP Livingstone Manhombo, from Mugabe's ruling Zanu (PF) party said: "If the agency is going to be transparent and accountable to the general public then it must be placed under parliament." The majority of the 40 delegates to the two-day conference, which opened on Friday, supported this view.

Participants said leaving the agency under the president's office would subject it to the same problems that stalled the country's privatisation programme announced in 1991. Only four state firms have since been privatised.

"We feel that by locating the agency under the president's office we will open it to problems of lack of transparency, slowness in decision-making and political interference," said Danny Meyer, president of the Zimbabwe National Chamber of Commerce.

At the end of the conference, an International Finance Corporation (IFC) official said corruption hampered African privatisation programmes.

"International investors complain of corruption in many African countries and this needs to be addressed because many countries are privatising. It's now a buyer's market," IFC regional corporate finance services representative Brian Samuels said yesterday.

Meanwhile, **Michael Hartnack** reports the government demanded yesterday that workers ignore the Zimbabwe Congress of Trade Unions's call for a two day, stay-home strike, starting tomorrow, in protest against economic mismanagement.

ZCTU leaders Gibson Sibanda and Morgan Tsvangirai urged Zimbabweans to stock up with essentials and stay inside their homes to avoid being teargassed or shot.

Industry and Commerce Minister Nathan Shamuyarira said: "The government will not allow people to continue disrupting services and the work process." He gave no hint that Mugabe might invoke his presidential powers to declare the stay-away illegal.

The War Veterans' Association warned of possible violent reprisals against ZCTU members and Zimbabwe's 70 000 whites, whom Lands Minister Kumirai Kangai alleged were behind the unrest. — Reuter.

State witness 'in drug-induced haze while testifying at Barnard trial'

BD 2/3/98

Stephané Bothma

PRETORIA — A state witness in the case against former Civil Co-operation Bureau (CCB) operative Ferdi Barnard on Friday admitted she was under the influence of crack cocaine while in the witness box in the high court.

Carol-Anne Human, a former prostitute and lover of Barnard, was reacting to an allegation by defence advocate Fanie Coetzee that her "entire life was a haze and she often lost her mind" while under the influence of drugs.

"I smoked cocaine this morning and I am not out of my mind," she responded, to the astonishment of the court, which immediately took a tea adjournment. After the tea break, no mention was made of Human's statement and her cross-examination continued.

She was arrested in 1991 for possessing an unlicensed Uzi submachine gun which she claimed belonged to Barnard. She said she was recruited by Barnard as a military intelligence agent in 1991 and received regular payments. She said she believed Barnard could legally own a firearm.

Challenged by Coetzee that she was fabricating her testimony against Barnard and that because of her drug abuse, she could not remember clearly, Human responded: "I feel like a louse sitting here. I do not want to say these things about Ferdi."

Human was the first state witness. During her testimony she made regular eye contact with Barnard and occasionally smiled at the man accused of murdering former Wits University activist David Webster.

She told the court that she had seven years of hell after her arrest for possession of the Uzi.

Her husband, Christopher Human, was also called to testify against Barnard. Human also said he had been recruited by Barnard to "penetrate" active African National Congress (ANC) members. "Barnard told me the ANC had a two-fold approach — the first to undermine the youth of the country by supplying drugs and secondly to use the money raised by drugs to purchase weapons," he testified.

Although he claimed to have received regular cash payments for Barnard, "most information supplied was false because I was more interested in the drugs", Human testified.

The trial continues today.

Teacher unions censured over threat

BD 3/3/98 (362)

PRETORIA — Heads of education departments yesterday condemned a threat by certain teacher unions to declare schools no-go areas for departmental officials.

The heads of education departments committee urged unions to publicly declare their intentions on the matter.

This followed reports that some union officials were preventing district management officials from entering school premises.

The committee, which met in Pretoria earlier in the day, said the relationship between education departments and teachers should be nurtured at all costs.

"The education system is heavily supported by public funds and no-go zones cannot be allowed to develop," it said.

"District officials must have access to schools to ensure that public funds are invested with good return, and to offer the necessary professional support to educators," it said.

The committee said it also discussed illegal labour action, and warned teachers not to leave their posts to take part in union activities without permission.

Such conduct would not be tolerated, the committee said. — Sapa.

In court: Ebrahim Sataardien

guilty to murder.

... cross-examination by defence advocate Henk ten Brink,

... to him about 500 minutes before he was shot.

warned them that he would not permit unruliness in his court.

Zimbabweans defy Mugabe and go on strike

ARG 3/3/98

Harare – Tens of thousands of Zimbabweans defied President Robert Mugabe today by taking part in a national strike to protest against his government's economic policies.

Mr Mugabe laid his personal authority on the line by demanding that trade unionists cancel the strike, but almost all industries in the capital closed, and only skeleton services were operating in the centre of Harare.

Many children were kept at home for fear that violence would erupt, as it did during January food-price riots in which shops were looted and at least five people were killed.

Trucks full of heavily armed riot police were visible in some of the working-class suburbs, which bore the brunt of January's violence, and helicopters periodically patrolled the skies over the capital.

But, apart from isolated incidents of stone-throwing, there were no early reports of serious violence or clashes between police and strikers – who have been urged to stay in their homes by the organisers of the protest, the Zimbabwe Congress of Trade Unions.

The trade unionists called the two-day strike in an attempt to force the government to cut taxes and reduce prices, which have risen sharply since the collapse of the Zimbabwe dollar late last year.

Most banks and stores in other centres were closed. –Sapa-AFP

(362)

CAPE TIMES
TUESDAY, MARCH 3, 1998 ★

TENSION AHEAD OF STAYAWAY

War veterans threaten Zimbabwe's whites

CT 3/3/98 (362)

HARARE: The Zimbabwe government has accused whites of inciting a planned stayaway in revenge for its plans to redistribute white-owned land to blacks.

ZIMBABWE'S independence war veterans threatened to attack whites and troops were placed on standby as tension mounted yesterday ahead of a workers' protest against President Robert Mugabe's government.

The Zimbabwe Congress of Trade Unions (ZCTU) has called a two-day national stayaway from today in an attempt to force the government to cut taxes and reduce prices.

Government ministers have accused white businessmen of inciting the unrest in an attempt to topple Mugabe because they are angry over plans to seize some 1 500 white-owned farms for redistribution to blacks.

The war veterans, who recently received large government payouts for their part in the 1970s independence struggle, have indicated that they are prepared to take the anti-white rhetoric a step further — into concrete action.

The chairperson of the Zimbabwe National Liberation War Veterans' Association, Mr Chenjerai Hunzvi, said: "We want to make it very clear that we as liberators of this country could very well attack the whites for inciting the boycott."

He told government-controlled media that members of his organisation would march on the upmarket northern suburbs of the capital, where most of Zimbabwe's tiny white minority live.

The northern suburbs were spared during food riots in January when shops in working class suburbs were looted, and government ministers have expressed dismay that blacks attacked black-owned businesses.

'We as liberators of this country could very well attack the whites for inciting the boycott.'

Leaders of the ZCTU have rejected the government's allegations that they are being used by whites.

They say they are protesting against government mismanagement of the economy, which saw the value of the Zimbabwe dollar plummet against foreign currencies late last year, causing prices of consumer goods to rise steeply.

Industry Minister Nathan Shamuyarira warned that "drastic and punitive action" would be taken against striking workers and against employers "who encourage their workers to stay away by shutting their businesses".

He said the army would be deployed in Harare — as it was during the January riots in which at least five people died.

Shamuyarira repeated accusations that whites were behind the unrest. He said stern action would be taken against them.

Whites make up less than one percent of the population, but are prominent in commerce and industry.

University of Zimbabwe political scientist Mr John Makumbe said he believed the government was cynically using the white community as a scapegoat.

"It's not the white business people, and people know that," he said.

In Makumbe's view, "people are not actually dancing to the tune of the government and blaming the whites".

Mugabe laid his personal authority on the line last week when he demanded that the stayaway threat be withdrawn.

But the ZCTU leadership has said it will not be intimidated.

Secretary-general Mr Morgan Tsvangirayi said: "We are not answerable to the president. We are answerable to our members." — Sapa-AFP

Harare tensions rise as veterans threaten whites

Star 3/3/98 (362)

By Andrew Meldrum
Star Foreign Service

Harare – Racial tensions rose in Zimbabwe yesterday as the country's war veterans threatened to attack whites for allegedly supporting the two-day national strike scheduled for today and tomorrow.

"If the boycott goes ahead we, as the liberators of this country, could very well attack whites for inciting the boycott," said Chenjerai "Hitler" Hunzvi, chairman of the War Veterans Association of Zimbabwe. "The whites are using stooges and puppets with the objective of taking over the government."

Hunzvi said the war veterans, who fought to end Rhodesian minority rule, would march into Harare's northern suburbs, which are predominantly white, to take action against whites.

Hunzvi's efforts to thwart the two-day national strike,

'We could very well attack'

planned as an anti-government protest by the Zimbabwe Congress of Trade Unions (ZCTU), were counter-productive as many frightened whites decided to stay at home and not to open up businesses and shops.

ZCTU secretary-general Morgan Tsvangirai heaped scorn upon Hunzvi's charges that the strike was masterminded by whites.

"The blacks in this country are just as intelligent as the whites," said Tsvangirai yesterday afternoon. "When they are hungry, they know it and they don't need whites to tell them. We are only asking the government to put more money in our pockets and more food in our stomachs. In any case, whites are not the only employers in Zimbabwe, there are many black employers, too. What does Hunzvi say about that?"

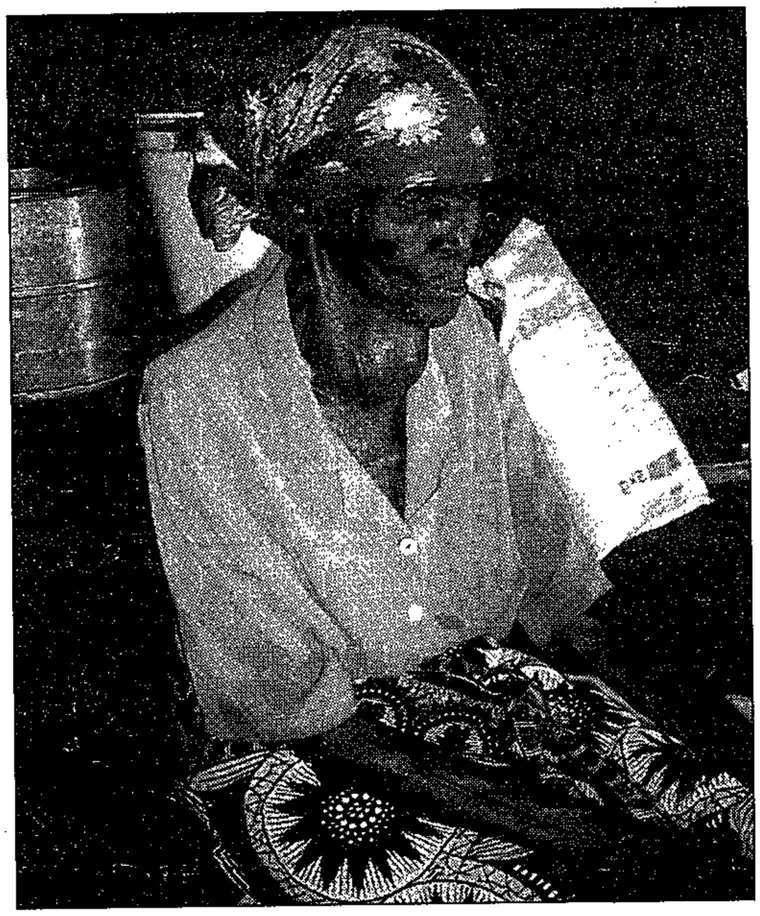
"The ZCTU is calling the two-day stayaway to protest against the government's lack of response to their demands for new taxes to be revoked and for price increases to be withdrawn. "Higher taxes, higher prices, hyper inflation – we are asking the government to address these issues," said Tsvangirai. "We demand responsible economic policies."

The Catholic Commission for Justice and Peace also attacked Hunzvi's threats as "purely racist in nature". The human-rights group charged Hunzvi's statement is illegal because it "directly and explicitly threatens violence against a section of the people" and it incites the war veterans "to carry out that violence".

▶ See Business Report Page 8

This land is your land ...

M+G 27/2-5/3/98 (362)



Ambuya Sarah Musiwa

I'm so old I can't remember my exact age. But I remember my first day at a Methodist mission school in 1924, where I learned to speak the English language that I have now forgotten. My firstborn, Langton, was born in 1929.

In those days, children went to school late, or not at all. We were ready for school when we could touch one shoulder blade with the opposite arm. I may have been 10 or so when I began school, and I married soon afterwards.

I remember when the white settlers arrived in wagons. They bought milk from us Africans and admired our land's fertility. Soon after, we would be chased from that land. Theirs was a dangerous admiration.

'I have no use for land anymore, except to be buried'

My family was evicted from our land near what is now Norton when I was a young child, so young I do not remember details.

Since then, my home has been this homestead. We have about 1,2ha near Mhruriro village, in the Mhondoro communal areas.

This is where my parents are buried. This is where my six children who died as infants, out of 12, are buried. This is where I will be buried.

I can't see well anymore. I can walk a little, slowly. This ball choking my neck (goiter), when I got to see the doctor, it was too late for an operation.

This is what I remember. My life can be counted as a bead necklace: births, weddings and funerals; good rains and droughts; weekends dancing *jerusarema*, a Zezuru dance.

The happiest moment in my life was my wedding in 1926 at the Methodist church in Epworth, near Harare.

The hardest times, a flu epidemic in the early century and a cruel drought in the late 1940s.

I have not heard about a plan to give land to the people. I have no use for land anymore, except to be buried. I am too old. But my grandchildren, they have no jobs, they need land.

Langton Musiwa

I am Sarah Musiwa's firstborn. I attended a mission school where I learned English. My father had very little land to give me, but soon after I got married, chief Nyameda assigned me 8ha. That was in the 1950s.

'I managed to give my sons each a bit of land but there is none left for their children'

We had 12 children. The six girls moved in with their husbands. For the boys, I subdivided the 8ha. The eldest got a bit more than the other children, and more again when his children were born.

There was enough land for all of us when I was young, but not anymore. I managed to give my sons each a bit of land but there is none left for their children.

I have been farming the same plot for 32 years. The soil is exhausted. It needs a lot of manure and I don't have it.

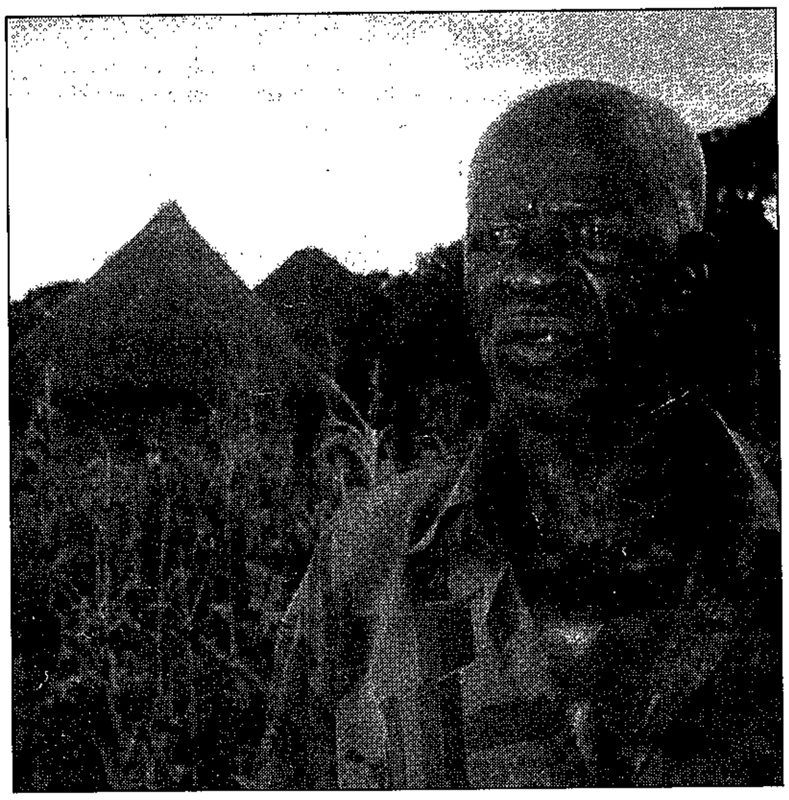
I lost half my *mombies* (cattle) in the big drought of 1992, and grazing for the dozen or so left is scarce.

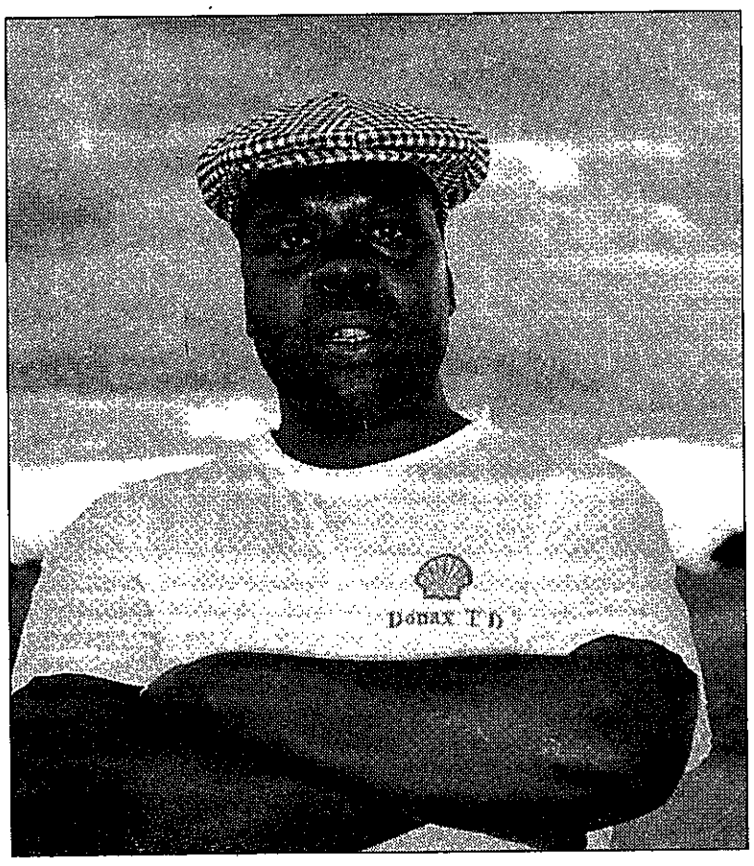
My mother's, my brothers' and our children's plots are right next to each other. There is no room for expansion in Mhondoro. The councillor says 70 000 people live here. And the soil is rocky, overused.

Our land only rested the year our family was moved into a safe village during the liberation war of the 1970s.

There were so many fighters coming through our area, you wouldn't know if they were Zanu, Zipra, Zanla or the government — they were all over. It was bad.

The war was fought for the land. All riches come from the land. We wanted land. And we still don't have it.





Tendai Musiwa

I am Langton Musiwa's third born. I am 33, married, with four children. This is my plot, next to my father's and grandmother's.

On 1ha of poor soil, we barely grow enough maize, groundnuts and vegetables to feed the family. None is left to sell. Look at the maize. It was planted in November but is only at waist level in February. I applied both manure and fertiliser — money wasted on this old land.

'We hear from our fathers that whites stole the land. Why should we buy it back?'

Mhondoro is 60km away from Harare, so most men here try to get a job there. I have a tuckshop in Machipisa township, where I sell cloth. That pays for school fees, doctors and clothes.

I work in town five days a week, but my roots are here, in Mhondoro. My family was chased off our land by the white farmers. Now we must get back that good land.

It isn't fair for a white farmer to have 24ha for himself, his wife, two kids and six dogs, when I have four kids and 1ha.

Compensation is out of the question. We hear from our fathers that whites stole the land. Why should we buy it back? I want to have title deeds. Otherwise we might be moved out again. I will use the title deeds as collateral; I will start small and get bigger every season.

It's out of envy and fear that whites say we black farmers cannot grasp commercial agriculture; we already grow most of the maize, tobacco, cotton and paprika in our country.

We expect to get our land in August or September, in time for the planting season. We heard that on the radio. If we don't, if the government fails on its promises, we will get organized and go "squattering" on good land.

Now, if the government sends the army, as they did in Chitungwiza two weeks ago, that would be a different story.

Ephraim Nyakujara

I don't own a radio, so I have not heard about the government's land redistribution plan.

I have been through another land grab half a century ago. I remember the Rhodesian government driving my family away from our land at Muchenangumbo village in 1946. The area is now called Eagle's Nest, 110km east of Harare. It is a farm now. I can show it to you.

We were given one year advance notice, and no compensation. We were shocked when we heard the government would give our land to the soldiers who had fought the big war (World War II). I was 23.

My family left peacefully, carrying the belongings by oxcart and on our heads. Those who resisted saw their huts torched, their furniture stacked up and damaged by rain while waiting for army trucks. They had guns, they were powerful, what could we do?

'Some of the white people's dogs live better than black Zimbabweans'

Initially, what hurt most was to leave the ancestors' graves. But with time we got used to it.

The old homestead at Muchenangumbo was lovely. We grew maize, rice, sorghum, millet, groundnuts and soya beans. Roots, wild oranges and other fruit were plentiful.

Of the 4,8ha I was given in Matotwe, I gave my sons half when they married and farm the other half. With little money for fertiliser, harvests are poor. Since the chief has no more land to allocate, my sons have built their homes on my homestead.

You say the government is going to give away land. But I don't want Eagle's Nest back. I am too old. I lack energy to start all over again. Will the government build me a house, give me credit for seeds and fertiliser, provide a tractor? You need all that to succeed.

My two sons are more interested in drinking beer than in farming. But land for the grandchildren, yes, that would make me die a happy man.

White farmers who bought the land at market prices should be compensated, but not those who were given the land for free by the Rhodesian regime. I don't think whites should leave Zimbabwe. But we must share the land.

Some of the white people's dogs live better than black Zimbabweans, and we are human beings.

(362) M+G 27/2 – 5/3/98

this land is our land

Gertrude Gasa

I was born in Chiweshe, by the Mazowe River, in 1927. I am *vana vevhu*, a child of the soil. I feel it in my body. It tells me I need to eat fresh vegetables planted on my land. It tells me I must grow my own maize. *Vana vevhu*. This is why we women farm any tiny piece of land we find in the township.

My father remembers being slowly driven into rocky reserves as white farmers took up the best land in Chiweshe. They got the good soil. Africans got the worst. My father had 2,4ha — too little land for his six children. In 1962 he moved to Mount Darwin where he acquired 23ha on a native purchase area.

He is still alive, well into his 80s. Recently we (the children) forced him to remarry. He needs a wife to cook him fresh vegetables every day. So he married this widow in her 40s, who brought her three children to live in his kraal. They have many cattle so she is quite happy.

I married in 1947. I saw this young man visiting relatives in Bindura, near Chiweshe. He saw me. We saw each other. Then we married. In 1952 he got a job as a driver and we moved to Mabvuku township, 10km east of Harare. He died in 1988. I have six children and seven grandchildren.

Forty-five years in Mabvuku have not made me an urban woman. Harare is a transit point. *Vana vevhu*. You must have a home in the rural areas. When you are retrenched, unemployed or sick, you go back to the rural areas. Where the ancestors are buried.

I want to be buried in Bindura. My husband and daughter are buried there. I want to join them in the soil of Bindura. I want to feel myself in the soil. I will not be buried in Harare.

I've heard there is a programme to give land to people. I want a small commercial farm in Bindura. Or in Chiweshe, but on the good soil. Then I will regain the feeling of *vana vevhu*. I will run the farm with my family. Donors will give us tools, seeds and fertiliser. I am a good farmer. I follow the advice of the extension worker. My maize is the best among all the women in Mabvuku.

I know how to manage. I supervise four savings clubs in Mabvuku for the Association of Women's Clubs. We do handicrafts and sell them. Sometimes we travel to South Africa to sell our crafts. My crochet tablecloth just won the first prize in a competition.

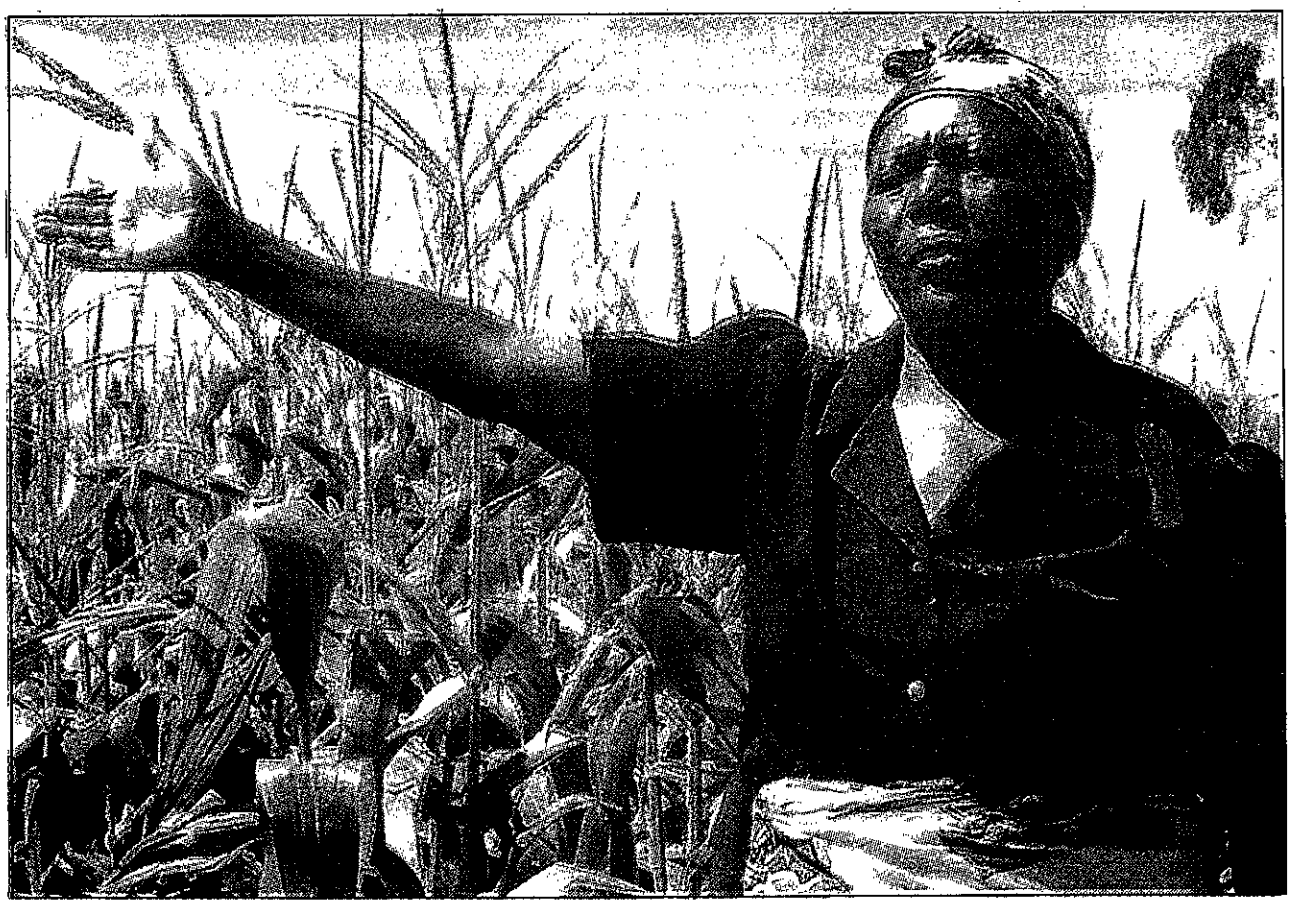
There is enough land for every Zimbabwean family. Some people own a lot of farms. Compensation should be given for the developments, but not for the land. Land belongs to God and to the people. *Vana vevhu*, you understand?

This March it is 100 years since Ambuya Nehanda's death. Ambuya Nehanda was born in Chiweshe, although she belongs to all Zimbabweans.

She was a woman who loved Zimbabwe so much she gave her life for the country. She was a spirit medium, who felt the pain of seeing Zimbabwe suffering so much that she inspired many men and women to fight.

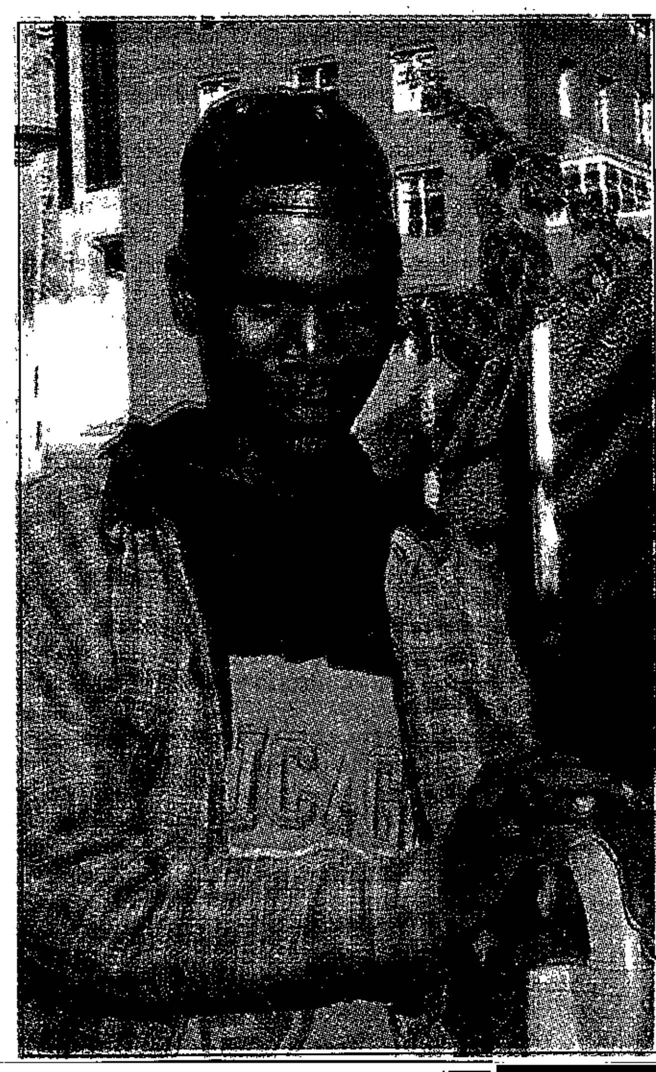
We fought the Chimurenga wars for one thing: the land. All other reasons are irrelevant. And we haven't got it yet. If no land is given this year, the fighting and the crying will continue. *Vana vevhu*.

If people think with an open mind, they will understand why we Zimbabweans are doing this.



'My father remembers being slowly driven into rocky reserves as white farmers took up the best land in Chiweshe. They got the good soil. Africans got the worst'

PHOTOGRAPHS: MERCEDES SAYAGUES



'Among my friends, I am the only one keen on a plot of land — if provided with credit, tools and seeds'

Willard Mkuwasenga

In January, I got myself new clothes, second-hand camouflage fatigues and trousers. Are you dressed for the urban jungle? joked a friend. Well, would you guess, three days later, food riots exploded in Harare and Chitungwiza.

I live in Chitungwiza, but since 1995 I work in downtown Harare. I guard cars at a luxury hotel. A good location, with some drawbacks. Every summit held in Harare, from solar energy to the Organisation of African Unity, means two weeks without work, when me and my friends — craft and fruit vendors — are chased away by police. During the riots, we were picked up and abused by police to identify looters.

I never expected the streets of Harare would be my workplace. Childhood was fairly happy in a township of Mutare, in the Eastern Highlands, close to Mozambique. My father, a truck driver, provided the basics. When he died in a car crash, we had to return to my mother's communal area.

Hey, that was hard work. We were poor. My grandmother had 2ha of land and too many grandchildren to look after. Social welfare put me through primary school, then stopped. My stepfather helped while he could, but in form three I had to drop out. That was painful. I had good grades, especially in geography and agriculture. I had hopes I'd get a good job.

When my stepfather found work in Harare, we moved to its satellite township, Chitungwiza. I tried looking for a job. You go to the industrial area and hang around the factories. But you have got to know the foreman, or pay him a few beers, or be from the same place, to be called. After a while I realised I was wasting my time and bus fare, spending a day without eating, so I tried downtown. I had friends working on this corner.

Our main problem? Police harassment. If there is any trouble, we are the main culprits. Some of us are dishonest, I know. But not all.

One of my friends was hired as a messenger by a businessman whose car he guarded. Maybe that will happen to me. Then I could save some money and have a family. It's not otherwise possible. How can I pay *lobola* or take a girl out if the little money I earn is spent on bus fare, a bit of bread and relish I bring home, and clothes?

Home is four rooms in concrete and an outdoor latrine. My mother likes gardening, so she has a nice yard with lots of flowers and shrubs. On weekends, me and my friends sit in the cool shade, passing time away. There is not much else to do: go to the beer hall, play slug (table football), smoke *mbanje*.

Ask any group of young men if one has a job or if they know somebody their age with a job. Negative reply. They drink and smoke. There is nothing else to do.

Among my friends, I am the only one keen on a plot of land — if provided with credit, tools and seeds. I know how to farm but you need input, each and every season. Most of my friends prefer jobs to land. But they were born in the city. I come from the rural areas.

During the riots, I was trapped in Harare without transport, while Chitungwiza burned with the anger of the poor and unemployed. I do not agree with looting, but I was angry when the army was brought in to prevent people from exercising their democratic rights.

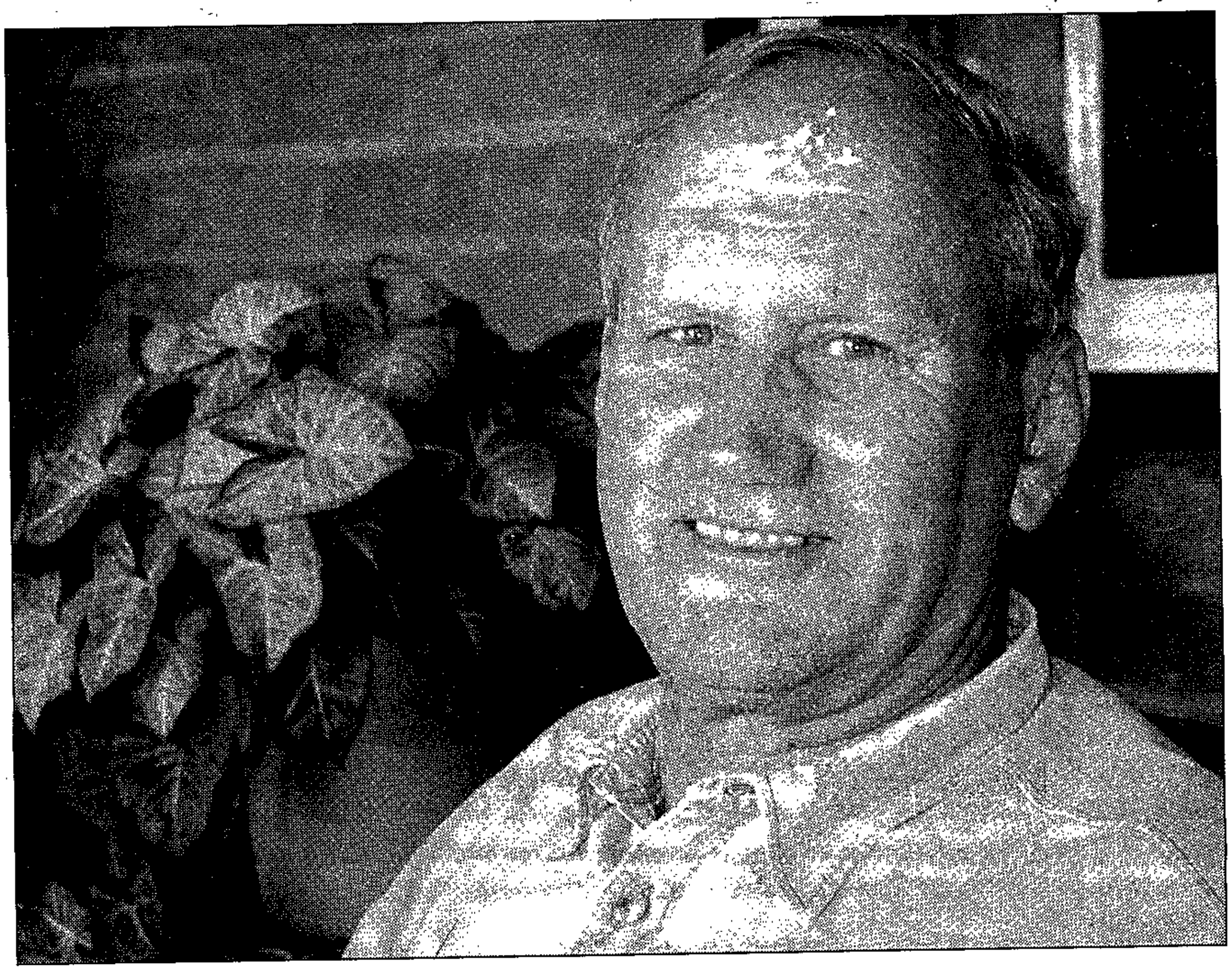
The riots were caused by increases in food prices; these in turn were caused by the and big business. The problem is not black against white, but rich against poor. A few blacks and whites get richer; the rest of us get poorer. After independence, we had free hospitals and free school. That changed in the 1990s. Was it a trick to cool people down after the war? We were betrayed.

Continued on PAGE 26

27/2 - 5/3/98

This land is your land ...

Robert Mugabe's determination to redistribute 1 480 designated white-owned commercial farms has created a furore in Zimbabwe. Detractors say that it is a populist move by a corrupt and increasingly unpopular government, oblivious to the fact that it will cost thousands of farmworkers their jobs and ruin the economy. Its supporters say that Mugabe is simply taking back the land stolen by white settlers from the African people of Zimbabwe. But what do the people caught in this vice of history say? **Mercedes Sayagues** *has gone behind the ideology and the rhetoric to record the voices of real people*



'Sure there is a gap between blacks and whites, economic, social and cultural, and it is a shame. But we are citizens, entitled to a piece of land. There is a potential for working together on this issue'

James Sinclair

Our roots go deep in Africa. On my father's side, the first Sinclair arrived in South Africa in the 1820s. My mother's father, a Scottish doctor, came in the 1890s. My parents moved to Zimbabwe in the 1920s. My father saw himself as an African. He never travelled out of Africa.

My wife's father, Ralph Palmer, was born in England. In 1918 he had tuberculosis. Doctors recommended a dry climate, so he came in the early 1920s. For the first eight years he worked as a farm manager. In 1933 he bought 1 200ha at market price, and 3 000 more in 1947. This became Serui farm, near Norton, 60km west of Harare. My father-in-law was active in liberal political causes; among them, he was president of the multiracial Central African party.

I was born in Chimanimani. Life in the Eastern Highlands in the 1930s is described in a book my mother wrote. My wife Ann grew up on Serui farm. This is where we got married in 1965. We've been living here since the 1970s. I bought Ann's sister's shares in the business. My two sons and three grandchildren live here. This is the fourth generation on Serui farm.

I am 100% Zimbabwean and proud to be so. In 1980, President Robert Mugabe said we (whites) were Zimbabweans, but lately we have become non-indigenous. When I hear this, I either ignore it or get uncomfortable and depressed. We are not British nor want to be. Zimbabwean law does not allow us to hold another passport. It is nonsense to call us Britain's children.

In fact, we commercial farmers are Mugabe's best friends: we feed the people, earn forex, pay taxes and make no trouble. We provided a link of stability before and after the war. If we had all left, the country would be a basketcase like Zambia.

After independence, we put our heads down and went on farming. We expanded our business and paid more taxes. We owe Mugabe his assurances we could stay and he owes us our work.

On Serui's 2 400ha we grow tobacco, maize and proteas, have cattle and a pig farm. Our workers are well cared for. Take a look at the compound. Some 450 people live on the farm. We worked with a non-governmental organisation, Save the Children, on its welfare. Until recently, Ann ran the district Aids awareness programme. We have a pre-school on the farm, support the school in nearby Mhondoro communal areas and Chibero agricultural college.

It is difficult to believe this (land designation) is happening. I'm still shell-shocked. When I headed the Commercial Farmers Union (CFU) in the early 1980s, I heard Mugabe say in so many meetings that we were doing a good job, to keep it up. How is it that now we are the enemy?

I'm bewildered by the rhetoric. I worked hard in Mugabe's government. Besides the CFU, I was chair of the cold storage commission, member of the forestry commission, the railway board and the Riddell commission to research inequalities between rich and poor. I have committed myself to this country because I feel Zimbabwe deserves the best I could give. And one morning I wake up and learn my farm has been designated. It is bizarre.

If my farm is taken, we have little left. A small flat in Harare where my daughter lives. No pension. Few savings. We always ploughed back the profits on the farm. Our future was invested on education for the children and on the business. We thought that building a successful business would take care of us in our old age. And what about our sons' future? We can't get our minds off that.

Looking in my scrapbook, I see statements made in the 1980s, that eventually the government would take all the land. But we ignored them. Yet in the back of my mind I always had a question mark on how long we would be able to keep it. We are the only landowners to survive in a socialist revolution.

We were aware of the need for land redistribution, but in a way that increases agricultural productivity.

I mean no criticism of the CFU leadership, but we have not maintained dialogue as we should. Some farmers have had a confrontational attitude towards the government. And whites didn't do enough to mix. I guess it's the South African influence. Sure there is a gap between blacks and whites, economic, social and cultural, and it is a shame. But we are citizens, entitled to a piece of land. There is a potential for working together on this issue.

For me, land is a business asset that we use to its utmost productivity. I'm attached to this land because it provides a living for me, my family and my workers. I love it for its beauty, and I've put my life into it. But I don't feel a mystical attachment. Ann is more emotional about it. She grew up here, she knows every indigenous tree on the farm and it hurts her to think they may soon be gone.

Mine is certainly a different language from communal farmers'. I come from a different culture. I am not apologising for that. I respect people who have a spiritual attachment to the land, but to me, the real world is about business, if we want to survive into the millennium in a competitive world.

In a funny way, this distills the argument. A clash of cultures. And there are no answers. But if you are thoughtful about the future, you have to find a compromise between assigning land a mystical value and an economic one. You can't have two separate rural economies. There must be a meeting of minds — but it won't happen while the government is shouting at us.

What country can afford to dismiss the skills of its farmers? We have on Serui farm 60 years of combined tobacco experience. What do you achieve by destroying a system that is, granted, a bit feudal and paternalistic, but that works economically?

This is an attempt to substitute land for jobs, not a way to make your land more productive. The economy is not performing well, the government has not delivered its promises.

My biggest fear is that now the government has raised hopes of the people and it is impossible to back down. Yet it lacks the physical capacity to carry the resettlement programme through. It has created expectations that can lead to social disorder.

Is there a place for whites in Africa? I should think so. We don't want to pack and leave. We made a commitment in 1980 to stay and work for this country. The commitment is still there. We are going ahead with farming decisions. You can't stop a farm. The pigs and the cows are breeding, we are ploughing for the next season.

Opposition groups need to examine their methods

The government and other stakeholders in the running of countries such as Zimbabwe and Zambia need to examine the means as well as the end in their actions, writes Michael Hartnack in Harare

BD 4/9/98 (36a)

A FRESH debate is raging in scientific circles about "antigravity", which Albert Einstein once suspected was as much part of the cosmos as the far more obvious force of gravity.

In much the same way we ought, especially now, to be considering what role "antigovernment" plays in the political cosmos of states such as Zimbabwe and Zambia.

The Zimbabwe Congress of Trade Unions (ZCTU) and the courts seem to be the last best hope for progress towards a civil society.

Despite paranoid ranting from President Robert Mugabe and Home Affairs Minister Dumiso Dabengwa (who is beginning not only to sound but to look like Ian Smith's law and order minister, Des Lardner-Burke), ZCTU leaders Morgan Tsvangirai and Gibson Sibanda yesterday launched further protests against economic mismanagement, soaring prices and extra taxation.

In Zambia, most of the opposition to one-time union leader Frederick Chiluba has either fled abroad or is under lock and key for alleged complicity in October's farcical military coup attempt. Ex-president Kenneth Kaunda remains under house arrest.

Few today would dispute that SA's apartheid years presented a failure of government.

Rarely heard, at least outside SA, are voices suggesting there may have been a parallel calamitous failure in the methods and aims of opposition by the white liberals, the black nationalists, coloured leaders, Asian-origin communities and, for that matter, by right-wing Afrikaner leaders such as Albert Hertzog in identifying and reaching optimum goals.

It is for South Africans to decide whether the BBC's Brian Walden was fair or not in his recent attack on the tactics adopted by President Nelson Mandela after abandoning Gandhian passive resistance.

Walden alleged Mandela "destroyed black nationalism for almost a decade" and "entrenched the nationalist party in power" with an incompetent campaign based on the assumption that "a few symbolic bombings would produce a revolution".

In Northern Rhodesia, Kaunda's fledgling United National Independence Party — or "Murder Incorporated", as it was described by British governor Arthur Benson — certainly did succeed in getting Whitehall to dance to its tune with "operation chachacha".

Lusaka's second thoroughfare (formerly Livingstone Road) continues to honour Kaunda's "triumph" — or was it a disastrous moral defeat, the effects of which Zambians are still suffering today.

In Southern Rhodesia, said pioneer nationalist James Chikerema (cousin of Mugabe and brother of Herald "unrepentant stalinist" editor Charles), a nationalist movement at that time uniting Mugabe, Joshua Nkomo and Ndabaningi Sithole set out "to bring about fear and despondency to the settlers in Rhodesia in order to influence the British government to accede to the popular revolutionary demands of the people of Zimbabwe".

The short-term result was not the dispatch of British troops to Salisbury to oust Edgar Whitehead, who was committed to a colour-blind franchise, repeal of segregation, and a black majority in parliament by 1975. It was the reactionary Rhodesian Front, with its thinking, such as it was, anchored in 1940s McCarthyism.

More than 20 years — and more than 30 000 lives — were squandered. And Robert Mugabe was hardly in power when he was declaring that democratic multiparty politics were unthinkable in a land driven by innately violent ethnic divisions.

This was exactly what Smith claimed (in London on October 8 1965): that Africans would be incapable of sustaining parliamentary democracy "in his lifetime".

Crude Marxism unrecognisable to Marx invaded every sector of the economy while the province of Matabeleland experienced ethnic cleansing.

Government opponents should beware of simplistic, idealistic aims and methods — and the uncritical blindness caused by personal loyalties in a closed society.

Last year a friend (once a white activist for Nkomo's Zapu) said that since 1990, Zimbabwe's wealth had been squandered by its new elite.

This implies the old fallacy: get rid of the elite and poverty will evaporate.

The truth is more charitable to Mugabe, and more problematical for any who would oust him.

The population has increased from 7-million to 12,5-million. Mugabe, like Smith before him, struggles to maintain order in a queue for access to scarce natural resources and an inadequate set of modern institutions: urban housing, schools, health services, jobs.

Getting rid of 200 000 whites eroded the country's modern institutional base, and Zimbabwe today would be vastly poorer for driving out many of the calibre of Finance Minister Herbert Murerwa.

Clearly, Smith's answer (to push whites to the head of the queue in the conviction that they will produce more for all) is unacceptable and untenable.

So is Mugabe's answer: he, personally will decide queue position "in the national interest". The World Bank aim of letting simple market forces, and market forces alone, prevail in the queue is not practical politics.

It would help if the trade unions, opposition parties, and all government opponents saw this clearly in the current atmosphere of paranoia in Zambia and Zimbabwe, and remembered Martin Luther King's paraphrase of Gandhi: that destructive means can never bring about constructive ends — "the ends are pre-existent in the means".

AFRICA

Govt threat to business

BD 4/3/98 (362)

HARARE — The embattled Zimbabwe government yesterday vowed to punish businesses that closed in support of a two-day nationwide strike observed by tens of thousands of workers.

"The government is going to punish those businessmen who closed their premises today, thereby denying workers who wanted to work the opportunity to do so," Industry and Commerce Minister Nathan Shamuyarira said.

The protest, seen as a political challenge to the government of President Robert Mugabe, was called by the Zimbabwe Congress of Trade Unions (ZCTU) in an attempt to force the government to cut taxes and reduce prices.

Mugabe had laid his personal authority on the line by demanding the cancellation of the strike, but almost all industries in the capital remained closed and only skeleton services were operating in the city centre.

Shamuyarira said: "We regard this (business closures) as a serious breach of both contract and the law. They wanted to give impetus to an illegal strike."

Most businesses, however, are believed to have decided to close for security reasons, especially in the aftermath of the January riots that saw shops and properties heavily looted.

The state news agency reported that other urban centres around the country were also closed for business.

In the main towns of Bulawayo, Mutare, Gweru, Kadoma, Chinoyi and Masvingo most shops and industries kept their doors shut.

"It is total madness to go ahead with the strike," Mugabe said on the eve of the stayaway.

ZCTU leaders said they were not answerable to the president, but to their members, who were suffering severe economic hardships which they blamed on government mismanagement.

Truckloads of armed riot police were visible in parts of the city and helicopters periodically patrolled the skies over the capital.

Apart from some isolated stone-throwing incidents there were no reports of serious violence or clashes between police and strikers, who have been urged to stay at home by the protest organisers.

Ministers have said white businessmen are stoking the flames of economic discontent in Zimbabwe in the hope of overthrowing the government because of its plan to seize about 1 500 white-owned farms for distribution to blacks.

One of the concessions made in the face of protests last year was to pay gratuities and pensions to war veterans — a move economists said was partly responsible for the financial crisis government found itself in. — Sapa-AFP.

A fresh debate: Page 15

Just one darn strike after another

Harare – A bolt of lightning struck a tree yesterday at President Robert Mugabe's official residence, Zimbabwe House.

There were no reports of casualties from the strike, caused by a heavy afternoon storm.

The news agency reported that the big cypress tree fell and slightly damaged a precast wall of the adjacent Harare Royal Golf Club.

Meanwhile, the official news agency Ziana reported that an aircraft carrying Mr Mugabe hit turbulence and made a bumpy landing at Mavalane international airport in Maputo on Sunday night.

The Boeing 737 flew into a gusty wind on approaching the airport, and swerved in mid-air before bumping on to the tarmac, bringing screams from passengers.

The report said the welcoming party on the ground, which included Mozambican leader . President Joaquim Chissano, panicked.

"We could not believe it. We thought the worst was going to happen as the plane was coming very fast and we even feared that it was going to hit the terminal buildings," Frank Mutambara, a member of the Zimbabwean presidential advance party, told the news agency.

The pilot said it was just a storm and nothing much to worry about.

Mr Mugabe was in Maputo for a regional one-day summit. – Sapa-AFP

Mugabe slams shutdown

Firms 'will suffer' for backing stayaway

(362) (~~362~~) ARG 4/3/98

Harare – The embattled Zimbabwe government is vowing to punish businesses that closed in support of yesterday's two-day national strike observed by tens of thousands of workers.

"The government is going to punish those businessmen who closed their premises today, thereby denying workers who wanted to work the opportunity to do so," Industry and Commerce Minister Nathan Shamuyarira said.

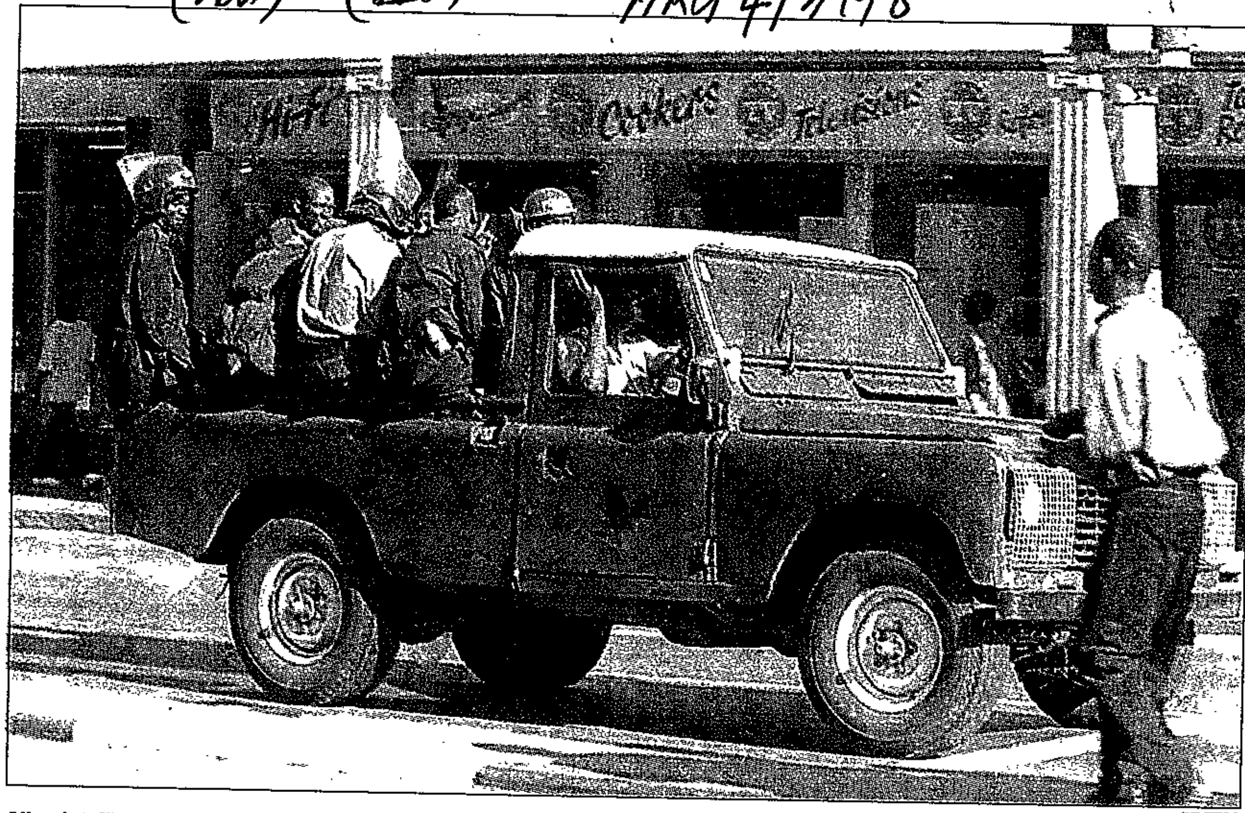
The protest, seen as a direct political challenge to the government of President Robert Mugabe, was called by the Zimbabwe Congress of Trade Unions (ZCTU) in an attempt to force the government to cut taxes and reduce prices.

The ZCTU estimated that between 80% and 90% of Zimbabwe's workers heeded the call to stay at home, ZCTU secretary-general Morgan Tsvangirai said in an interview.

But Mr Shamuyarira said many workers had ignored the ZCTU call. "On the whole, government is happy that many workers in urban centres ignored the call of the ZCTU and came to work today, some meeting very severe intimidation on the way."

Mr Mugabe had laid his personal authority on the line by demanding the cancellation of the strike, but almost all industries in the capital remained closed. Only skeleton services operated in the city centre.

Mr Shamuyarira said the government would not only punish private companies that failed to open but also act against parastatals that did not open and schools that turned away children, and "those few public servants" who did not report for work.



All quiet: Zimbabwe Republic Police patrol the deserted city centre of Harare during yesterday's first day of the anti-tax strike

REUTERS

The state news agency reported that other urban centres were also closed for business.

Most businesses were believed to have closed for security reasons,

But apart from isolated stone-throwing, there were no reports of serious violence yesterday – and no sign veterans of the bush war would carry out their threat to march on the northern suburbs of Harare where most whites live. – Sapa-AFP

CAPE TIMES
WEDNESDAY, MARCH 4, 1998 ★

ZIMBABWEAN DISCORD GROWS

Unions defy Mugabe, go on strike over taxes

CT 4/3/98

(362)

HARARE: President Mugabe claims a strike yesterday was illegal, and police and army were placed on stand-by in major centres to crush any disturbances by disgruntled civilians.

ZIMBABWEAN trade unions went ahead with a national anti-tax strike yesterday, defying President Robert Mugabe, who has declared it illegal and alleged it is part of a campaign to discredit and unseat him.

Many businesses were closed across Zimbabwe, but police said there were no reports of violence by last night.

Zimbabwe has been rocked by a series of violent protests in recent months, including food riots in January in which six people died and many shops were vandalised and looted.

The Zimbabwe Congress of Trade Unions (ZCTU) called for a two-day stayaway beginning yesterday to press Mugabe to scrap a recent 2,5% increase in sales tax and review a 5% development levy, a 15% tax on pension profits and recent food price rises.

They rejected appeals by the government to call it off, saying Mugabe was not offering anything other than threats.

Mugabe, who has been in power since the former British colony of Rhodesia gained independence in 1980, says the strike is a ploy sponsored by whites angry over his government's plans to reclaim mainly white-owned farms for a black peasant resettlement scheme.

BLAMES WHITES: Zimbabwean leader Robert Mugabe.

On Monday night, Mugabe said his government no longer regarded the ZCTU as a labour union but as an opposition party, concentrating on fighting the government instead of bargaining for higher wages.

"We won't tolerate that," he told state media.

The government has declared the strike illegal, and yesterday deployed police to try to stop it. It said the army was on stand-by to crush any disturbances.

The main industrial areas in the capital Harare were shut, but union leaders were urging people to avoid violence.

Some banks opened in the morning, but later closed to the public, leaving only treasury departments operating.

Dealers said trade on financial markets was very subdued.

The Zimbabwe dollar was generally stable at its overnight levels against hard currencies, including the US dollar.

Trade was also slow on the Zimbabwe Stock Exchange and the local money market.

Businesses were largely deserted in the other main cities of Gweru, Bulawayo, Mutare and Kwekwe.

Political analysts said the January food price riots were the sternest challenge to Mugabe's 18-year rule to date.

They came on the heels of protests organised by trade unions in December which forced Mugabe to repeal a 5% levy intended to raise money to pay veterans of the country's 1970s independence war.

The analysts have blamed the government for current social and economic unrest, saying Mugabe has ruined the economy over the years by directing national resources into a political patronage system designed to keep him firmly in power.

He has denied the charges.

Mugabe has also rejected calls to resign over a social and economic crisis that has brought high unemployment, an unstable currency, low growth and an erosion of investor confidence, mainly shaken by his land policies.

He says he feels young at 74, competent and in control. — Reuter

Mugabe govt faces tough choices

(362)

HARARE — Zimbabwean President Robert Mugabe's government faced tough choices if it gave in to union demands to cut some taxes, economic analysts said yesterday.

A Zimbabwe Congress of Trade Unions strike pressing Mugabe to remove a 2,5 percentage point rise in sales tax from last December and a 5% levy on income, shut businesses in the southern African country for the second day yesterday.

Economists estimate the strike will cost about Z$200m in lost production but the country will lose dearly in terms of long-term investment as a result of a sullied image.

Economists Eric Bloch and John Robertson said it would cost Mugabe about Z$1,7bn to abandon the sales tax increase and the development levy. That would push the 1997/98 18-month budget deficit to more than 15% of gross domestic product from a target of 8,9%.

They said that would send inflation soaring and sever ties with the World Bank and International Monetary Fund — with which Zimbabwe had agreed to maintain a low budget deficit — at a time when foreign currency reserves had sunk to their lowest level in the past five years. — Reuter.

Zim businesses stay shut on day 2 of anti-tax strike

CT 5/3/98 (363)

HARARE: Many businesses stayed shut across Zimbabwe yesterday, the second and final day of an anti-tax strike that President Robert Mugabe claims is part of plot to topple him.

A union official said at least 70% of the organised labour force observed the strike, but the government said many people ignored it.

The unions want Mugabe to scrap a recent 2,5% increase in sales tax and to review a 5% development levy, a 15% tax on pension profits and recent food price rises.

Independent witnesses and state media said the strike resulted in many businesses remaining closed across the country.

The government, facing one of its worst economic crises, has suffered a series of violent protests in recent months.

Six people were killed in food riots in January when many shops were vandalised and looted.

It deployed police to try to prevent the latest strike and put the army on standby to quell any disturbances, but no violence has been reported.

Mugabe says the strike is part of a campaign to undermine the power he has held for 18 years.

The unions deny the charge, and so does the minority white community, which Mugabe accuses of backing the unions in retaliation for his government's plans to seize mostly white-owned farms to resettle black peasants.

Zimbabwe Congress of Trade Unions secretary-general Mr Morgan Tsvangirai said yesterday: "We estimate that between 70% and 90% of an estimated 1,2 million people in the formal sector have taken part in this stayaway.

"They believe our demands are reasonable and legitimate ... and many also wanted to show the government that they are not going to succumb to intimidation or to the culture of fear that they are discarding."

The government has made strenuous efforts to stop the strike, threatening workers who took part with mass dismissals and saying the strike, costing the equivalent of R54 million, is subversive.

On Tuesday, Industry and Commerce Minister Nathan Shamuyarira renewed government threats of unspecified punishment for industrialists who shut their businesses during the strike.

Financial markets were again open yesterday, but dealers reported little trade.

Army helicopters flew over Harare monitoring the situation.

Mugabe, the 74-year-old former guerrilla leader, has rejected calls to step aside, saying he feels young and in control. — Reuter

120 Zimbabwe farms to be given to peasants

(362)

Star 6/3/98

Harare – The Zimbabwean government said yesterday it would immediately take over at least 120 white-owned farms and give them to landless black peasants.

Agriculture Minister Kumbirai Kangai said the farms were among those owned by 170 farmers who did not object to the seizure of their farms.

He released the results of a review of appeals by farmers to the planned seizure of 1 471 mostly white-owned properties. The government plans to pay owners for their improvements to the property, such as houses and irrigation systems, but not for the land itself.

The government says it has no obligation to pay for property owned mostly by descendants of British colonists who seized land from blacks without paying for it.

The 120 farms are evenly distributed around Zimbabwe.

"The intention is to ensure at least 15 farms are made available for resettlement immediately" in each of the nation's eight provinces, Kangai said.

The land seizure is seen by critics as an attempt by President Robert Mugabe to court political support in rural areas at a time that his government is besieged by protests over high taxes and soaring prices.

Since the country gained independence in 1980, about 60 000 peasant families have been settled on farms bought from whites, about one-third of the target of a land reform programme that has been plagued by lack of money, mismanagement and corruption. – AP

Zimbabwe pledges transparency to UN

State says it will pay full compensation for productive land

(362) ARG 7/3/98

Harare – Zimbabwe's government has assured donors it will implement its controversial land reform policy in a transparent way and pay full compensation for all productive land, a United Nations agency has announced.

The UN Development Programme (UNDP) said in a statement yesterday that Lands and Agriculture Minister Kumbirai Kangai had told international aid donors that Zimbabwe's planned land reform scheme was aimed at ensuring food security, reducing poverty and boosting agricultural output.

"This intervention by the minister served to illuminate the seriousness with which the government was taking the question of transparency," the statement said.

It said Mr Kangai had assured donors that "for the fully utilised land, compensation will take into account all the value of the land, and only derelict land will not be compensated for".

President Robert Mugabe had said the government would forcibly buy 5,5-million hectares from mainly white commercial farmers, paying them only for improvements and not for the soil.

Mr Mugabe, in power since independence from Britain in 1980, says the British ancestors of most of the white farmers did not pay for the land when they occupied the country in the 1890s.

> *'Compensation will take into account all the value of the land'*

But Mr Kangai told the donors the government now wanted only 5-million hectares to resettle peasants and black commercial farmers.

He said the government would implement the programme in five to 10 years, and pledged that it would not undermine economic stability.

The UNDP said: "The minister assured the donor community that land reform had to proceed in accordance with the laws of the country, and implemented on a time-table and scale consistent with the country's financial and administrative capacity."

Yesterday Mr Kangai said he was removing five categories of farms from the published list of 1 471 farms earmarked for compulsory purchase, but did not say how many farms would be removed as a result.

He said 123 black-owned farms would be taken off the list, as well as church-owned farms and private plantations, provided their owners agreed to work with black partners.

Investors whose farming projects had been approved by the Zimbabwe Investment Centre also would be not be subject to the seizures, said Mr Kangai in a statement.

Mr Mugabe, under pressure from donors, including the World Bank and the International Monetary Fund, in recent weeks has promised to consult all stakeholders in carrying out the reforms.

Agricultural experts warned that his plans would have cut output in the key sector by a third and left more than 187 000 workers jobless in a country with unemployment already at 50%. Agriculture earns more than 40% of the country's foreign exchange and contributes 60% to gross domestic product. – Reuters

Zimbabwean journalists up in arms over new bill

(7bd) BD 9/3/98

Michael Hartnack

HARARE — The Zimbabwe Union of Journalists has vowed to fight a proposed new "communications bill" giving President Robert Mugabe's government the right to cut off any electronic-communication service "in the interests of public security".

Spokesmen for the posts and telecommunications corporation — which falls under the information ministry — claim that an epidemic of prolonged telephone, telex, fax and computer failures over the past month has been due to technical problems linked to heavy rain and lightning.

But Information Minister Chen Chimutengwende has been the leading exponent of claims that the white business community was behind protests by the Zimbabwe Congress of Trade Unions against rising prices and extra taxes and has threatened unspecified retaliation. Government publications have attacked four prominent correspondents for foreign news media for "negative reporting".

At present, anyone with proof that their lines were cut for political reasons could seek a high court injunction on the grounds that their constitutional rights to free expression and association were being infringed.

Basildon Peta, the journalist union's secretary-general, said the union was considering a constitutional test case to have the bill declared ultra vires if it was pushed through parliament with Mugabe's overwhelming 147-3 majority.

Welshman Ncube of the University of Zimbabwe said present legislation gave authorities the power to intercept postal items. The new bill would extend this to anything transmitted by a telecommunication service. It also gave Mugabe the right to cancel any existing electronic service.

The bill will pave the way for the introduction of private broadcasting services, but gives Chimutengwende discretion over a supervisory "independent broadcasting authority".

Referring to the recent removal of Herald editor Tommy Sithole, who dared question Chimutengwende's white-conspiracy claims, Peta said: "Our history has shown editors have been fired at the discretion of government. You cannot have press freedom if the minister can hire or fire members of the board — they will obviously dance to the tune of the government."

AFRICA

'Final' assurance on farm plan

(362) BD 9/3/98

Michael Hartnack

HARARE —Zimbabwe Land and Agriculture Minister Kumbirai Kangai gave "final" assurances that President Robert Mugabe would not seize productive farms without fair compensation, the United Nations Development Programme announced here.

A spokesman for the Commercial Farmers Union, representing 4 000 whites who were the main target of Mugabe's plan, cautiously said he "welcomed the clarification".

It seems likely to trigger the release of long-frozen International Monetary Fund (IMF) and other Western aid.

According to the UN programme, Kangai told a confidential meeting of diplomats and donor-agency staff on February 27: "Government is aware that land reform must proceed in accordance with the laws of Zimbabwe and can only be implemented on a timetable and scale that is consistent with financial and administrative capacity.

"Moreover, in developing the land-reform programme, it is government's intention to avoid negative repercussions for agricultural productivity, the welfare of agricultural workers on farms and for the country's banking system."

Diplomats regard the assurances as "a massive climbdown" on Mugabe's former position, repeated as recently as February 11, that the responsibility for compensation was that of "the former colonial master".

IMF MD Michel Camdessus wrote to Mugabe last month demanding public assurances of his plans to take over 1 400 farms before IMF directors met on March 30 to consider extending $174m in credit vital for Zimbabwe's economy. Other major western-aid donors are waiting on the IMF lead, but Mugabe's rhetoric has intensified.

The UN programme's office appears to have reflected the growing exasperation of diplomats by releasing a memorandum on Kangai's February 27 meeting. Kangai followed his speech with "an important statement and discussion" during which he gave unequivocal pledges on transparency and compensation in land redistribution, the programme said. "When asked whether this position was the final truth on the matter, the minister without hesitation said 'yes'," it said with undiplomatic bluntness liable to enrage Mugabe.

"In response to a question on absentee landlords, the minister assured there would be no nationalisation of productive land," the programme said. This appears to offer a reprieve to farms owned by Anglo American (Zimbabwe) and the Oppenheimer family.

Kangai emphasised that "only derelict land would not be compensated ... for the fully utilised land, compensation will take into account the value of the land. When government evaluators do their assessments, they will take into account any loans on that land." Kangai envisaged a five to 10-year implementation period.

Some diplomats felt his speech foreshadowed "delisting" of most of the 1 471 farms, including 80 owned by black Zimbabweans.

Kangai reportedly told diplomats: "It is imperative that we should develop a cadre of indigenous commercial farmers in order to create a racial composition in the commercial sector that is truly reflective of the situation in Zimbabwe." At present only 25% of large-scale farmers are black.

MUGABE

Minister apologises for atrocities against civilians

(36a)

BD 9/3/98

HARARE — A cabinet minister in President Robert Mugabe's government has apologised for atrocities committed against civilians by Zimbabwe's army more than a decade ago, The Zimbabwe Standard reported yesterday.

Minister Without Portfolio Eddison Zvobgo said he had been "saddened" by the content of a report compiled by the Catholic Commission for Justice and Peace and the Legal Resources Foundation on the killings.

Thousands of civilians were killed between 1983 and 1987 after Mugabe, then prime minister, ordered the Fifth Brigade wing of the national army to crush an armed rebellion against his government in the Matebeleland and Midlands provinces, according to the report issued last May.

"The report is not a chapter I would like to remember," Zvobgo said.

"I did not know, and many people did not know — now I am being honest to myself and I want to sleep well — let me say nobody can be proud about what happened ... and I am very sorry about what happened."

Zvobgo said he was apologising in his personal capacity. The rebels were linked to the then opposition Zapu (PF) party led by Joshua Nkomo, now a vice-president after his party signed a unity accord with Mugabe's ruling Zanu (PF) party in 1987.

Mugabe refuses to discuss the massacres or to compensate the victims, pointing out that victims of atrocities he says were committed by the country's previous white rulers during a 1970s independence war have not been compensated. — Reuter.

Price freeze may force closure

(362) BD 9/3/98

Martin Rushmere

HARARE — Zimbabwe's second biggest flour miller, Anglo American's National Foods, has hinted it might close if price controls are maintained.

President Robert Mugabe's government forced through price controls on basic foods following food riots last month over price increases.

"The refusal to allow us to implement a flour-price increase, already largely costed into the ruling bread price, has resulted in our flour division operating at a substantial and nonsustainable loss," National Foods said in its profit report for the nine months to end December last year.

National Foods said the recent controls resulted in its maize division becoming uneconomical.

The company held back on a final dividend for the period, shortened to nine months because of a change in the accounting year to December. This was despite a 223% increase in net profit to Z$85m, about R25m, compared with the previous year.

In a public campaign, the government accused the milling companies of undermining the economy by putting up maize prices for no reason.

"The informal price control being exercised by government is of critical concern and any further delays in price adjustments will adversely affect investor confidence and ongoing operations," National Foods said.

"Basic food-price adjustments have been the result of increasing raw material costs because of the devaluation of the Zimbabwean dollar; increasing local-procurement costs because of raw material shortages; and broad-based inflation in operating costs." The organisation said the level of profitability did not provide sufficient cash flow to finance increases in working capital and capital expenditure for essential replacements. "In the light of this, all capital expenditure has had to be frozen," it said.

Legal experts have said that the government has no legal basis for imposing price controls, abandoned when structural adjustment was introduced at the beginning of 1991. However, all maize and flour millers have complied with an order to freeze prices for three months, as have makers of cooking oil.

Tyre subsidiary lifts earnings 61%

361

Martin Rushmere

BD 9/3/98

HARARE — An increase in duties on imported tyres have played a big part in a 61% rise in net profit to Z$36m for the Zimbabwe subsidiary of BTR Dunlop of SA in the year to end December 1997.

Dunlop Zimbabwe says: "The last half saw a surge in demand, largely as a result of the increased level of tariffs on imported tyres and tubes.

"The increased duty, from a rate per kilogram to an ad valorem rate, has levelled the playing field between ourselves and South African manufacturers." Importers of tyres are now unable to avoid paying duty by under declaring the weight of the product entering the country.

"An improved performance is expected this year, providing there is stability in the marketplace."

Harare's banks on a rough road

(362) CT/BR 9/2/98

CHARLES RUKUNI

Harare — Zimbabwe's financial sector, where indigenous entrepreneurs have made significant inroads, could be heading for trouble, according to a leading stockbroker who says one or more institutions might close.

"Competition in this industry has been so intense that some institutions have lent money to anyone looking for loans, just ... to gain clientele, start reporting interest income and utilise their capital," the broker says. "These problems are not only likely to be evident in the small institutions but also in some more established names, although they will have capital to tide them over."

Finhold, one of the financial institutions that almost collapsed, refinanced part of its Climax loan in October last year, with a foreign currency facility of US$30 million at a rate of 0,75 percent over Libor, payable in five years, the broker says.

"Fortunately, management saw fit to attach a forward cover contract on this loan, or this institution could have been once again in a dire financial position," the broker says.

Climax took over Finhold's bad debt and was said to be earning a hefty interest from Finhold's profits.

Leonard Tsumba, the Reserve Bank governor, warned as early as July last year that, while the liberalisation of the financial sector — marked by the entry of new banks and other financial institutions — had raised the level of competition, the spectre of bank failure had also risen.

The central bank also said it would not rescue any insolvent bank unless so directed by the government. This would not go down well with the international financial institutions, given the state of the economy.

But two major financial institutions have shown good returns, although both have predicted a tough year ahead.

UDC Holdings, which reported a net income increase of 25 percent, said margins would come under severe pressure and predicted there was likely to be an increase in levels of credit default. — The Insider

CAPE TIMES
★ MONDAY, MARCH 9, 1998

Minister sorry (362) for Zim atrocities

CT 9/3/98

HARARE: A Zimbabwean government minister, Mr Eddison Zvobgo, has apologised for the atrocities committed by government troops crushing a rebellion in Matabeleland province in the 1980s, a newspaper reported yesterday.

The expression of regret is the first by a member of President Robert Mugabe's government since the publication last year of a report on the atrocities by human rights groups.

The report contains harrowing accounts of atrocities, including incidents in which government troops forced villagers to dig their own graves, pregnant women were bayoneted and families had to dance on the tombs of their dead.

"I did not know, and many people did not know — now I am being honest to myself and I want to sleep well," Zvobgo said.

"Let me say nobody can be proud about what happened, and for the cleansing of my chest, let me say that I am very sorry about what happened."

The 260-page report on the Matabeleland conflict is entitled *Breaking the Silence* but has received no formal government response since it was submitted to Mugabe a year ago.

Zvobgo reportedly agreed with recommendations in the dossier that compensation should be paid to the survivors of the operation.

The conflict in Matabeleland began in the early years after independence in 1980, when Mugabe, leader of the Zimbabwe African National Union-Patriotic Front, fired rival party leader Mr Joshua Nkomo, of the Zimbabwe African People's Union, from his coalition government.

A small number of guerrillas became active in Nkomo's home province of Matabeleland and the government sent troops of the North Korean-trained Fifth Brigade against them.

The conflict, in which several thousand civilians are reported to have been killed, ended in 1987 when Nkomo, who received most of his support from the minority Ndebele people, signed a unity accord with Mugabe, who is backed by the majority Shona people.

Nkomo, whose party merged with Mugabe's, is now one of two vice-presidents. — Sapa-AFP

Sangoma warns Mugabe

HARARE: Zimbabwe's President Robert Mugabe has been warned by the country's most influential spirit medium that he is in danger of being ousted from power.

He has been consulting tribal leaders for advice on how to entrench his 18-year rule, it was reported in Harare yesterday.

The independent *Zimbabwe Standard*, quoting "reliable sources", said Mugabe was warned last year by a revered medium.

The medium is held to be possessed by the spirit of Mbuya Nehanda, the woman executed in 1896 by British authorities for leading a rebellion.

The medium said she would remove him from power "if he did not change his leadership style".

And in January, said the newspaper, Mugabe called a meeting in the town of Chinhoyi with nine of the most powerful chiefs in his home province of Mashonaland West for advice on how to stop the decline in his political fortunes.

The report follows mounting strikes and violent demonstrations against Mugabe's rule.

On Saturday, Mugabe said detractors who demanded his resignation were "traitors". — Sapa

Protesting students clubbed for demanding higher grants

(362) DD 10/3/98

HARARE — Zimbabwean paramilitary police clubbed hundreds of students in central Harare yesterday to break up a protest backing demands for higher grants, witnesses said.

About 100 policemen armed with shotguns, shields and batons charged into the crowd of 400 students outside the ministry of higher education headquarters, beating and dispersing them. Some students were hurt, they said.

Police sealed and deployed armed units at three Harare colleges, including the main University of Zimbabwe, where most of the students came from, to stop further protests.

State media reported students in Gweru, 290km southwest of Harare, had joined the protest but there were no reports of violence.

University and college students across the country are demanding the cash-strapped government increase their grants by 253%. They have been boycotting classes for a week to press their demand, which the government says it cannot meet.

The students have warned they will from this week take their grievances onto the streets in series of protests code-named "Good Morning Mugabe", after President Robert Mugabe.

Monday's demonstration was the latest evidence of the social and economic crisis facing Mugabe, whose government has been battered by a wave of violent protests in recent months over taxes and food prices.

In January the 74-year-old president was forced to deploy troops and armoured cars to crush food riots that left at least six people dead.

Many political analysts saw the riots as the biggest challenge to face the former guerrilla leader since he assumed power in 1980. — Reuter.

State bank wants new banking law

Michael Hartnack

HARARE — The Reserve Bank of Zimbabwe is pressing for the urgent introduction of a new banking act following economic liberalisation and the establishment of new financial institutions.

In its latest quarterly review the bank said the amendment of the Reserve Bank Act and the Banking Act was needed to empower it to supervise deposit-taking institutions and thus mitigate any potential failures.

Zimbabwe's banking sector has watched the collapse of a number of indigenous Kenyan banks with alarm, fearing the loss of confidence that failure of financial institutions causes throughout the national economy.

Bankers said they welcomed increased competition, but the accompanying spectre of loss of depositors' money had to be considered seriously.

"In this regard, it is important to recognise that it is not the responsibility of the Reserve Bank to rescue banks that are insolvent," the review said.

"The bank would, of course, rescue such institutions if directed to do so by government and under special circumstances where government is prepared to issue marketable guarantees."

The Reserve Bank was in partnership with the failed Bank of Credit and Commerce International over its local subsidiary, but denied making any losses. The subsidiary has now been privatised, joining six indigenous banks and financial institutions launched in the past three years.

CAPE TIMES
TUESDAY, MARCH 10, 1998 ★

ANTI-MUGABE PROTESTS SPREAD

Police club students in Harare uprising

CT 10/3/98 (362)

THE CRISIS facing the Mugabe government intensifies as students take to the streets to demand a dramatic increase in education grants.

ZIMBABWEAN paramilitary police clubbed hundreds of students in central Harare yesterday to break up a demonstration backing demands for higher grants.

Witnesses said about 100 policemen armed with shotguns, shields and batons charged into a crowd of about 400 students outside the ministry of higher education headquarters, beating and dispersing them. Some students were injured.

The police also sealed and deployed heavily armed units at three Harare colleges, to stop further protests.

State media reported students in Gweru, 290km southwest of Harare, had joined the protest, but there were no reports of violence.

Students across the country are demanding that the cash-strapped government increase their grants by 253%.

They have been boycotting classes for a week to press their demand, which the government says it cannot meet.

Yesterday's demonstration was the latest evidence of the social and economic crisis facing Mugabe, whose government has been battered by protests over taxes and food prices.

In January, Mugabe used troops and armoured cars to crush food riots that left at least six people dead. Political analysts saw the riots as the biggest challenge to face him since he assumed power in 1980.

Mugabe last week deployed police to try to prevent a two-day anti-tax strike by unions, alleging it was part of a campaign hatched by whites to topple him over his plans to resettle black peasants on mostly white-owned farmland.

Mugabe boasted recently he had "degrees in violence" and warned that he would crush any more social unrest. — Reuter

Zimbabwe police lay into students

Star 10/3/98 (362)

Harare – Disruptions in Zimbabwe continued yesterday as a demonstration by University of Zimbabwe students was violently dispersed by riot police in Harare's city centre.

About 400 students marched into Harare to demonstrate for higher student grants in front of the office of Minister for Higher Education Ignatius Chombo. Their protest was peaceful, but about 100 riot police used batons to beat the students.

"The police really swung their batons hard on the students. We could hear them screaming up on the seventh floor," said one Harare office worker. "We went down to see what was happening, but it looked like the police would swing at anybody, so we went back to our offices. It was over pretty quickly."

The demonstration comes just days after Zimbabwe's labour movement held a two-day national strike that virtually closed down all Zimbabwe's cities on Tuesday and Wednesday last week. The strike was peaceful, with no incidents of looting or violence reported.

The Zimbabwe National Students Union, representing all students at universities and polytechnics, is staging a class boycott to demand a 253% increase in student grants. The students claim they cannot afford books, supplies and food with their current grants.

University of Zimbabwe students currently receive government grants of Z$7 000 (about R2 000) a term. President Robert Mugabe's government maintains it cannot afford to give students any more money. Already the government has started charging students for tuition by giving them loans which must be paid back after graduation.

Meanwhile, the Zimbabwe Congress of Trade Unions has urged a boycott of the state-owned Herald newspaper every Thursday and Friday in protest at its "disinformation campaign" during last week's strike.

The country's only national daily newspaper has become even more stridently pro-government with the appointment last month of a new editor, Charles Chikerema. The paper refuses to publish information about opposition figures or any news unfavourable to the government.

During the union strike last week, the paper printed only quotes from cabinet ministers and reports that business was nearly normal, when everyone could see that the strike was largely successful. – Star Foreign Service

CAPE TIMES
WEDNESDAY, MARCH 11, 1998 ★

CONTRADICTIONS IN HARARE

Hot debate expected on Zim land issue

(36a)

CT 11/3/98

HARARE: Government officials here are making contradictory statements on land re-distribution.
ANDREW MELDRUM, Independent Foreign Service, reports.

HEATED debate over Zimbabwe's land controversy is expected in London today at a conference bringing together Zimbabwean officials, white farmers and foreign donors.

Many Zimbabweans and international supporters hope the London conference will clarify the land issue, which is mired in confusion.

It is not clear if the government intends to push ahead with its plans to seize five million hectares of white-owned land or if it intends to take a more moderate course and pay market prices for the land it nationalises.

President Robert Mugabe stated recently that he intended to go ahead with the more radical approach.

"There is no going back on the land issue, we will not pay for the land as such," Mugabe said in an interview televised on the state Zimbabwe Broadcasting Corporation to mark his 74th birthday.

"Some of my ministers are not as firm as I am about this issue, I am unyielding when it comes to principle."

But last week, a different story was told to a meeting of diplomats by Agriculture Minister Kumbirai Kangai. Kangai said the government would only seize derelict and under-used land and would pay full and fair compensation for other land acquired to redistribute to poor black peasant farmers.

Kangai assured the diplomats, at a meeting in the Harare offices of the United Nations Development Programme (UNDP), that the government would abide by laws protecting private property and the Zimbabwe constitution and would be guided by its financial and budgetary constraints.

The government's statement to the diplomats was issued, it is widely believed, to satisfy the International Monetary Fund (IMF), which had demanded exactly such a public assurance from the government on the land issue before it would approve the release of a balance of payments loan worth $100 million (R498m). The IMF board meets in Washington this week to consider assistance to Zimbabwe.

The only problem is that these concessions were not made to the Zimbabwean public. After his assurances to the diplomats, Kangai held a press conference at which he announced the government would "de-list" farms owned by black Zimbabweans and any farms whose purchase was approved by the Zimbabwe Investment Centre. But Kangai did not announce all the concessions he had made at the UNDP meeting.

> *'There is no going back on the land issue, we will not pay for the land as such.'*
> *— Mugabe*

He specifically did not tell the Zimbabwe's state-owned media — which includes *The Herald*, the *ZBC* radio and television stations and the national news agency *Ziana* — that productive farms would be bought at market prices.

As a result, many government critics believe the government is continuing its game of saying one thing privately to international donors and saying something different to the Zimbabwean public.

Kangai's statements on land resettlement were delivered to the Commercial Farmers Union, but the farmers' organisation was not consulted beforehand. Both the IMF and the European Union have insisted that the government consult all affected farmers' groups.

Today's conference is being convened by the EU as a preliminary meeting for an international drive to raise the funds needed for Zimbabwe's land redistribution.

The London conference is as a result of discussions between EU Commissioner for Development Mr Joao de Deus de Pinheiro and Mugabe in January. De Pinheiro told Mugabe the EU would mobilise significant international funds for land redistribution, as long as Mugabe released a detailed plan, particularly about compensation for farms.

The Mugabe government is apparently worried that it will be pressed to repeat its assurances that it will pay market prices for land acquired and it is understood it will not send a high-level representative to the London conference.

The government has discounted the London conference as a promotional effort by the Commercial Farmers Union which represents Zimbabwe's virtually all-white 4 500 large-scale farmers to raise support for their alternative land redistribution plan.

It is not certain if the London conference will succeed in settling the Mugabe government's intentions on land reform. While the government persists in saying moderate things to donors and making antagonistic statements to the public, everyone will be left guessing as to what will happen.

Hope of clarity on Zimbabwean land issue at London talks

Star 11/3/98 (362)

By Andrew Meldrum
Star Foreign Service

Harare – Heated debates over Zimbabwe's land controversy are expected in London today at a conference bringing together Zimbabwean officials, white farmers and foreign donors.

Many hope the conference will clarify the land issue.

It is not clear if the government intends to push ahead with its plans to seize 5 million hectares of white-owned land or if it intends to take a more moderate course.

President Robert Mugabe said recently he intends to go ahead with the radical approach. "There is no going back on the land issue; we will not pay for the land as such," he said in a Zimbabwe Broadcasting Corporation interview.

Last week a different story was told at a meeting of diplomats by Agriculture Minister Kumbirai Kangai, who said the government would seize only derelict and underutilised land and would pay full and fair compensation for other land.

This statement was issued, it is believed, to satisfy the IMF, which had demanded such a public assurance before it would approve the release of a balance of payments loan worth about R500-million. The IMF board meets this week to consider assistance to Zimbabwe.

The problem is that these concessions were not made public in Zimbabwe. Kangai did not tell the state-owned media that productive farms would be bought at market prices.

The two approaches towards Zimbabwe's land redistribution are set to dominate today's conference.

t of Hebron on Tuesday night.
PICTURE: AP

Transparent Zim land plan urged

(362)
ET 12/03/98

HARARE: Zimbabwe's National Merchant Bank (NMB) urged President Robert Mugabe's government to open its controversial land plans to public scrutiny in order to win back investor confidence.

"A coherent and transparent land reform programme with broad support will go a long way towards restoring confidence in the country," NMB chairperson Mr Paddy Zhanda said in a statement accompanying the 1997 results.

Zhanda said Zimbabwe's 1998 economic outlook had been brightened by a better than forecast rainy season and the return of the International Monetary Fund and the World Bank following last year's crash of the stock market and local currency on poorly perceived government policies.

Mugabe's government, succumbing to intense international pressure, assured international donors last month it would pay full compensation for all productive land and ensure transparency in its acquisition of five million hectares to resettle landless black peasants.

Zhanda said NMB, listed on the Zimbabwe and London stock exchanges, returned strong growth during the 12 months to December 31, 1997, with net profit up 75,3% to Z$74,79 million (about R22,67m) for a return on equity of 34,7%. — Reuter

Critics condemn Zimbabwe's new media bill as an attack on press freedom and privacy

(362) Star 12/3/98

By Andrew Meldrum
Star Foreign Service

Harare – Zimbabwe's journalists are up in arms over the government's draft communication bill, which they fear will restrict the country's press freedom still further.

The draft bill, expected to be tabled in parliament next month, would increase state powers over all television and radio broadcasting and grant the government authority to seize any post or telecommunications messages.

In addition, the government would be able to suspend any independent telecommunications service.

"We'll take the challenge to court. We cannot just watch press freedom being undermined," said Basildon Peta, secretary-general of the Zimbabwe Union of Journalists.

The bill was originally envisaged to liberalise Zimbabwe's broadcasting sector by ending the state's monopoly of radio and television networks.

Zimbabweans and influential donors have for years criticised the pro-government propaganda broadcast by the state's Zimbabwe Broadcasting Corporation.

But the Mugabe government's new bill is a "a big contradiction", according to Peta.

In terms of the bill, the minister of information would have the power to appoint or suspend any staff member of the Independent Broadcasting Authority. With such powers, the broadcasting authority obviously could not, despite its title, be independent.

"Our history has shown that editors have been fired at the discretion of government ministers," said Peta. "You can hardly have freedom of the press if the minister can hire or fire members of the board. Those appointed will obviously dance to the tune of the government."

The communications bill also empowers the president to order the interception of any postal article or communication transmitted by telecommunication. The bill's critics say this significantly increases the government's powers of censorship and invades personal privacy.

The bill would also grant the president power to suspend any telecommunications service, broadcasting network or cellular phone system operated by a body licensed by the state.

Legal experts complain the bill is objectionable. "The government cannot get it in their heads that we are a democratic country and cannot give control of our lives to the president," said constitutional law expert Welshman Ncube, a professor at the University of Zimbabwe.

"We need a constitution like the American one which says that any law, besides not abridging press freedom, should also not interfere with any personal correspondence."

The government's director of information, Bornwell Chakaodza, denied the bill would restrict press freedom. The government was open to suggestions from the Zimbabwe Union of Journalists or other interested parties. "We want a Zimbabwean product which will reflect the concerns of all stakeholders and interested parties," he said.

RICK BOWMER / AP

President Robert Mugabe . . . donors are forcing policy changes

ZIMBABWE

Time to tighten belts in Monomotapaland

FM 13/3/98

(362)

Despite his militant speeches, Mugabe is backing down on land

If the Zimbabwe government sticks to the terms of an agreement reached with donors, the crisis over land may have been resolved.

Under pressure from the International Monetary Fund, World Bank and United Nations Development Programme (UNDP), Land Minister Kumbirai Kangai has been backtracking to the point where some analysts say he will have to delist most of the 1 470 private farms listed last December for compulsory acquisition by the State.

Kangai reportedly told the UNDP that government's "final" position involved delisting all farms owned by black farmers, those owned by whites who have only one farm, and all "plantation" farms (tea, citrus, horticulture, timber and sugar).

He is also reported to have said that only unproductive, unutilised and derelict land will be taken over, that fair compensation will be paid and that government now envisages a resettlement programme lasting 5-10 years.

In return, Kangai says he expects to secure support from the donor community to finance resettlement, starting with consultancy fees to be funded and managed by the UNDP.

Little of this can be squared with the fire and brimstone breathed by his boss, President Robert Mugabe.

Mugabe's most recent public statement was that there would be no turning back on the land issue — and the silence in the State-owned media over the issue suggests it is waiting to be told what line to take.

Under Kangai's "final" plan, 120 of the 170 farms offered by owners are to be resettled this year — 15 in each of the country's eight provinces. Few believe this is possible, noting that fewer than 20 farms were resettled during the whole of 1997.

Optimists are claiming that the crisis is now over and that Zimbabwe is back on track to secure donor support for the second phase of economic reforms — the so-called Zimprest programme, due to be unveiled by Mugabe next month.

Realists take a rather different view, arguing that the self-inflicted damage of the past nine months is not going to vanish overnight. It may be that when it meets towards the end of the month, the IMF will agree to release upwards of US$100m to Zimbabwe, but as the country's economic and political woes worsen, the Fund will find it more difficult to justify bailing out the Mugabe government.

Reports of compromise over land have helped stabilise the Zimbabwe dollar at Z$16 to the US unit from a low of more than Z$19, and the stock exchange is 31% above its pre-Christmas lows.

But also on the move are interest rates and inflation. Consumer inflation pushed up to a month-high of 24,1% in January, and most banks have pre-empted the anticipated hike in the central bank's rediscount (bank) rate, which now stands at 31,5%. Prime bank rates are running at 33% and above and the Reserve Bank is expected to raise rediscount rate.

Money supply grew 28% in the year to November — the latest number available — but since then Reserve Bank lending has taken off. The central bank's loans and advances (unspecified) rose from Z$1,6bn (US$100m) last September to Z$9,5bn (US$590m) last month. Over the same period the central bank's investments (also unspecified) surged from a mere Z$150m to more than Z$2bn.

This lending is believed to be to government, possibly to the financially stressed State-owned oil company NocZim, and — though there is no hard evidence — to some of the black-owned banks. The impact of all this on money supply comes close to a 20% increase, though it is possible that last month's accelerated tax payments may have enabled government to repay some of these borrowings.

The fuel crisis remains unresolved. Even with the fall in world oil prices, fuel prices must rise substantially to cover last year's devaluation, but Mugabe appears to be reluctant to face industrial unrest over increased transport costs.

For their part, the unions — pleased that last week's stayaway was both widely observed and peaceful — are threatening to call new stoppages if government refuses to drop last year's 2,5 percentage point increase in sales tax to 17,5% and its 5% "development levy" on income tax.

With inflation set to move as high as 30% before slowing and industrialists predicting wage increases of 25%-35% this year, Ministers say they cannot afford to back down on tax and fuel price hikes. If they do, any IMF agreement will be shortlived.

To make matters worse, business investment plans are being pared. A number of companies have announced plans to shelve proposed projects. Only this week, the Edgars group said it was postponing "virtually all" capital spending.

So while Mugabe may be off the land issue hook for now, there is no respite on the economic and social fronts. Indeed, the reported land compromise leaves him vulnerable to fresh accusations of failing to deliver on his promises. **Special Correspondent**

Zim union targets state daily for boycott

ARG 13/3/98 (362)

Harare – Zimbabwe's umbrella labour union has urged workers not to buy the country's mass circulation and only daily newspaper, The Herald, on Thursdays and Fridays, in a nationwide consumer boycott of selected products.

The Zimbabwe Congress of Trade Unions (ZCTU), which recently launched a vigorous campaign against the high cost of living, said yesterday that its supreme decision-making council had resolved last week to embark on a national consumer boycott of certain goods and services, starting with the state-owned newspaper.

ZCTU accused the daily of disinformation and said it would "urge all workers to boycott The Herald every Thursday and Friday until further notice", in a statement signed by Morgan Tsvangirai, ZCTU secretary-general.

"This newspaper embarked on a disinformation campaign during the two-day stay away," Mr Tsvangirai said in reference to last week's successful job boycott which the workers' movement organised to press the government to drop some taxes and reduce prices of basic commodities.

Meanwhile, in a rare, long and strongly-worded editorial on its front page, The Herald yesterday countered the boycott call by launching an attack on Mr Tsvangirai.

Headlined "We still wonder: What has happened to you, Morgan?", the editorial castigated the labour leader, accusing him of working in collusion with the country's white minority at the expense of the workers' cause. The paper charged that Mr Tsvangirai was conspiring with white industrialists and white farmers, whose land is to be compulsorily acquired by the government to be given to landless blacks.

"Why have you become the darling of the historical oppressors of our people both at home and abroad, Morgan? How come even the Western media, that never for once praised the heroism of our people in the liberation struggle, now appear to regard you as the Messiah? What are you doing for them, Morgan?" the paper questioned.

The comment questioned the choice of Thursday and Friday for the boycott, arguing that these days were singled out to create a market for two independent weeklies that are published on those days. – Sapa-AFP

ARG 13/3/98.

Maize crop in Zimbabwe hit

(362)

Harare – Zimbabwe is expected to harvest 1,7-million tons of maize this season, 19,04% down on last year.

Officials said yesterday that preliminary estimates showed commercial farmers were likely to produce 693 000 tons of the staple maize from the 1997/98 November-April cropping season, with the balance of a million tons expected from smallholders.

Zimbabwe, along with the rest of southern Africa, was widely forecast to suffer a severe drought this year owing to El Niño, a warming of Pacific waters that often brought drought to the region. Sources said many farmers reduced plantings as a result.

"We are working mainly on a 25% reduction in plantings over last year," said one official who declined to be identified. He put the commercial area under maize at 126 000ha on a yield of 5,5 tons a hectare.

An official of the Zimbabwe Farmers' Union said production from smallholders could reach a million tons, compared with 1,152 million last year, while Zimbabwe consumed 1,9 million tons a year – Reuters

Winds of change hitting Zimbabwe stock exchange are not blowing hard enough

Steps towards modernisation of the Zimbabwe stock exchange have been taken but they do not go far enough — writes Martin Rushmere in Harare

BD 16/3/98 (362)

FIFTY years after its foundation, the Zimbabwe stock exchange is trying to shake off its reputation for being a colonial gentleman's club and becoming a professional operation.

New listing rules and a central scrip depository are the first steps to modernisation, to be followed by a securities and exchange law.

Change has not come a moment too soon. Since foreign buyers were allowed in four years ago — investing $200m in that period — grumblings have been getting louder that the exchange's operations and outlook are antiquated. As one broker puts it: "There has been too much reliance on cosy, informal settlement of disputes and awkwardness on a private basis, which is outmoded. Not enough regard has been paid to the long-term future of the exchange."

In the past five years trading volumes have trebled to more than 1,5-billion shares a year and the number of stockbroking firms has doubled to 10, but the rules have stayed essentially the same.

Yet, even with a new law the system will still lack teeth. Says a member of the exchange committee, the governing council: "We will lack real powers to take action. The strongest punishment we can impose is suspension of a company from the exchange, which at the end of the day does no one any good, particularly not the shareholders. What is needed is the power to take action against individual directors, including fines and disbarring."

That's not the only weakness. There is also no facility for investigating breaches of the law. This is seen as a particularly serious deficiency by many. A young, recently registered broker says: "We boast of having become international, but little has been done to modernise the rules."

There have been two scandals in the past three years which in Johannesburg or London would have led to an immediate investigation, one of them involving the delisting of a company that left individual shareholders stranded.

After years of intermittent wrangling within the exchange itself, a draft law was agreed on almost three years ago. This had to be approved by the finance ministry, which reacted by saying that it had its own ideas on the matter.

These turned out to be someone else's ideas, as the International Finance Corporation was called in as a consultant and in turn employed other consultants to come up with a plan.

Their proposals have been handed to the finance ministry, where they have disappeared, although the ministry says they have been passed onto the stock exchange.

An exasperated exchange committee member comments: "Considering there are less than five senior officials here compared with almost 100 in the ministry, it's easy to work out who is more likely to have lost the document."

When the government does find its draft, the anxiety among brokers is that the new proposals have the effect of leaving the exchange with so little power that "we will be like a 98-pound weakling, with the government able at any time to kick sand in our face", said a broker in Harare.

One of the most vexing consequences of the delay is that the running sore of insider trading continues to fester.

Sudden and unjustified very significant movements in prices, shortly before profit statements of certain companies are announced, have become almost commonplace. Until now there has been virtually nothing that can be done about it, apart from a vague clause forbidding it.

Consultants and lawyers argued about it for years and eventually a precise definition with accompanying penalties was included in the proposals drafted by the stock exchange. No one knows whether the government wants to keep these.

However, control of one potential scourge, short selling, is definitely provided for in the government proposals.

The rules as they stand say that all short sales have to be declared immediately and the money involved has to be deposited with a broker at the time of the sale. The new law is likely to be even tougher.

Refreshingly, there has been much more progress with listing rules. In place of the largely informal requirements that exist, a draft document of more than 500 pages has been drawn up.

In essence the requirements are much more rigorous. Aspiring listed companies not only have to provide balance sheets, but are obliged to give detailed asset holdings and to set out both historic and projected cash flows to back up their claims.

The establishment of a central scrip depository is long overdue and, in the absence of electronic trading (still a number of years away), will greatly speed up processing of share dealings, which can take weeks and weeks and which is done independently by several share transfer secretaries.

A stock exchange committee member says: "Confusion as to who owns what has resulted from this unsatisfactory arrangement. So far, we have been lucky as only genuine mistakes have occurred and there has been no fraud. Cases have occurred of investors selling the same shares twice over, forgetting that they have already done so."

The cost of setting up the depository is estimated at between $1m and $2m, says the exchange's deputy CE Emmanuel Munyukwe — money which the exchange does not have. It is being sought from donors, which is something of a contradiction for an institution dedicated to free enterprise, and which criticises government for asking for international donor aid to solve its economic problems.

Foreign investors, who are seen as the deciding factor in the stock market's long-term success, are looking for reform outside the exchange's scope. At the moment the market is a one-way street, as shares bought locally cannot be sold anywhere else, while those bought abroad in dual-listed companies can be sold only on the local market for Zimbabwe dollars.

Responsibility for that lies with the Reserve Bank. Until there is full convertibility, Zimbabwe will be looked at as little more than a mild diversion.

TERNATION

DDT used to fight malaria

(362)

30/3/98

HARARE — Health authorities plan to fight malaria with DDT, using 10 000 tons of the poisonous pesticide which was banned in agriculture three decades ago.

DDT, banned because it could move through the food chain and because it threatened species, would be used on mosquitoes carrying malaria, Health Ministry spokesman Paulinus Sikhosana said in the Sunday Mail.

Sikhosana said the pesticide would be used mainly in western Zimbabwe in controlled low concentrations.

The plan was criticised by biologists at the Zimbabwe university and conservation group Environment 2000 warned that a new build-up of DDT in the food chain posed long-term health risks that outweighed dangers from malaria. Tobacco growers said the pesticide posed a serious threat to their crop. — Sapa-AP.

Banned DDT back in use

(362?)

Sowetan 16/3/98

HARARE – Health authorities plan to fight malaria with DDT, using 10 000 tons of the poisonous pesticide which was banned in agriculture three decades ago.

DDT, banned because it can move through the food chain and threatened various species, will be used to kill mosquitoes carrying malaria, Health Ministry spokesman Dr Paulinus Sikhosana was quoted as saying in the state-controlled *Sunday Mail*. It wasn't immediately clear how the ban would be overturned.

Sikhosana said the pesticide will be used mainly in western Zimbabwe in low concentrations under strict controls, a practice used in several African countries to control the spread of malaria and bubonic plague.

The plan was quickly criticised. Biologists at Zimbabwe University and the conservation group Environment 2000 warned a new build-up of DDT in the food chain posed long-term health risks that outweighed dangers from malaria, a parasitic tropical fever. – *Sapa-AP*.

Zimbabwe cargo carrier wilts

(368) BD 17/3/98

Michael Hartnack

HARARE — Godfrey Manhambara, MD of Zimbabwe's parastatal air cargo carrier Affretair, has pledged speedy improvement of handling facilities after more than 60 tons of flowers worth $360 000 were ruined by delays in transit to the Netherlands this month.

Millions of dollars have reportedly been lost, while the government continues to resist pleas for an "open skies" policy to maximise export potential and scarce foreign currency.

"Upgrading of the facilities is a temporary measure, we are talking to everyone concerned and asking them to give us ideas on what to include at the proposed cargo village at the new Harare International Airport.

"Everyone is aware something is being done but what we are asking for is to have the process made faster," Manhambara said.

It should take 48 hours for flowers to get from growers to markets in Europe, but present facilities are failing to meet pressure from exporters.

Manhambara acknowledged present handling facilities at Harare Airport were poorly planned. Flowers are supposed to be kept at low temperatures and correct moisture content from the moment of harvest.

The disaster occurred when an Affretair flight put down at Lagos, Nigeria, where there was no controlled air system, and the consignment was exposed to sweltering temperatures.

More than 54 000 tons of produce was exported last year, earning more than Z$1,1bn for an economy desperate for foreign exchange.

Affretair, formerly the late Jack Malloch's sanctions-breaking Air TransAfrica, was taken over by the government after 1980 independence.

Malloch, who was killed flying a reconstructed Rhodesian Air Force Spitfire, sustained a buccaneering air freight business which carried everything from chilled beef to armaments.

His cargo freighters frequently changed registration and nominal owners in mid-air, surviving interception bids by Angolan MIG jet fighters.

Mugabe's party deeply divided

BD 17/3/98

Michael Hartnack

(3623)

LONG-concealed regional and ethnic tension in President Robert Mugabe's ruling Zanu (PF) party have burst into the open in the wake of unrest over runaway inflation and alleged economic mismanagement.

Party members at a meeting in Harare agreed on Sunday the tension was a result of widespread hardship, but "opportunists" were taking advantage of strikes and food riots to destroy the party, the state-run Zimbabwe Broadcasting Corporation reported.

Dzikamai Mavhaire, Zanu (PF) chairman for the southeastern Masvingo province and an associate of local strongman Eddison Zvobgo, minister without portfolio, is to be summoned before a disciplinary committee for urging a limit to Mugabe's term of office during parliamentary debate.

The Zimbabwe information service reported on Sunday that at a party rally in northeastern Zimbabwe, Information Minister Chen Chimutengwende shouted: "Death to Mavhaire".

Former speaker Didymus Mutasa, now Zanu (PF) secretary for administration, confirmed that at a meeting of Mugabe's politburo held last week it was resolved to indict Mavhaire for "questioning Mugabe's integrity and inciting disobedience to the president". Simultaneously, the government initiated moves that could allow it to deregister and thereby outlaw the Zimbabwe Congress of Trade Unions, which organised the first successful national strike on March 3 and 4, in protest against rising prices and extra taxes to pay former guerrillas' gratuities.

On Thursday representatives of the trade union grouping attended a "disciplinary hearing" convened by the labour minister. They said the ministry had no legal standing to summon the organisation or question its actions. It vowed to take legal action over claims that it broke industrial relations by calling the strike.

Deregistration of the grouping would permit the government to freeze its assets and disband the organisation. Mugabe claims unions have betrayed workers and become "an opposition party".

The strike was well observed in Matabeleland, the scene of massacres in the 1980s, and in Masvingo.

After years of infighting in Masvingo, Mugabe loyalists led by Foreign Minister Stan Mudenge have failed to dislodge Mavhaire and Zvobgo.

Zvobgo issued a personal apology for the Matabeleland massacres last week, saying, although he was justice minister at the time, he had not been aware of the massacres until he read a report produced last year.

Introducing a motion for constitutional reform, Mavhaire said Zimbabwe was not a monarchy, yet was "worse off than other countries".

"What I am proposing is that the president must go," he said amid a storm of interjections. He later said he would call only for limitation of presidential office to two six-year terms.

While Mugabe loyalists denounced the unions, prominent figures in Masvingo, Matabeleland and the Midlands have been notably silent.

Mugabe, 74, prime minister from independence in 1980, was sworn in as president on January 1 1988 and may stand for a further term in 2002. Zanu (PF) controls 147 of the 150 parliamentary seats.

AFRICA

Biologists slam use of herbicide on Lake Kariba

Michael Hartnack BD 17/3/98

HARARE — Zimbabwe's cash-strapped national parks department began spraying the controversial herbicide 2-4-D to control water hyacinth on Lake Kariba, despite biologists' pleas that they were killing recently introduced South American weevils that would control the plant naturally.

The department, which lacked funds to guard Zimbabwe's elephants and rhinos from sophisticated poaching gangs, was accused of ignoring warnings that 2-4-D killed fish and other organisms indiscriminately, and could lead to cancer in humans. A national parks spokesman said that there was "no alternative" to 2-4-D.

The department feared that, if unchecked, exotic water hyacinth could turn Kariba, with its 2 000km shoreline, into a stagnant swamp, similar to the white Nile reaches of southern Sudan.

Prof Chris Magadza of the University of Zimbabwe warned that the effects of 2-4-D might be seen "in generations of children".

The chemical had been banned in many countries.

Prof Brian Marshall, in a report prepared for the Zambezi society, said a weevil that lived solely on water hyacinth had achieved "spectacular results" controlling the weed on Lake Chivero outside Harare once officials stopped ill-considered herbicide spraying.

Water hyacinth was clogging sheltered bays and inlets, obstructing navigation, destroying nets of local fishermen and de-oxygenating water, said Marshall. It could contribute to poverty as well as an increase in malarial mosquitoes.

Marshall warned that even if sprayed, water hyacinth produced seeds that were indestructible "little time bombs", but that 95% of plants failed to flower when infested with the weevil. The weevil had already been released at GacheGache, south of Kariba.

(362)

Drop in Zimbabwe inflation

(362)

Sowetan 17/3/98

THERE has been a slight fall of 0,2 percent in the country's year-on-year inflation for February, now pegged at 24 percent, the central statistics office in Harare said yesterday.

Basing their views on Zimbabwe's current economic situation, market analysts interviewed by the *Ziana* news agency said this slight drop was due more to technical than fundamental economic reasons. "Though this downward movement in inflation is not much, it may send wrong signals because in real terms the inflation rate must be higher than 24 percent in view of high interest rates," one analyst said. – *Sapa*.

Mugabe hits at calls for change from within party

ARG 18/3/98

(362)

Harare – President Robert Mugabe is battling to stamp his authority on his governing party, where he says "traitors" are working to end his 18-year-old rule.

In the last two weeks, the former guerrilla leader and some of his top lieutenants in Zanu-PF have been clobbering a senior party official who introduced a motion in parliament last month calling for a constitutional review and limits on presidential terms.

But political analysts say that Mr Mugabe – who sees the motion as a plot to dump him – has so far failed to win the solid party support he needs to stave off a possible leadership challenge.

Mr Mugabe has brushed off calls by his critics and opponents to quit over a deepening social and economic crisis, dramatised in the last few weeks by violent protests over taxes and food prices.

He says that at 74 he feels young, competent and in control, but political analysts say the debate in parliament over limiting

Embattled: President Robert Mugabe

the number of presidential terms has put him under new pressure.

The parliamentary motion was introduced by Zanu-PF stalwart Dzikamai Mavhaire, a party provincial chairman and a member of Zanu-PF's policy-making central committee. The motion is still on the table and has so far been backed by 28 of the 29 MPs who debated it.

Many analysts believe it enjoys majority support in the 150-seat Zanu-PF-dominated chamber.

The analysts also say that a spirited campaign by Mr Mugabe's supporters to organise solidarity rallies has not delivered the deafening cry the president needs to reassert his authority.

Only three of the country's 10 provinces have expressed "unwavering support" while the rest have kept quiet or backed the need to debate the constitution and succession issues, with a mild warning to members not to personalise the debate.

Mr Mavhaire said that, as a republic, Zimbabwe must limit the number of terms in office or risk becoming a presidential monarchy, a term that has incensed Mr Mugabe as much as Mr Mavhaire's bare-fisted clarification: "What I am saying is that the president must go."

Mr Mugabe blasted this call as treacherous.

"They are traitors," he bellowed at a mini-rally. – Reuters

FINANCIAL AID (362) ET (BR) 18/3/98

Zimbabwe aid talks rescheduled to next month

The International Monetary Fund (IMF), citing insufficient data, postponed a meeting to consider Zimbabwe's request for $176 million in aid next month, official sources said yesterday. The sources said the IMF board had been scheduled to hear Zimbabwe's case on Friday in Washington but the Zimbabwean authorities had been unable to provide monetary targets. "We did not manage to meet the March 20 deadline because we did not have some figures which they want," one official, speaking anonymously, said. Another official said the IMF board was now expected to consider Zimbabwe's request in mid-April when a team led by its southern Africa regional chief Michael Nowak reports back. — *Reuters*

Green lobby accepts plan

(362)

Michael Hartnack

BD 19/3/98

HARARE — Conservationists from the Zambezi society, an international lobby group, say they have been forced to "accept the reality" of the planned Z$28bn Sengwa north thermal power station and hotel expansion at Victoria falls.

"We would prefer that neither development took place," said a society spokesman yesterday, describing them as "unstoppable".

Zambezi society studies suggest construction of the thermal power station near Gokwe, close to the south bank of lake Kariba, will lead to massive human intrusion and probable illegal settlement, as well as atmospheric pollution.

The society, linking environmentalists in Zimbabwe, Zambia and Britain, also fears expansion of hotel facilities at Victoria will worsen tourist "overload".

Britain's national power company signed an agreement for the Sengwa north power station soon after a government minister visited Harare in January. It pledged to observe UK environmental protection standards.

Speaker stops Zanu's attempt to censure MP

(362) BD 20/3/98

HARARE — Attempts by Zimbabwe's ruling Zanu (PF) party to discipline an MP who challenged President Robert Mugabe's right to stay in office indefinitely have been frustrated by the speaker of Parliament, who says the party has no right to censure the MP.

Speaker Cyril Ndebele was quoted in the state-controlled daily Herald newspaper yesterday as saying that a disciplinary hearing set up by the party's central body into remarks by MP Dzikamayi Mavhaire was illegal.

Party sources said Mavhaire reminded the disciplinary committee of constitutional privilege protecting MPs from censure over anything said in Parliament.

Zanu (PF) is seen to be on the brink of a split as Mugabe loyalists accused Mavhaire of a tribal plot to unseat Mugabe, who has led the country since 1980. Mugabe said earlier that anyone calling for his removal was a traitor.

Fierce contention is expected when the party's central committee meets today. — Sapa.

Mugabe's party on 'brink of split'

(362)

CT 20/3/98

HARARE: Attempts by Zimbabwe's ruling Zanu (PF) party to discipline an MP who challenged President Robert Mugabe's right to stay in office indefinitely have been frustrated by the speaker of parliament, who says the party has no right to censure him.

Speaker Cyril Ndebele was yesterday quoted as saying that a disciplinary hearing, set up by the politburo of the party into remarks by MP Dzikamayi Mavhaire, was illegal. Party sources also said Mavhaire handed the disciplinary committee a note which cited constitutional privilege that protects MPs from censure over anything said in parliament.

A storm broke over Mavhaire, who introduced a motion in parliament last month calling for constitutional reforms, including a limit to the number of terms in office a president can hold. The dispute is expected to lead to fierce contention when the ruling party's powerful central committee meets today.

The ruling party is seen as being on the brink of a dangerous split as Mugabe loyalists accused Mavhaire of a tribal plot to unseat Mugabe, who has been the country"s unquestioned leader since independence in 1980.

Mugabe said on March 6 that anyone calling for his removal was a traitor.

The move should sharpen the bitter divisions between the Zezuru-speaking faction of the party, led by Mugabe, and the Karanga-speaking faction from southern Zimbabwe, of which Mavhaire is considered the second-in-command. — Sapa

Mugabe lashes out at top officials as they join 'quit' chorus

ARG 21/3/98 (362)

Harare – Zimbabwean President Robert Mugabe has lashed out at some of his top officials for calling on him to quit, saying they were helping a spirited campaign by his opponents to end his 18-year rule.

Mr Mugabe told about 1 000 members of his ruling Zanu-PF party, who marched in central Harare to demonstrate their support for him, that some "misguided" members were trying to destroy the party by pursuing divisive programmes.

"At a time when we are trying to consolidate our independence and trying to resolve our problems, some of these people are helping our opponents and enemies who are on a serious campaign to take power from us," he told the crowd yesterday outside Zanu-PF's headquarters, where its policy-making central committee was meeting.

One party stalwart, Dzikamai Mavhaire, has been summoned to a disciplinary hearing for introducing a motion in parliament last month calling for a constitutional review and limits on presidential terms.

Mr Mugabe – whose six-year term ends in 2002 – denounced the motion as treacherous and those supporting it as traitors. But efforts by some of his top lieutenants to organise mass rallies in the last two weeks decrying the motion were flops, with just three out of 10 provinces managing to draw small crowds.

Political analysts say the motion enjoys majority support from Zanu-PF members, and that Mr Mugabe is trying to whip them into line by suggesting it is a plot by one ethnic group to get total power.

Yesterday, he made no mention of Mr Mavhaire, but asked: "These people who are now saying I must go never raised this issue when I was re-elected to stand as president two years ago. What agenda are they pursuing now?"

Mr Mugabe, Zimbabwe's sole ruler since the country gained independence from Britain in 1980, also denounced Zimbabwe Congress of Trade Unions (ZCTU) secretary-general Morgan Tsvangirai, saying he was a stooge of the country's former white rulers.

"He is being used to destabilise us," he said in reference to recent ZCTU-organised protests against rising taxes and food prices, repeating a charge that Mr Tsvangirai and Zimbabwe's minority white community have already rejected as cheap scapegoating.

Mr Mugabe, 74, said whites were stirring social unrest to stop him from seizing mostly white-owned farms for a black peasant resettlement programme.

Many analysts say, however, that four months of violent protests over food prices and taxes are symptoms of a social and economic crisis highlighted by an unstable currency, high unemployment, low growth and falling investor confidence.

Mr Mugabe said many Zimbabweans wanted him to stay in power, despite complaints that his mismanagement caused the crisis and calls for him to quit. "The generality of the public want me to stay," he said in a radio interview this week. – Sapa

Waging a spirited, lonely battle against Mugabe

Star 21/3/98 (362)

Zimbabweans are looking at political alternatives to the ruling Zanu-PF party. But the story of Margaret Dongo shows that opposition politicians face an uphill battle. ANDREW MELDRUM reports

Harare – Although the heat is stifling, the headmasters, teachers and parents who gather in the small room are full of eager anticipation and eye the stacks of new books at the front of the room.

Margaret Dongo, MP for Harare South, strides into the room. Petite and powerful, she quickly takes charge. She announces that a Zimbabwean couple have given her these books to distribute to needy schools. She says the books will go not only to schools in her own constituency, but to nearby secondary schools and to schools as far away as Bulawayo and Mutare.

In many ways this is a typical scene of a politician overseeing donations to potential supporters. But as this is Zimbabwe, many things are different: because the Mugabe government has banned any coverage of Dongo from the state-owned media, there are no TV cameras, no newspaper reporters or photographers. Because the government despises Dongo's anti-corruption crusade, the couple who donated the books remain anonymous for fear of reprisals. Even the headmasters and teachers receiving the books are worried about possible repercussions.

But this is nothing new: Margaret Dongo has become used to working without any media coverage.

On February 14, while Dongo was campaigning for an independent candidate in a by-election, a petrol bomb was thrown at her by a gang of youths wearing Zanu-PF T-shirts bearing portraits of Robert Mugabe. The bomb missed Dongo and exploded nearby, disrupting her rally. Police arrived at the scene but did not disperse the threatening thugs, nor did they take

ANOTHER VOTE: A supporter of a rising force in Zimbabwean politics

steps to apprehend those who threw the bomb. Instead, police threatened to teargas Dongo, witnesses said.

Ululation, cheers and applause break out as Dongo announces that 2 000 textbooks will go to Morgan High School plus 50 cartons of paperbacks. Another 1 500 books are allocated to Cranborne Boys High, and 600 books to each of the secondary schools in the Harare townships of Highfield, Mbare, Hatfield and Mufakose. Students, many wearing their prefect blazers, carry away the prized items. There is a festive, convivial atmosphere.

The thousands of valuable books are a windfall for township schools. They are new and appropriate for the curriculum: English literature texts, Shakespeare, Shona literature books, and books on politics and history.

"This is like Christmas!" exclaims one teacher. "These books are on the syllabus for courses we teach, but we cannot afford them. Some of them are worth Z$400 each!"

A headmaster describes the bare shelves at his school's library: "Our school has a library but most of our books come from the Truman years," he says, referring to donations from the United States after World War 2. Other headmasters say they haven't received new books since the 1970s.

"We wonder where you got your heart, Mrs Dongo," effuses a headmaster. "We know you are thinking of Zimbabwe's next generation. The struggle continues. This is the struggle for education, not just to make some people's stomachs big," he says, evoking hearty laughter by his oblique reference to the wide girths in Zimbabwe's cabinet.

Beaming, Dongo addresses the group. "I hope this generation of students will know that after they get their degrees and their jobs, they must help the next generation of students. We must always think ahead and find ways to encourage," she says.

"It must not be one person who does everything; we must work together as a community," she adds, pausing dramatically. "Maybe tomorrow I will not be here. You know I escaped a petrol bomb. We need many people who will fight for better education and for better democracy in Zimbabwe."

Dongo (38) is Zimbabwe's leading opposition politician, yet the state-owned media did not report the petrol- bomb incident. Days later, the *Herald* reported that youths were arrested for exploding the bomb, but the paper managed to avoid making any mention of Dongo.

Last year Dongo single-handedly convinced Zimbabwe's parliament to vote against funding the multimillion-rand Harare airport contract that was suspiciously awarded to an associate of Mugabe's nephew. But the news media did not report it.

"The ruling party is afraid of me. They are afraid because the people support what I say, so they ban me from the media," says Dongo. "I am making a great effort, but it is pushed down the drain so that the people will not know what I do."

Dongo rails against the state television service, which "only covers the president and the First Lady and some members of the cabinet. We all have to be [illegible]

DRUMMING UP SUPPORT: Margaret Dongo (centre) surrounded by some of her supporters at a political rally

any news coverage. It is terrible! With this blackout they are trying to keep me from my constituency. A democracy needs a free press, not a press dominated by the state-owned media."

Speaking about the state of Zimbabwe, she says: "From the outside Zimbabwe looks like a democracy, with opposition parties and a constitution. But inside you can see that the party rules everything, including the police. It influences the judiciary, and it changes the constitution to suit itself. Free and fair elections are not possible because the Electoral Commission is not independent."

Dongo is fighting a spirited but lonely battle. Out of 150 seats in Zimbabwe's House of Assembly, 147 are controlled by Zanu-PF. Dongo and two others speak up for the opposition.

[illegible] the odds, and winning. She left Rhodesia at the age of 15 to fight with Mugabe's Zimbabwe African National Liberation Army. After independence, she put herself through secretarial school and worked in the government civil service, including the Central Intelligence Organisation (CIO). With the ruling party's backing she was elected to parliament in 1990. But when she spoke out against corruption in the cabinet, the party forced her out.

Dongo stood for re-election as an independent but narrowly lost. She took her case to court, which ruled that Zanu-PF rigged the election against her. New elections were held and she won. She tried to run against Mugabe for president in 1996 but was disqualified because she was too young. Currently Dongo is calling in parliament [illegible]

rewritten by a national constitutional conference bringing together all sectors to draw up a new document that will give stronger guarantees to minority and opposition groups.

Many Zimbabweans are dissatisfied with the status quo, which was amply demonstrated by the national strike on December 9 and the food riots that rocked the nation in January.

But where is Zimbabwe's opposition? "That is the pertinent question of Zimbabwe today," says Dongo. "It is difficult to have an opposition party, because of victimisation. The ruling party has all the machinery. If people form a party, the CIO will infiltrate it and get it to self-destruct."

According to Dongo, and many political analysts in Harare, it is not so important to form an opposition party, [illegible]

ing party to shoot down. "It is better to build a strong civil society," she suggests. "We must strengthen all the different groups in our society – church groups, human rights groups, women's groups, trade unions, opposition parties, the legal fraternity, NGOs, rural and urban people, everybody. We must strengthen these groups so that their voices can be heard. That is the way forward. Mugabe has a fear of these groups. He knows they represent the opposition coming up, and he fears it."

Dongo confidently predicts that when parliamentary elections take place as scheduled in 2000, the opposition will be ready to spring up from the cluster of civil-society groups.

"We will be ready in 2000," she predicts. "We will be confident and strong, and Zanu-PF will be old and scared."

Mugabe attacks dissidents as party rallies flop across Zimbabwe

Star 21/3/98 (362)

By CRIS CHINAKA

Harare – Zimbabwean President Robert Mugabe lashed out at some of his top officials yesterday for calling on him to quit, saying they were helping a spirited campaign by his opponents to end his 18-year-old rule.

Mugabe told about 1 000 members of his ruling Zimbabwe Africa National Union-Patriotic Front party, who marched in central Harare to demonstrate support for him, that some "misguided" members were trying to destroy the party by pursuing divisive programmes.

"At a time when we are trying to consolidate our independence and trying to resolve our problems, some of these people are helping our opponents and enemies who are on a serious campaign to take power from us," he told the crowd outside Zanu-PF's headquarters.

Party stalwart Dzikamai Mavhaire has been summoned to a disciplinary hearing for introducing a motion in parliament last month calling for a constitutional review and limits on presidential terms.

Mugabe, whose six-year term ends in 2002, denounced the motion as treacherous and those supporting it as traitors.

UNDER SIEGE: Robert Mugabe on the defence.

But efforts by some of his top lieutenants to organise mass rallies in the past two weeks decrying the motion were flops, with just three out of 10 provinces managing to draw small crowds.

Political analysts say the motion enjoys majority support from Zanu-PF members, and that Mugabe is trying to whip them into line by suggesting it is a plot by one ethnic group to gain total power.

Mugabe also denounced Zimbabwe Congress of Trade Unions (ZCTU) secretary-general Morgan Tsvangirai, saying he was a stooge of the country's former white rulers.

"He is being used to destabilise us," he said in reference to recent ZCTU-organised protests against rising taxes and food prices, repeating a charge that Tsvangirai and Zimbabwe's minority white community have already rejected as cheap scapegoating.

Mugabe (74) says the whites are stirring social unrest to stop him from seizing mostly white-owned farms for a black peasant resettlement programme.

Many analysts say four months of violent protests over food prices and taxes are symptoms of a social and economic crisis highlighted by an unstable currency, high unemployment, low growth and falling investor confidence.

Mugabe says many Zimbabweans want him to stay in power, despite complaints that his mismanagement caused the crisis. – Reuters

■ See Page 11

No word on compensation as Zimbabwe reaffirms land plans

By ANDREW MELDRUM

Harare – Zimbabwe will begin resettling black peasant farmers on formerly white-owned land in June, Lands and Agriculture Minister Kumbirai Kangai announced yesterday, dispelling reports that President Robert Mugabe's government intends to shelve its plans to hand over a massive area of white-owned farmland to blacks.

Kangai said the government still intends to forcibly buy 5-million hectares, nearly half of the land owned by white farmers, for redistribution to blacks. But he did not clarify the key issue of whether the government would pay fair market prices.

A showdown looms over the issue of compensation. Western donors, including the International Monetary Fund, the World Bank, the United States and the European Union, have made it clear that the Zimbabwean government must pay fair compensation to white farmers.

But Mugabe recently reiterated his stand that his government "will not pay a cent for the land" taken by white colonisers. The government would, instead, pay farmers for any permanent improvements to the land.

Of the nearly 1 500 farms designated for government acquisition, 123 are owned by black Zimbabweans. The government has stated that it will not forcibly buy any of the black-owned farms. It has also stated that it will leave every white farmer with one farm.

Farmers are nervously waiting for the official publication of these changes in the revised list. – Independent Foreign Service

(362) Star 21/3/98

Pressure grows on beleaguered Mugabe

BD 23/3/98 (362)

HARARE — After 18 years of unquestioned rule in Zimbabwe, the tide has suddenly turned against President Robert Mugabe in the past few months to the point where some critics say his resignation has become a necessity for national survival.

Mugabe flies to Bonn today and a three-day official visit to Germany, leaving behind an economy in crisis and one of Africa's most successful agricultural sectors in despair. Social services have collapsed and a corrupt political establishment is beginning to tear at itself in what looks like a rerun of previously divisive tribal disputes.

Last August, Mugabe ordered treasury officials to pay guerrilla veterans of the country's independence war a $300m package of benefits, and despite officials' pleas that there simply was not the money for it, he told them to borrow it.

"Whoever heard of a country going bankrupt because of borrowing?' scoffed the president.

That decision and Mugabe's moves to seize 1 472 white-owned farms for redistribution among blacks, denounced by western donors as an illegal land-grab, in November prompted the Zimbabwe dollar to fall nearly 40% in a matter of weeks.

The move sent inflation soaring, sharply lifted interest rates and evaporated foreign investment. Mugabe was taken completely by surprise at the subsequent public reaction. When the government imposed a bundle of punitive taxes in December to raise cash to pay for the unbudgeted payout to veterans, the country was hit by its most comprehensive national strike to date.

In January, the currency slump forced up the prices of consumer essentials.

The result was the worst urban rioting seen since the 1970s. Mugabe accused the independent national labour movement and whites of fomenting the violence. He blamed them again for another nationwide strike in February.

Mugabe responded to the increases by clamping down with price controls, which are forcing fuel companies, millers, bakers, manufacturers and retailers out of business. Economists warn that when the government is finally forced to allow prices to go up, public anger could boil over into even worse unrest.

The financial support of western donors, suspended for nearly three years because of the government's failure to rein in spending, has become critical to the survival of the economy, and negotiations are underway with the International Monetary Fund (IMF) for a loan of $176m.

Among the conditions set by the IMF for fiscal prudence is the unprecedented demand by the bank that Mugabe publicly promise to acquire white-owned farms legally and without wrecking the commercial agricultural industry that is the backbone of the economy.

Despite cabinet ministers' private assurances, Mugabe has persisted with his bitter racial rhetoric, declaring the government will not compensate whites for land "stolen" from blacks more than a century ago.

Recent months have seen the growth of calls from civic bodies for constitutional and political reform. On Friday, Mugabe told a meeting of the party's central committee there was now "rebellion" within the party by "evil schemers, conspirators and political saboteurs".

Analysts said Mugabe's comments were an attack on a powerful southern faction of the party that could flare up into a major tribal clash. — Sapa-DPA.

Mugabe out on a limb after attack on officials

(362) ARG 23/3/98

Harare – President Robert Mugabe appears increasingly isolated after his ferocious attack on dissidents within his ruling Zanu (PF) party last week, say senior party officials.

On Friday, Mr Mugabe managed to sway a crucial meeting of the ruling party's powerful central committee into stripping an outspoken MP of his party rank.

But the party sources, who requested anonymity, said the 74-year-old president's intolerance to change within the party had left most members opposed to him.

The party politburo, its supreme organ, last week demoted outspoken MP Dzikamayi Mavhaire, the chairman of the party in the populous southern province of Masvingo, and barred him from holding any position in the party for the next two years.

His crime was to urge in parliament that state presidents be limited to two terms in office.

The politburo has yet to decide what action to take against the Speaker of parliament, Cyril Ndebele, who told the politburo Mr Mavhaire was assured immunity from censure by the constitutional guarantee of free speech in parliament.

Mr Mugabe said Mr Ndebele had joined in the "rebellion", and raged against "infidels, evil schemers and political saboteurs" he said were plotting to topple the government.

But the party sources said support for the action against alleged rebels during the meeting came only from Mr Mugabe's home province of Mashonaland West and from Harare.

After the meeting, there was widespread private criticism of Mr Mugabe's attack and the meeting's failure to examine the economic crisis that has triggered unrest. – Sapa

From Harare to a castle?

London – Zimbabwe's President Robert Mugabe, his economy in trouble and facing opposition at home, is planning to buy a castle in the Scottish Highlands, The Sunday Times reported here.

The newspaper, quoting unidentified business associates in Zimbabwe yesterday, said Mr Mugabe had already been turned down for one property, and was looking for another.

Mr Mugabe, whose main residence is in Harare, started inquires about a castle in October, said The Sunday Times.

The newspaper did not say which property Mr Mugabe is now trying to buy.

Possibilities on the market include Muchalls Castle, near Aberdeen, priced at \$1,08-million (about R5,4-million), and the more lavish Taymouth Castle in central Scotland.

Taymouth Castle comes with a golf course and royal connections – Queen Victoria danced there – at a cost of \$9,2-million (R46-million).

Investor confidence in Zimbabwe has plunged because of huge budget deficits, inflation and Mr Mugabe's announcement in November that his government plans to confiscate 1 480 farms, owned mostly by whites. – Sapa-AP

CAPE TIMES
MONDAY, MARCH 23, 1998 ★

PARTY AXES OFFICIAL WHO CALLED FOR MUGABE CURB

Speaker to be 'disciplined'

(362) 268 CT 23/3/98

HARARE: An unprecedented threat of action against Zimbabwe's Speaker could spark a constitutional crisis involving the judiciary.

A TOP ruling party official was sacked because he called for stricter term limits on Zimbabwe's presidency, and parliament's Speaker faces disciplinary action for defending the official's right to make the call.

Mr Dzikamai Mavhaire, one of eight provincial chairmen in President Robert Mugabe's ruling Zimbabwe African National Union (Patriotic Front) party, was stripped of his position on Friday and suspended from the party for two years after suggesting a statutory term limit to presidential office.

Speaker of parliament Mr Cyril Ndebele, who defended Mavhaire's comments as an exercise of free speech guaranteed in the constitution, faces unspecified disciplinary action, the party's central committee decided.

Mavhaire, an MP, made his remarks in the legislature last month, when he urged a change in the constitution that would limit the head of state to only two six-year terms.

Mugabe, 74, was sworn in as prime minister in 1980 after Zimbabwe gained independence from Britain, and he became Zimbabwe's first executive president in 1988. The present constitution allows him to stand for a fourth six-year term in 2002.

"We believe we are not a monarchy," Mavhaire said, urging that the president serve only two terms. "What I am proposing is that the president must go."

He later denied that he meant Mugabe should quit immediately.

Ndebele could easily be stripped of his Speaker's office if Mugabe musters his loyalists in the house to pass a censure vote.

"The matter is still under discussion by the disciplinary committee, which will report to the Politburo and then the central committee," said Mr Nathan Shamuyarira, Industry and Commerce Minister and spokesperson for the ruling party.

Mavhaire would be ordered to make a public apology to Mugabe, Shamuyarira said.

The unprecedented threat of action against the Speaker could spark a constitutional crisis involving the judiciary.

ALLEGES REBELLION: Robert Mugabe

Mugabe attacked Ndebele on Friday before the party considered Mavhaire's punishment, behind closed doors.

"The Speaker, the honourable Speaker, has decided to join the rebellion against the party as he and those in collusion with him seek to stultify it in its political and administrative role to discipline its own members," Mugabe said.

The actions alarmed human rights campaigners.

"The attack is a well-orchestrated attempt to weaken the legislature, to thwart further serious debate on the constitution," said human rights lawyer Mr Reginald Matchaba-Hove of the lobbyist group ZimRights.

Mr John Makumbe, a political science lecturer at the University of Zimbabwe, said the freedom of MPs to speak had been strongly compromised.

Mugabe loyalists accused Mavhaire of speaking for an alleged clique that wants Mugabe ousted.

Since November, the Zimbabwe currency has weakened by more than 50% against the US dollar. Prices of most foodstuffs have risen by 25% since the new year. Nationwide strikes and riots in December, January and March in protest against food price rises and soaring taxes have crippled the economy.

Mugabe's party controls all but three of the 150 parliamentary seats. — Sapa-AP

Human rights groups criticise Mugabe after attack on speaker

BD 24/3/98

Michael Hartnack (362)

HUMAN rights groups have criticised President Robert Mugabe's attack on the speaker of the Zimbabwean parliament, Cyril Ndebele, who faces unspecified "disciplinary action" for defending an MP's right to call for constitutional change.

They also condemned Mugabe's statement to the Zanu (PF) central committee on Friday that "there are witches among us" — a reference to alleged disloyal party members who want him to step down.

Ndebele issued a formal warning last week to Zanu (PF) that attempts to punish prominent backbencher Dzikamai Mavhaire, party chairman for the southeastern Masvingo province, constituted major contempt of parliament. In a debate on February 10, Mavhaire outraged Mugabe loyalists when he said Zimbabwe was "not a monarchy" and presidents should be limited to two six year terms.

Despite Ndebele's warning, the central committee endorsed Mugabe's call for Mavhaire's expulsion from its ranks and suspension from the party for two years. It would consider further action against Ndebele, spokesman Nathan Shamuyarira said.

Zimbabwe wins EU wine standards approval

(362) BD 25/3/98

Michael Hartnack

HARARE — Zimbabwe has won long-delayed European Union approval for its wine production standards and will soon be able to break into prestige export markets, says African Distillers, one of its country's two large-scale vineyard owners.

Attempts by Brussels to demand promulgation of a "wine act" administered by a ministry of wine frustrated Zimbabwean plans to establish an international profile.

"Our regulations have been accepted in principle by the EU except for a few conditions that have to be met," said Phil Elliot, production manager for African Distillers.

Despite a poor reputation in the 1970s and early 1980s, Zimbabwean wines have won foreign awards since German, Australian and New Zealand wine makers came to supervise handling of vintages.

On arriving in 1979 Rhodesia's last British governor, Lord Soames, described local wine as "adulterated weasel piss". In recent years wineries have been unable to meet local demand and have spurned potential SA orders.

Heavy rains at the January 1997 harvest created severe problems for Cairns Wineries, outside Marondera, particularly with red varieties. African Distillers, with dispersed vineyards in drier Matabeleland and the midlands, suffered less. Reports are still awaited on the 1988 vintage, when a similar rain pattern occurred.

Elliot expected most of Zimbabwe's initial exports would be to Britain, where supermarket chains had shown interest. Sources say the industry is concerned with creating an international image, as it is unable to meet soaring local demand for wine, with total area under vines below 1 000ha.

Elliot said African Distillers plans to spend Z$1m doubling its vineyards by 160ha to 300ha. African Distillers last year earned more than Z$1m in exports to Zambia while Cairns sold all production locally.

EU regulations stipulate wines must have an acidity content of not less than 4,5g while alcohol content must be between 9% and 15%.

Policy framework passed by Cabinet, with action plan to follow

Black empowerment policy for Zimbabwe

CT (BR) 25/3/98 (362)

CRIS CHINAKA

Harare — The Zimbabwean government yesterday announced a policy aimed at putting economic power in the hands of the country's black majority, saying this was crucial to alleviating growing poverty and maintaining social stability.

Cephas Msipa, the state minister in charge of state enterprises and indigenisation (black empowerment), said the policy framework would soon be fleshed out by the production of an indigenisation action plan.

"We have the policy framework here, which has been approved by the Cabinet, and we are now working on the indigenisation action plan," Msipa said.

The government white paper says it is vital to hand economic power to Zimbabwean blacks, who constitute 98 percent of the country's 12 million people, because they were sidelined during the country's 90-year colonisation by Britain.

It said that in 1980, the year of Zimbabwe's independence, the government inherited an economy dominated by foreign investors and the country's white minority.

"Foreign investment in the mining, finance and manufacturing industries accounts for over 70 percent of total investment," the paper said, mentioning that whites control 30 percent of the agricultural land and 80 percent of the construction industry.

"In view of the skewed ownership pattern and the weak and unsustainable structure of the economy, indigenisation seeks to ensure that the ownership structure is reflective of the population composition.

MAJORITY RULES *Robert Mugabe, the president of Zimbabwe, whose government says it is vital to hand economic power to blacks, who make up 98 percent of the country's 12 million people*

"(It also seeks to ensure) ... that the economy grows and is self-sustaining in the long run to reduce high dependence on exports of primary commodities and rain-fed agriculture.

"The potential for social conflict will persist in the Zimbabwean society for as long as economic justice is not attained," said the government's policy framework.

Msipa said that apart from land — where the government plans to seize white-owned farms to resettle landless blacks — the economic empowerment programme would involve creating new businesses and industries.

Msipa said mobilising financial resources, land redistribution, skills development, technological transfer and joint projects with foreign investors were crucial to the programme's success. — Reuters

Zimbabwe firm attacks trade deal with SA

(362) BD 26/3/98

Martin Rushmere

HARARE — One of the bitterest opponents of Zimbabwe's trade agreement with SA on textiles has again launched a strong attack, saying SA is gaining unfairly.

Peter Dorward, the chairman of textile maker Zimbabwe Spinners & Weavers, said the deal allowed Zimbabwe to export a maximum of 800 000kg of cotton yarn and 3-million square metres of woven cotton cloth a year.

"On the other hand, SA spinners can buy Zimbabwean lint duty-free in any amount," Dorward said in the company's profit statement for the year to end December 1997.

"We believe that they should only be able to buy 800 000kg duty free and thereafter they should pay an export tax of 132% which is equal to the duty that Zimbabwean spinners have to pay to export yarn to their country, or, alternatively, a far larger quota should be negotiated so that Zimbabwean spinners can utilise Zimbabwe's comparative advantage of plentiful, quality lint."

The company recorded a 714% rise in net profit to Z$37m on sales of Z$406m, 13% higher than the previous year.

Despite the good results, Dorward is vociferous in his criticism of government financial policy and of the banks. He has criticised the poor service and rising prices of the national electricity authority Zesa and the parastatal telecommunications body.

Dorward claims the government is breaking a pledge made by President Robert Mugabe at an investment conference in Germany two years ago to allow in expatriates following a DM10m investment by a German partner. He has also criticised the absence of any new industrial and export-generation policy.

Despite these laments, Dorward forecast an increase in operating profit to Z$52m from last year's Z$47m.

Mugabe 'is not buying a castle'

362

Sowetan 26/3/98

HARARE – Zimbabwean president Mr Robert Mugabe yesterday denied reports in the British media that he is buying a castle in Scotland.

In an official statement from his office, published by the state-owned daily, the *Herald*, Mugabe dismissed the report, which was preceded widely by rumours at home and abroad, as a smear campaign by his detractors unhappy with the country's controversial land reform programme.

Britain's *Sunday Times* reported at the weekend that Mugabe was trying to buy a Scottish castle and was now being dubbed the "king" of Scotland.

"This latest report was preceded by many others, some of which went as far as to claim that the government had banned an issue of an international magazine in January purportedly to suppress an article on the supposed transaction," the statement said. The magazine said to have been banned was the US-based *Time* magazine.

Rumours about the castle started making the rounds in Zimbabwe late last year after Mugabe and his wife Grace returned from the annual Commonwealth Heads of Government Meeting in Edinburgh. – *Sapa-AFP*

Government to pay farmers 'full compensation' (362)

HARARE — International pressure had forced the Zimbabwean government to agree to pay compensation for farms taken from whites for redistribution to blacks, the Financial Gazette said yesterday.

The newspaper quoted Agriculture Minister Kumbirai Kangai as saying that for fully developed land, where cultivation had been taking place and where there was infrastructural development, "full compensation deemed fair by the evaluators will be paid".

President Robert Mugabe had insisted that the government would pay only for improvements on farms and not for the land itself, which he said was stolen by British colonisers a hundred years ago.

Kangai's comments are the first official confirmation published in Harare of what has been known in diplomatic circles since January, when the cash-strapped government negotiated aid from the European Union.

Diplomats said then that the government had promised that its land reforms would not breach the constitution — meaning that it would have to pay fair compensation.

The government is now negotiating $176m in vital balance-of-payments support from the International Monetary Fund — which is believed to be insisting on the same condition.

In an apparent effort to blur the edges of what is a major U-turn in government policy, Kangai told the Gazette that land classified as derelict would not be paid for.

"The distinction between payment for the actual land and the developments becomes academic."

The government late last year released a list of about 1 500 farms which it planned to take over, but agricultural sources said this week that more than 600 of the farms had been dropped from the list for various reasons. This has not yet been confirmed by the government.

The need for land reform in Zimbabwe, where about 4 000 white farmers own 30% of the land, is accepted by international donors and even by the white farmers' union, but they have objected to Mugabe's methods. — Sapa-AFP.

BD 27/3/98

AFRICA

$176m for Zimbabwe hinges on IMF report

(3b2)

DO 27/3/98

Michael Hartnack

HARARW — An International Monetary Fund (IMF) team was yesterday due to wind up a week of study that will decide whether President Robert Mugabe's government gets $176m standby credit.

A senior Zimbabwean government official has expressed hope that the visiting IMF dignitaries will write a favourable report on the country ahead of the crucial IMF board meeting at month-end.

Senior secretary for finance Charles Kuwaza said he was "optimistic" the team, headed by Michael Nowak, would report favourably after a "relook at our figures".

However, economist Mervyn Ellis said international institutions were now worried about exploding losses incurred by the national oil company as well as previous issues such as the take over of 1 400 farms and the budget deficit.

In view of contradictory statements, the IMF was likely to demand Mugabe's own signature to an agreement rather than a minister's, he said.

In November Nowak's team caused astonishment by voicing satisfaction with the measures taken to balance the budget after Mugabe yielded to a violent lobby campaign by former guerrillas and granted them Z$4,5bn in tax-free gratuities.

"While the team was generally happy with everything, the only problem was whether the government was in a position to put out the fires that threaten to break out, and maintain political stability that will be conducive for improved economic performance," said a consultant. "They were very uneasy with the political situation in a country that has seen three disturbing mass actions in as many months, due to price increases, and Mugabe's talk of revolt in the ruling party."

Zimbabwe's bakers have been ordered not to increase bread prices, although the country will use the last of its local wheat supplies in June and will then be wholly reliant on recently imported grain. Bread queues are predicted when smaller bakeries are forced to close.

The National Oil Company (Noczim), which economists say should increase fuel prices 60%, was yesterday reported to be planning the sale of its Z$800m shares in the parastatal retail and industrial group Delta Corporation to offset losses estimated at Z$5m a week.

Food riots

The petrol price must be increased from Z$5,11/*l* to Z$9/*l* to prevent Noczim's collapse, but Mugabe has delayed action, fearing a repeat of January's three-day food riots in which eight people died.

A Z$800m deficit was yesterday forecast for the government's strategic grain reserve. In January the parastatal grain marketing board reduced its price to millers by Z$400 a ton to reverse a 23% wholesale price increase for maize meal.

Meanwhile, the Zimbabwe Financial Gazette yesterday gave Zimbabweans their first warning of an imminent "government U-turn on land".

Zimbabwe may pay up for 'land grab' farms after all

(362) CT (BR) 27/3/98

FROM SAPA

Harare — The Zimbabwean government yesterday committed itself publicly to carrying out its planned confiscation of white-owned farms fairly and legally, contradicting assertions by President Robert Mugabe two days ago.

The announcement was made in the Financial Gazette newspaper yesterday, and was seen as evidence of a rift between Mugabe and his ministers, observers said.

Kumbirai Kangai, the agriculture minister, was quoted in the newspaper as saying the government would pay full and fair compensation for farms confiscated for redistribution among blacks.

The remarks were the first public and unambiguous admission by a government that had abandoned its earlier threats, repeatedly voiced by Mugabe, that it would seize white-owned farms and compensate owners only for improvements, not for the land.

The government earlier said the land was stolen by whites after the arrival of European settlers a century ago.

Cabinet ministers in December began to give private assurances to Western donors that land reform would be carried out fairly and legally. But Mugabe kept to his promise that there would be no going back on his land-grab plans.

Yesterday's statements flew in the face of Mugabe's remarks in Bonn on Tuesday during a three-day visit to Germany. He told German industrialists that white farmers would not be paid for the value of the land.

Sources this week confirmed that the Cabinet overruled Mugabe on the land controversy, and told him that taking the land without compensation was illegal. Mugabe opposed them, but was told he had no choice.

Agriculture sources yesterday said the government this week drew up a list of 619 farms to be scrapped from a formal notice issued in November detailing 1 471 properties for compulsory acquisition.

The sources said that several farmers this week received official letters informing them that their farms would no longer be confiscated.

No confirmation could be immediately obtained from either the government or the Commercial Farmers' Union, almost half of whose members stand to lose their land.

The newspaper quoted a government spokesman as saying land reform would be implemented on a time scale consistent with the country's administrative and financial capacity.

Kangai told Western donors three weeks ago that the land reform — initially set by Mugabe to be completed by the end of this year — would take up to 10 years.

The state's current budget for land acquisition is Z$63 million (R19,46 million), which agricultural analysts say is enough to pay for about a dozen properties.

Clinton snubs Mugabe after crackdown

M+G 27/3–2/4/98 (362)

Iden Wetherell

As United States President Bill Clinton's parade swings through Southern Africa with visits this weekend to South Africa and Botswana, Zimbabwe is left on the sidelines to contemplate what might have been.

Zimbabwe was originally on Clinton's itinerary but what the Americans see as delinquency by Robert Mugabe's government led to the country being dumped at the last minute.

Clinton was prepared to heap praise on Mugabe for painful economic reforms and a strategic partnership with the US in regional peacekeeping operations, diplomatic sources suggest.

But the brutal crackdown on trade union demonstrations last December and flagrant breaches of fiscal undertakings saw Zimbabwe scratched from Clinton's programme following a visit to Harare by US Secretary of State Madeleine Albright in January.

Albright was particularly unimpressed, it seems, by the assault on Zimbabwe Congress of Trade Unions secretary general Morgan Tsvangirai, which she pressed Mugabe to investigate. Although Tsvangirai provided police with descriptions of his assailants, the case remains unresolved.

Clinton is thought to be planning a brief excursion to Victoria Falls after leaving South Africa, but this would be a private visit to avoid meetings with senior Zimbabwe officials.

Robert Mugabe: Out in the cold

US ambassador to Harare, Tom McDonald, denies there is any deliberate snub. But few observers doubt the US move is designed to underline growing disenchantment with Mugabe's wayward regime.

Others have followed suit. The World Economic Forum, a World Bank offshoot, recently withheld an invitation for Mugabe to attend its regular get-together with heads of state in Davos, Switzerland. And the Organisation of African Unity, which Mugabe currently chairs, cancelled a peacekeeping summit in Harare last month because few rulers were prepared to brave the trip to Zimbabwe's riot-torn capital.

Perhaps the cruelest blow to Mugabe came last week from former Ethiopian tyrant and long-time ideological soulmate, Mengistu Haile Mariam, who has reportedly been given asylum in North Korea because he no longer feels safe in Zimbabwe. When newspapers attempted to contact the North Korean embassy for confirmation of Mengistu's forthcoming departure they found the tenants had packed up and left several weeks earlier.

Rather like Clinton, Mugabe is hoping foreign travel will restore his flagging fortunes. This week he was in Germany assuring sceptical businesspeople that Zimbabwe remains a safe investment destination.

Last week he was in Gaborone to say farewell to Botswana President Sir Ketumile Masire (72), who is retiring. After 18 years of careful economic stewardship, which has seen Botswana's per capita gross domestic product overtake Zimbabwe's, Masire is making way for a younger man. The point was obviously lost on Zimbabwe's increasingly cantankerous 74-year-old ruler, who regards retirement as the ultimate surrender.

Zimbabwe to investigate closure of only diamond mine

(362) ARG 28/3/98

Harare – The Zimbabwean government and the Chamber of Mines are to investigate circumstances leading to the sudden closure of the country's only diamond mine, River Ranch, amid allegations by retrenched workers that the mine airlifted minerals to South Africa.

The mine, near the border town of Beitbridge, was closed at the end of last month and immediately went into voluntary liquidation, leaving 400 workers jobless.

The mine's owners, Auridium Zimbabwe, said the mine was closed because it became unviable as a result of the depressed world mineral prices.

Canada's Redaurum Red Lake Mines, one of the two original shareholders in the mine, liquidated its interest in River Ranch in January saying it was no longer interested in diamond production in other parts of the world.

They claimed the world market price of diamonds had for the past eight months been at such low levels that the mine was losing about Z$40 (R14) for every ton of ore processed.

Meanwhile KPMG, the liquidator appointed to oversee the closure of the mine, has approved 19 claims totalling Z$143-million (R48-million) lodged against the mine by its creditors.

An official of the liquidator, who declined to be named, told Zimbabwe's Ziana news agency yesterday that the claims were approved at a creditors' meeting in Harare on Thursday.

She said the meeting was the first of a series to be held to determine the amount of money owed by River Ranch.

"More meetings will be held in the near future for the same purpose of approving claims by creditors," she said.

Three creditors who had earlier indicated that they would be attending Thursday's meeting failed to arrive for unexplained reasons.

Only one claim was rejected because the creditor's papers were not properly prepared, the KPMG official said.

She said other creditors could still lodge their claims at later meetings.

Among some of the largest creditors are the two major shareholders, Auridium and Redaurum. – Sapa

Speaker faces Mugabe's wrath

(36A) MD 30/7/98

Michael Hartnack

HARARE — SA Parliament speaker Frene Ginwala will hear of the crisis facing her Zimbabwean counterpart, Cyril Ndebele, during a three-day workshop on parliamentary reform which began in Harare yesterday.

Ndebele, who last week had to prevent retired Gen Solomon Mujuru — the former guerrilla commander Rex Nhongo — from assaulting the lone independent MP, Margaret Dongo, on the floor of the house, himself faces unspecified "disciplining" by President Robert Mugabe for attempting to defend an MP's parliamentary privilege of free speech. Sources say Mugabe could muster his 147-3 majority to sack Ndebele.

Ndebele last Thursday told MPs that Mugabe had been "greatly angered" by his attempts to protect Dzikamai Mavhaire, who was expelled from the Zanu (PF) Central Committee and stripped of his post as party provincial chairman for urging a limit to holding the presidential office during a debate on constitutional reform.

Mugabe, who shouted "there are witches among us" at a central committee meeting, alleged Ndebele "colluded" with secret opponents and said no one in Zimbabwe was outside party control.

But in an unrepentant statement to a hushed house, Ndebele said although Mavhaire's words were "disrespectful to the president" and should have been withdrawn, they could not lawfully be "impeached or questioned in court or any place outside parliament".

Ndebele confessed he was "in an invidious position" by being both speaker and a serving member of the Zanu (PF) disciplinary committee, from whose proceedings he had recused himself. Critics say he should have quit the party on election to the chair.

Ndebele said he had served a "certificate of privilege" on Zanu (PF) national chairman Joseph Msina with the agreement of leader of the house Emmerson Mnangagwa, who is also justice minister.

Nevertheless, the central committee expelled Mavhaire and suspended his party membership. His position as an MP remains unclear.

"I reiterate my total loyalty to the party and the president," Ndebele told the house. "I have striven to be impartial and to act above party politics, above tribe and race"

Punishment of Mavhaire laid any other MP open to action by organisations that objected to their words in the chamber, he said.

IMF appraisal 'impractical'

(362) BD 30/3/98

Michael Hartnack

HARARE — The International Monetary Fund (IMF) has been attacked for being "hopelessly impractical" in its recent appraisal of Zimbabwe's 1991-1996 first phase of economic reform.

"Political change is a prerequisite for sustained economic development," said leading economist Prof Tony Hawkins in a speech to a conference on taxation policy. "Put bluntly, economic recovery is — and will remain — a hostage to politics."

Hawkins said the IMF evaluation was "highly critical of the fiscal basis of the economic structural adjustment programme, (ESAP), noting that it targeted a 40% fall in the level of public noninterest expenditure over six years". The IMF now reported that the programme was "manifestly politically unsustainable".

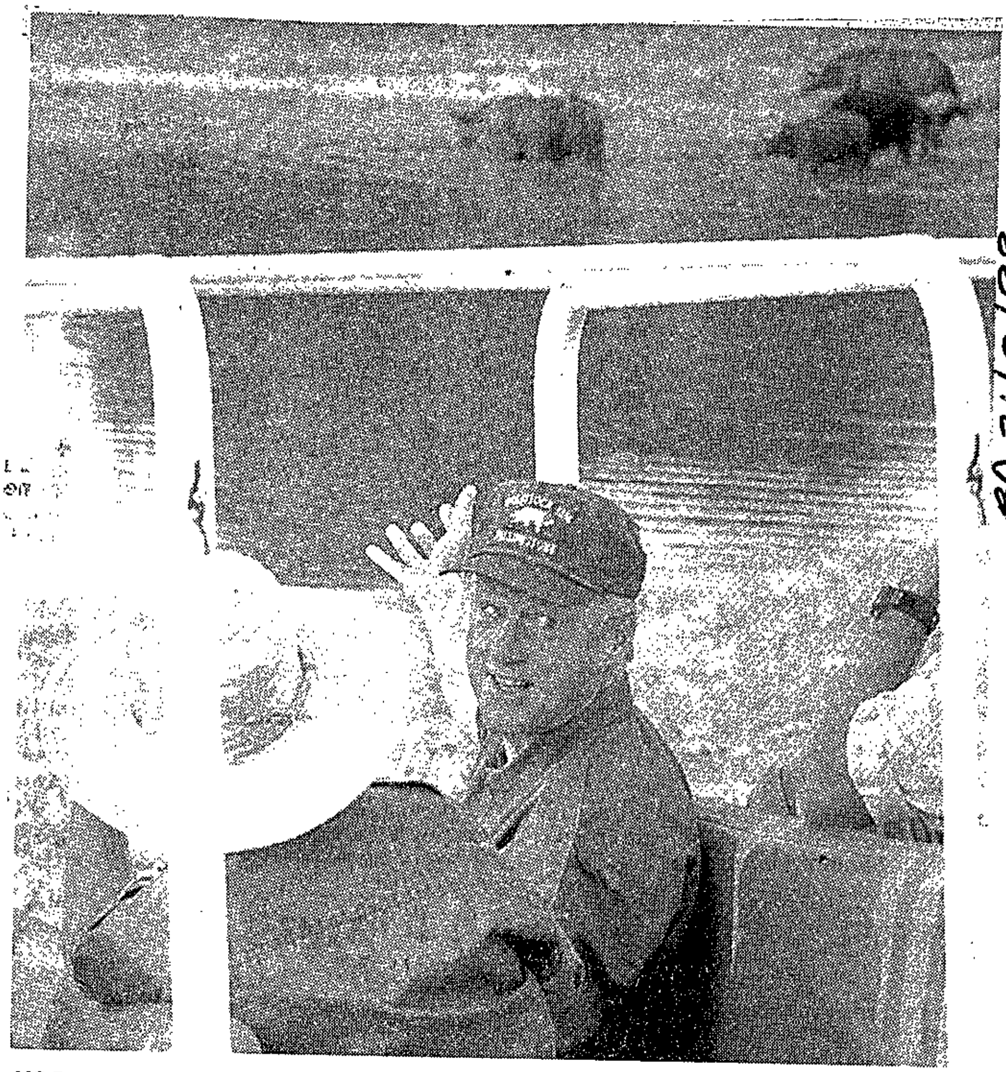
"There is a strong element of being wise after the event in this assessment, and it is also seriously flawed where it argues that the 'financial and tax reduction liberalisation (as it calls it) should have been delayed until after the politically difficult reductions from parastatal and public sector reform had been completed'," Hawkins said.

"That all is fine in theory, but hopelessly impractical, since eight years on these tough decisions have still not been made."

Hawkins said Zimbabwe was a poor country with a per capita income in the region of $450 a year, which could not afford the present government's "tax-and-borrow-and-spend policies".

President Robert Mugabe's government was not only spending too much but also neglecting activities crucial to future growth. Politics played a dominant role in finance ministers' search for new revenue least likely to damage electoral chances.

"In recent years, for instance, it has become fashionable to plunder retirement and pension funds, conscious that one is taxing those least likely or least able to have any political impact." He said it was common cause that Zimbabwe was overtaxed. Since the launch of ESAP in 1990, government revenue, excluding grants, had averaged 28% of gross domestic product. Since 1985, the ratio of total tax to wages and salaries had increased from 50% to 75%.



US President Bill Clinton points at a group of buffalo wading into a watering hole at Chobe National Park near Kasane, Botswana.

Picture: AP

Diamond mine closes

(362)

30/3/98

HARARE — Zimbabwe's hopes of joining the elite rank of world diamond producers have dimmed after the country's sole mine closed last month citing viability problems, industry officials said yesterday.

River Ranch Mine in Zimbabwe's southern border town of Beitbridge, owned by River Ranch, was placed under liquidation in February after a major partner in the project, Redaurum Red Lakes Mines of Canada, pulled out, saying it was dissolving all its diamond interests internationally.

River Ranch officials said deteriorating prices for the gem over the past eight months had seriously eroded the viability of the mine.

Mining consultant John Hollaway said Zimbabwe's diamonds did not measure up to international standards.

"I think River Ranch's major problem was the low quality of diamonds produced." The possibility of better finds in the future could not be ruled out, said Hollaway. — Reuter.

Newspapers black out congress's call to strike

(362) BD 31/3/98

Michael Hartnack

HARARE — Zimbabwe's state-controlled news media followed government instructions yesterday and blacked out the Zimbabwe Congress of Trade Unions' call for a further national strike from April 21-26.

Information Minister Chen Chimutengwende issued the order to the country's only two daily newspapers, the Herald and the Bulawayo Chronicle, last month after the congress urged a two-day-a-week boycott of the Herald for alleged "disinformation" during previous strikes against extra taxes, rising food prices and economic mismanagement.

At a meeting at Bulawayo's White City Stadium on Sunday, congress secretary-general Morgan Tsvangirai told thousands of supporters: "We are here to ask for your mandate to stage the third great stayaway."

He said President Robert Mugabe and his ministers had ignored previous protests and the January food riots, refusing to withdraw an increase in sales tax from 15% to 17,5% to pay former guerrillas Z$4,4bn in tax-free gratuities.

Government had also failed to act on a 70% escalation in food prices since last November's crash in the value of the Zimbabwe dollar, maintaining the 5% "development levy" and 15% tax on pension funds, he said.

A two-day stayaway in February passed off peacefully, except for an arson attack on the congress's Bulawayo offices — claimed by police to be an "inside job" to hide misuse of union funds. Most observers reported 90% observance, although the official media claimed the strike flopped.

Delegates at Sunday's meeting said further protest was the only way to get Mugabe to heed workers' grievances and urged action to coincide with the April 21-26 international trade fair, held in the city every year.

The labour ministry declared the last strike illegal and is reportedly taking action to have the congress's registration withdrawn, which would pave the way for sequestration. The congress has temporarily forestalled this, seeking a court order against the ministry.

Home Affairs Minister Dumiso Dabengwa has also introduced a new public order bill in parliament which some legal experts say could bankrupt the trade union federation by making it liable to make good any damage caused in unrest associated with industrial action.

Meanwhile, bakers have privately denied claims by Commerce Minister Nathan Shamuyarira that an agreement has been reached to peg bread prices. Shamuyarira announced earlier this month that bakers had agreed to absorb a 10% increase in the price of flour.

A spokesman for a commercial baker, who spoke on condition of anonymity, said Shamuyarira had threatened to cancel bakers' licences if they told the press of a cabinet order banning a bread price increase. Meanwhile, supplies of locally grown wheat are running out and the country will be entirely dependent on imported stocks, which have to be paid for in hard currency, from June to December.

Smaller bakeries expect to go out of business and bread queues are predicted from mid-year.

More trouble is forecast over the prices of maize meal, petrol and diesel, currently being held down at Mugabe's order.

Red tape 'danger to tourist industry'

BD 31/3/98 (362) ~~288~~

Michael Hartnack

HARARE — Zimbabwe's safari and tourist operators are alarmed by regulations promulgated by the environment ministry which they fear will "strangle the industry in red tape".

"They will only make it more difficult for emerging operators to get started," warned Wildlife Producers' Association chairman Nick O' Connor.

Zimbabwe's leading tourist safari firm, Touch the Wild, run by ruling Zanu (PF) party MP Alan Elliot, recently opened camps in Zambia to compensate for leases lost in Zimbabwe because Elliot was not "indigenous".

Sol Kerzner's Southern Sun hotels have been involved in confidential negotiations with president Frederick Chiluba's government and have signed a deal, reported to be worth more than $100m, to build a vast new tourism complex on the Zambian bank of the Zambezi river, upstream from Victoria falls, say sources.

Both developments are seen by the local industry as signs that neighbouring states may overtake Zimbabwe.

The government was believed to be trying to establish tight control in order to allocate permits to emergent black operators.

O'Connor said foreign investment was leaving Zimbabwe for other countries where regulations were "appropriate and user friendly".

The new regulations were in no way related to a competitive and dynamic regional market, he said.

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River Ranch placed under liquidation

CT(MR) 31/3/98

Zimbabwe diamond miner calls it quits

(362)

STELLA MAPENZAUSWA

Harare — Zimbabwe's hopes of joining the elite of world diamond producers have dimmed. The country's sole mine closed last month on viability problems, industry officials said yesterday.

River Ranch Mine in the southern border town of Beit Bridge, owned by River Ranch Limited, was placed under liquidation last month after Canada's Redaurum Red Lakes Mines, a major partner in the project, pulled out. It said it was dissolving all its diamond interests around the world.

River Ranch officials said deteriorating prices for the gemstones over the past eight months had seriously eroded the viability of the mine.

Mining officials said the hunt for diamonds in Zimbabwe was fuelled by an unexpected big find in Canada a few years ago, which triggered off a worldwide frenzy.

Zimbabwe was considered to be particularly attractive because two-thirds of its land is covered with the craton-type soil in which kimberlite rock, which houses diamonds, can be found.

But John Hollaway, a mining consultant, said Zimbabwe's diamonds were of a low quality that did not measure up to international standards.

"I think River Ranch's major problem was the low quality of the diamonds it produced," Hollaway said.

But he said the possibility of better finds in the future could not be ruled out.

Reunion Mining Zimbabwe, another participant in the hunt for diamonds, said it would withdraw from mining for the gems as five years of prospecting had yielded no successes.

"We are withdrawing all our diamond prospecting projects in Zimbabwe because we no longer feel that it is a particularly attractive prospect," said Mike Moles, the Reunion Mining Zimbabwe exploration manager.

"Generally, there's been a great lack of success. We feel the money could be better used looking for gold or for base metals," he said.

Moles said the company had decided to call off the project eight months ago, having sunk more than Z$2,5 million (R760 000) into diamond prospecting.

Besides River Ranch and Reunion, other prospectors in Zimbabwe include Trillion Zimbabwe, BHP and Kimberlite Searches, owned by South African group De Beers. — Reuters

Zim govt 'protecting official'

ANDREW MELDRUM
INDEPENDENT FOREIGN SERVICE

HARARE: The Zimbabwe government was accused yesterday of interfering to prevent murder charges being pressed against the mayor-elect of Chitungwiza, Mr Joseph Macheka.

There was public outrage earlier this month when Attorney-General Patrick Chinamasa said he would not press charges against Macheka who allegedly shot and killed a man and injured two others during January's food riots.

Macheka claims he only fired shots into the ground to disperse an angry mob and then fled the store.

The attorney-general said it would "not be in the public interest" to prosecute Macheka, a former Harare city councillor and a leader of President Robert Mugabe's ruling Zanu-PF party.

The decision was criticised by Zimbabwe's Legal Resources Foundation, which said: "The decision not to prosecute creates the impression of political interference with the judicial process."

Macheka was recently elected mayor of Harare's largest township, Chitungwiza, after a controversial campaign in which the independent candidate, Mr Fidelis Mhashu, was severely beaten by Zanu-PF supporters as Macheka and other officials stood by. The decision not to prosecute Macheka for the January shooting is widely viewed by Harare residents as an example of the government unfairly protecting officials of the ruling party.

The decision not to prosecute creates the impression of interference with the judicial process

The post of attorney-general is a political appointment and has the status of a cabinet minister. Chinamasa has been criticised in the past for declining to prosecute top officials of Zimbabwe's central intelligence organisation (CIO), despite compelling evidence that they were involved in the disappearance of a young woman, Ms Rashiwe Guzha, five years ago.

Guzha had broken off an affair with a top central intelligence organisation official and was last seen in the custody of two CIO officers.

CT 31/3/98 (362)

(362)

Zimbabwe tobacco prices plunge

HARARE — Zimbabwe tobacco prices crashed about 20% at the start of the new selling season on Monday, but officials said they expected prices to firm later because of the reduced output in key growing nations.

BD 1/4/98

Zimbabwe Tobacco Association president Rob Webb said bid prices opened at about $1,80/kg, down 19,28% on last year's average of $2,23/kg.

Officials attributed the lower prices to the early start of the selling season — the auction floors usually open in the third week of April. They said many buyers were still in Brazil, which this year has a 320-million kilogram crop.

Profit up 29% for Zimbabwe papers

(362)

Martin Rushmere

BD 2/4/98

HARARE — The Zimbabwe government's daily and Sunday newspaper group, Zimbabwe Newspapers, reported a 29% increase in profit last year and said it upheld the principles of a free press. Turnover was also up 29% to Z$516m.

In its announcement of profit of Z$62m (about R20m), Zimbabwe Newspapers said it remained "committed to upholding the principles of a free press and the editors are expected to facilitate the free flow of unbiased information".

Earlier this year Tommy Sithole, the editor of the Herald, the biggest selling daily in the country, was sacked for writing an editorial that partly blamed the government for the country's national, political and economic problems.

He was replaced by Charles Chikerema, a relative of President Robert Mugabe.

The paper's MD Simba Makoni was fired last year after he tried to dismiss Chikerema for taking a virulently racist line as editor of the Herald's sister paper, the Sunday Mail.

Despite the good results, the company has retrenched 131 members of staff and it said this year should be more difficult than last year. Costs have risen sharply and newsprint is now 47% more expensive.

Zimbabwe's central bank staffers end sit-in

(362) BD 2/4/98

Michael Hartnack

HARARE — Staff of Zimbabwe's Reserve Bank yesterday called off a two-day sit-in at their headquarters as negotiations began on redundancies.

The glittering Z$1,3bn building which dominates Harare's skyline has been filled with disgruntled employees since governor Leonard Tsumba issued a circular on Monday announcing plans to streamline operations.

He said those affected should not report for work yesterday but by late yesterday they had still not been personally notified, said staff members.

The bank was criticised by various parties recently for spending foreign exchange, earned from its precious metal export monopoly, and profit from the issue of bank notes, on palatial headquarters instead of returning the money to the fiscus for use on projects such as low-cost housing.

On Monday and yesterday workers who feared they would be among several hundred to be dismissed gathered on the fifth floor while senior staff had to handle customers.

The total number of employees of the secretive central bank, which maintains a precious metal refinery and a banknote printing works among its subsidiaries, has never been officially disclosed.

A circular sent out by Tsumba on Monday said the results of "a detailed review of our structure, processes, the assignment of staff to new structures and identification of surplus staff" would be implemented on April 1. Negotiation of "exit packages" would begin immediately with the workers' committee, he said.

In expectation of redundancies, staff loans were frozen in September.

Tsumba said the matter would be referred to the labour ministry if talks with worker representatives did not reach agreement by April 30.

Outspoken Zim woman MP hits back

(362) Sowetan 2/4/98

HARARE – Outspoken Harare South MP and ex-combatant in the struggle for Zimbabwe's independence Margaret Dongo was escorted from parliament under heavy guard and "in fear of her life" last Wednesday after she spoke out against alleged abuse by male Zanu-PF parliamentarians.

According to the *Zimbabwe Independent*, Dongo had to be escorted to her Sunningdale home by police after Chikomba MP Solomon Mujuru – apparently enraged by what he considered disparaging remarks against male Zanu-PF MPs – threatened to pursue her outside the House and "smash" her.

The trouble started after non-constituency MP Siwili Moyo became irritated by Dongo's interjections during his speech on recent union-organised demonstrations.

Moyo made remarks in Ndebele and Dongo demanded a translation into English as she had understood the MP to have called her a "whore". Moyo refused to translate his remarks but indicated to the Speaker that he was withdrawing them, the report said.

"In the fracas that followed, Dongo labelled Zanu PF MPs 'Mugabe's wives' because of the way they always pandered to the president's wishes as shown by their endorsement of Mugabe's suspension of Dzikamai Mavhaire from the party," the report continued.

Dongo further argued that these MPs had not protested after Mugabe labelled them witches.

Dongo withdrew her remarks after the Speaker had called on her to do so. Mujuru, who refused to be placated, "charged at Dongo to physically attack the diminutive MP", but Seke MP Livingstone Manhombo restrained him.

Life threat

Dongo, who immediately left the chamber under escort of parliament's security officers, told parliamentary officials that she feared for her life "as Mujuru had threatened to pursue her outside till he 'smashed' her". Officials then organised a police escort to ensure that she reached her home in safety, the report said.

According to the report, Dongo had earlier told parliament that Mugabe's attack on and suspension of Mavhaire had "undermined parliament and amounted to reducing the House to a "Vidco" – a village development committee".

According to the report, Dongo accused Mugabe of dealing a "severe blow to parliamentary democracy" and that his government "was not adhering to human rights requirements set out in the Harare Declaration issued at the Commonwealth Heads of Government summit in Harare in 1991".

Dongo said the attack on MPs meant Mugabe was also suppressing the views of people who had elected MPs to parliament.

The *Zimbabwe Independent* reports that in an interview Dongo said she was tired of harassment in parliament and alleged that Mujuru had at one stage called her a "dagga smoker".

Meanwhile, the Speaker of parliament ruled yesterday that Mujuru's threat was of a serious nature and "an offence in terms of the Privileges, Immunities and Powers of Parliament Act".

He said Moyo's remarks were derogatory of another MP.

He said Dongo's remarks were disrespectful of the head of state and other members of the house.

According to the report, the Speaker ruled that all three MPs were *prima facie* in breach of privilege. – Sowetan reporter.

Zimbabwean parliamentarian Margaret Dongo alleges that Mugabe has dealt a severe blow to parliamentary democracy and that Zanu PF MPs spinelessly succumb to his political stance

Brussels lifts Zimbabwe wine ban

BD 3/4/98 (362)

Michael Hartnack

HARARE — Brussels bureaucrats had lifted their ban on commercial imports of Zimbabwean wine, vintners announced yesterday, but the inability to satisfy local demand is likely to delay shipments.

Vintners expect exports to take off within the next four years if shortages can be ironed out.

Brussels has finally announced that it is satisfied with the new standards and regulations promulgated in Zimbabwe. Sales from the fledgling wine industry, which had only five major vineyards, two wineries and less than 1 000ha under vines, were held up by European Union officials who demanded a "wine act" and "ministry of wine".

Mukuyu Wineries GM Sam Pfidzayi, who is also Zimbabwe's first qualified African winemaker, said the industry was eager to establish a reputation in the high profile British market.

Both Mukuyu, a subsidiary of the Cairns and Astra Holdings Groups, in which the government still has a majority share, and its competitor Afdis have multimillion-dollar vineyard expansion plans.

Pfidzayi said that although January rains caused serious problems with Mukuyu's late ripening reds in 1997, these had been avoided during the recent harvest and record quality vintages were expected. A period of strong sunshine and cool nights in September and October had given excellent vine growth, berry set, colouring and flavour.

Afdis winemakers are equally optimistic about their vineyards, which are dispersed in Zimbabwe's midlands and Matabeleland regions, unlike Mukuyu's concentrated 100km southeast of Harare.

Quality Zimbabwean white wines sell at about Z$30 and reds for Z$40-60, compared to imported SA and Australian products which are seldom below Z$100. Consumption of imports only stimulates demand for local wines, Vintners report.

Current problems in Zimbabwe's tobacco industry may encourage farmers to move into vines, which suit similar sandy soil types, but high capital investment costs, 35% bank overdraft rates and a four-year delay in getting new vineyards "on stream" is a strong deterrent.

Attempts to encourage small-scale communal growers have been hampered by informal sector sales of the crop at roadsides before it can be harvested by wineries which have provided the vines, fertiliser, and other inputs.

IMF defers decision on extension of aid

(362)

Michael Hartnack

BD 3/4/98

HARARE — The International Monetary Fund (IMF) has deferred to the end of this month a decision by its board on the re-extension to Zimbabwe of $176m in budget credits, officials said yesterday.

But in the fourth optimistic statement of its kind in six months of economic and social turmoil, the IMF's local representative, Robert Franco, told the Herald newspaper that the organisation believed the Zimbabwean budget was "on track".

"Revenue is higher than projected and expenditure is lower," said Franco, who has been criticised for praising Mugabe's "strong recovery programme" during the crisis caused by the announced takeover of 1 400 farms and a Z$4,5bn gratuity payout to former guerrillas.

The government raised the price of aviation fuels 34% and household gas 16% yesterday as the parastatal national oil company, Noczim, continued to lose about Z$5m a week. A decision on petrol and diesel was again deferred although unrealistically low prices threatened to push this year's deficit far beyond the 8% deficit target pledged to the IMF.

Since November the Zimbabwean dollar has lost 40% of its value against major currencies and the stock market has crashed.

The media has repeatedly run premature statements saying IMF aid would definitely be released, thawing budget support from the other international donors.

During President Robert Mugabe's investment-raising tour of Germany last week, Helmut Kohl's government said it would disburse money as soon as the IMF's board of governors decided favourably.

A six-member IMF team headed by Africa desk chief Michael Nowar left Zimbabwe last week after further evaluation of Zimbabwe's economic performance in the wake of recent strikes and food riots.

"They want to monitor the situation for another 30 days before they make a decision," said an official who noted the Zimbabwe Congress of Trade Unions' plan for further protests against extra taxes.

"During 1998, the trade balance is forecast to yield a surplus of Z$2,2bn while the balance of payment is projected to register a deficit of Z$1,6bn." Franco expected IMF resources to fund 60% of the deficit.

Mugabe's wife set to profit

HARARE — Zimbabwean President Robert Mugabe's wife Grace was set to make Z$19m profit from a mansion built with government money, the Financial Gazette said yesterday.

The house, dubbed "Gracelands" by its critics, was built in the upmarket Harare suburb of Borrowdale on 4ha overlooking a golf course designed by champion international golfer Nick Price.

Grace, a 34-year-old former public servant who married 74-year-old Mugabe in a lavish ceremony 18 months ago, reportedly used Z$6m from a government housing scheme to build the house.

Now, according to local newspapers, it is on the market for Z$25m.

The Financial Gazette quoted Mugabe's wife as saying she had paid off her debt to the government and was free to do as she wished with the house.

In a statement issued through the president's spokesman, she refused to confirm or deny that she was selling it.

Mugabe last month angrily denied a report in a British newspaper which said he and Grace were planning to buy a castle in Scotland. — Sapa-AFP

Harare raises price of cooking gas

(362)

CT (MR) 3/4/98

From Sapa

Harare — The Zimbabwean government yesterday raised the price of aircraft fuel and cooking gas, but said it had yet to decide whether to increase the price of petrol and diesel.

Enos Chikowore, the minister of transport, told the state-controlled Herald newspaper that the country's fuel prices could not be sustained following the crash of the Zimbabwean dollar in November last year.

He said a decision would have to be made urgently.

Chikowore said the price of Jet A1, aviation gas and cooking gas went up by 34 percent, 17 percent and 16 percent respectively.

Since the currency's 45 percent fall, the cost of importing fuel had soared by a corresponding rate.

Economists said the state-owned fuel procurement company, the National Oil Company of Zimbabwe (Noczim), was losing about Z$1 million (R310 000) a day.

They estimated that Noczim would have to raise fuel costs by 30 percent to meet the current cost of imports, which would have ripple effects throughout the embattled economy.

Observers said the government was anxious about the likelihood of a resumption of countrywide rioting that erupted in January over the sharp increase in the prices of consumer commodities, and was delaying an increase in the fuel price.

Prices of maizemeal, wheat, bread and cooking oil were also being held down on government orders. Economists warned that yesterday's price increase was likely to force up air fares.

Reports in Zimbabwe said Noczim was bankrupt and was running into problems with paying its suppliers, including South Africa's Sasol.

Repeated fuel shortages around the country were cited as evidence that fuel reserves were low.

In December last year a bid by the government to add a 15 percent tax on fuel, among other new levies and taxes, triggered strikes, and the taxes had to be dropped.

Fuel prices last increased in May last year. Petrol went up 31 percent and diesel 39 percent in the space of eight months. — Sapa

ZIMBABWE AGRICULTURE 362

FM 3/4/98

Harvest of hesitation

Seldom have Zimbabwe's tobacco auctions played so pivotal a role in the country's economy. For a change, farmers, government and the business community are united in hoping that the 1998 sales, which opened on March 31, will boost morale.

The omens are unpromising. Prices in Brazil, whose sales open ahead of Zimbabwe's, are down more than 5% despite a worldwide shortage. Zimbabwe has grown a bigger crop than last year's — an estimated 210m kg of flue-cured tobacco, compared with 185m kg last year — but this is still 25m kg short of the industry's target of 235m kg.

Buyers warn that demand is weak, citing the huge settlements being paid by US tobacco manufacturers. More important has been the Asian downturn, since almost a third of US tobacco products are exported to Asia. Some buyers warn that prices could fall from last year's average of US235c/kg to less than 200c/kg. But the price is more likely to fall about 10% to 210c/kg.

Growers had been hoping for a devaluation windfall after the 37% depreciation of the Zimbabwe dollar during 1997. But in the first quarter of the year, the Zimbabwe currency has recovered about 15% of last year's losses and costs have taken off, squeezing exporter margins. The industry says costs have risen 35% in the past year and this figure is set to rise even further once the long-delayed fuel price increase is announced, followed by higher coal prices (up 22%), railway rates (up over 30% according to farming sources), electricity costs (up over 30% from July) and wages.

Tobacco is Zimbabwe's top export, accounting for at least 25% of earnings in a normal year. This year that ratio could be higher because of the weak performance of the mining sector, especially gold. Thanks to the larger crop and higher yields, output is likely to be worth at least US$450m in 1998, up slightly from last year's $435m.

Some cheer, but also further confusion, came in the wake of the announcement that 600 of the 1 470 farms identified last November for compulsory acquisition by the government have now been delisted. Details are scanty, with President Robert Mugabe accusing Agriculture Minister Kumbirai Kangai of misleading the farmers. Mugabe loyalists accuse Kangai of "selling out", hinting that the Minister — a senior Cabinet member — could be demoted.

Surprisingly, some in agriculture and business seem to share government's naive belief that business confidence can be switched on and off like a tap. The signs are that confidence will be slow to recover — because of the many uncertainties that surround not just the land takeover but many other aspects of government economic policy as well.

Special Correspondent

Zimbabwean academics search for fresher ideas on the question of land

CP 5/4/98 (7b2)

THE ZIMBABWE government's plans to forcefully take over commercial farm land for resettlement of landless peasants continue to cause controversy throughout the country.

Academics from the University of Zimbabwe got together recently to analyse the plan and to understand its mechanisms.

Sociologists Rudo Gaidzanwa remarked that the land issue has gender, class, ethnic and political dimensions, but only the racial was visible.

"Gender is a glaring omission," said Gaidzanwa, "black women are absent from the land equation except as providers of casual and seasonal labour, unpaid as wives and daughters or lowly paid contract workers."

Mugabe's policy to forcefully repossess white-owned farms has sparked a lively debate on the appropriate steps to be taken.

She added:

"The unclear policy on the eventual subdivision of designated land makes black women uncomfortable.

"If land is redistributed as small communal farms, black women will continue to be poorly paid."

Of 10 600 small commercial farms on freehold title, only three percent are owned by women without husbands. Of roughly 5 000 large commercial farms, 400 are owned by black male farmers and the rest by white men and multinationals.

"This gender-skewed land distribution patern will continue unless clear policies redress it.

"The whole debate on acquiring freehold title excludes black women completely," said Gaidzanwa.

A survey of black rural women showed an overwhelming majority of them saying they would rather work in white-owned or multinational-owned farms because they get better conditions than on black-owned commercial farms.

According to Professor Sam Moyo, 63 percent of the original five million hectares targeted (since reduced) was in dry, marginal areas. Only one percent was in the most fertile and 19 percent in the second most fertile region.

"Most cabinet and high officials' farms are in districts with low designation rates," said Moyo.

Moyo disagreed with a Commercial Farmers Union (CFU) forcast of a heavy loss in agricultlural production if land was redistributed.

"Much of the designated land is underutilised and had economic potential," said Moyo, "irrigation, however, will be needed to sustain resettlement."

At a seminar on land and the Constitution, organised by the Zimbabwe Council of Churches, Ben Hlatshwayo, senior lecturer at the Department of Public Law, argued that Zimbabwe's amended Constitution fully complied with international standards of protecting property from arbitrary expropriation, since it required that expropriation had to be for public purposes, in terms of law and with reasonable compensation.

What is controversial in the amendment is the removal of court jurisdiction over compensation inserted to cut litigation and speed up resettlement. Hlatshwayo argued that doing away with court jurisdiction is ineffective, since courts found ways around such clauses, while the ensuing lack of transparency causes political problems with little practical benefits to the land reform programme.

He recommended court involvement to determine compensation as does South Africa's land restitution programme.

Hlatshwayo noted that most on-farm capital improvements have enjoyed massive state subsidies and tax incentives, which should be factored in to estimate compensation.

Political scientist A M Kambudzi said the government is caught between two Goliaths: international institutions and opinion, which have an economic strangehold on the country, leasehold communal and state ownership.

"You can't run an economy with four land tenure systems," he said.

The first to go should be communal tenure, "a new name for the colonial tribal trust lands, with the same reality perpetuating a vicious cycle of poverty".

Kambudzi suggests "co-habitative designation": part of a farm being taken for resettlement with the owner keeping a viable chunk, including the housing and permanent improvements. The owner remains, but shares both land and experience with new farmers.

He felt such a method would be less disruptive on the economy than wholesale designation while building confidence.

Kambudzi said another possibility was goodwill restitution, where owners gave up oversized and idle farms for subdivision.

"This should have happened after independence in 1980; it is not too late to try it again. — AIA.

ANAI

On the ground they are still holding hands

(362)

Despite high-profile attacks on whites, and even though there are still pockets of white racists in the country, most ordinary Zimbabweans get along fine with each other, writes **Diana Mitchell**

BD 9/4/98

Soldiers on alert during Zimbabwe's recent riots. Authorities tried to blame the unrest on whites.

IN DECEMBER, when Trudy Stevenson, an official of the opposition Forum Party of Zimbabwe, went into the streets of central Harare to see how the national strike was progressing, she did not expect any serious trouble as the courts had declared the strike to be legal.

When she saw the police harassing bystanders and throwing teargas at everyone who moved, she dashed off to get her own protest placard and joined the demonstrators.

A few minutes later she was bundled onto a police vehicle.

Stevenson has been instrumental in holding together the remaining activists of the Forum Party, led by Washington Sansole, a Bulawayo lawyer.

The previous leader, Enoch Dumbutshena, had been discouraged from continuing in political opposition to his former comrades by the usual attempts at character assassination.

In the last general election, both Dumbutshena and Stevenson had stood against the ruling Zanu(PF) party.

Stevenson, campaigning in the Mount Pleasant constituency, was harassed by youths of the ruling party. Her car was stoned and her supporters, black and white, were spat upon and reviled by half-drunk party bullies and members of the women's league.

The same sort of treatment was meted out to her by a policewoman at the central police station after she had been arrested. When she indignantly said Zimbabwe was supposed to be a free country, the policewoman turned upon her in fury: "Get out! Get out! If you don't like it here you should leave!" she shouted. "We don't want whites here anyway!"

The tragedy of renewed racial antagonism in Zimbabwe is that this has been artificially credited by an increasingly unpopular ruling party.

What looked like a deliberate policy of insulting whites, irrespective of their attitudes towards their black compatriots, began in the late 1980s.

The government-controlled Sunday Mail, edited by party zealot Charles Chikerema, has regularly denigrated and insulted Zimbabwe's whites — a small community of less than 60 000 people in a population of 12-million.

Remaining dotted around the country are a few vestiges of white supremacism — youths, some farmers, artisans and others unwise enough to express their foolish, racially antagonistic attitudes in public places. Most blacks are dignified enough to ignore them.

The failure of Zanu(PF) to bring anything but corruption and increased poverty to the nation has caused it to look for scapegoats.

Remarkably, however, despite a worrying deterioration in race relations in some circles, the effort by Mugabe's apparatchiks to divide the races has not yet succeeded among the bulk of the citizenry.

In December, when workers flocked into the city to demonstrate against the government's imposition of a huge tax, levied to pay off discontented war veterans (added to other raised taxes), the ruling party accused white employers, farmers, industrialists, and human rights activists — and the opposition — of fomenting the trouble they were facing. Mugabe called it "an unholy alliance".

However, the president of the Zimbabwe Congress of Trade Unions, Morgan Tsvangirai, emphatically denied that this was the case. A poster prominently displayed during the strike read: "Don't blame the whites for your failures."

Many black Zimbabweans will have nothing to do with the agenda which seeks to divide them from their white friends. Unfortunately, government and media attacks on whites have brought back a degree of animosity towards black rule from some whites. In addition, the move to take over white commercial farms has alienated people who regarded themselves as loyal Zimbabweans.

Zimbabweans of all races have little confidence in the ability of the government to rebuild what has been destroyed, and even the assurances that food prices will be contained have not been taken seriously.

The good news that may restore the confidence of investors is of the failure of the ruling party to engender hatred and suspicion of "nonindigenous" Zimbabweans among their ordinary black compatriots. People have gone out of their way to show friendliness and continued solidarity across all racial lines..

☐ *Mitchell is a freelance writer and board member of several nongovernmental organisations in Zimbabwe. This article is reproduced from the latest issue of the SA Institute of Race Relations journal.*

Zimbabwean sugar mill on track

Michael Hartnack

HARARE — A leading member of President Robert Mugabe's ruling Zanu (PF) party says the Hulett-Tongaat group plans to press ahead with a Z$700m sugar mill in northeastern Zimbabwe despite designation for takeover of three estates scheduled to supply cane.

"There are no hiccups as far as we are concerned at the moment," said the governor of Mashonaland Central Province, Border Gezi.

The project was reportedly put on indefinite hold in December after Mugabe announced plans for the takeover of 1 503 farms totalling 5-million hectares.

MD for the group in Zimbabwe, Simon Cleasby, declined to confirm or deny Gezi's announcement. Cleasby has previously refused to comment on the proposed development in view of delicate relations with Mugabe's government over land and "indigenisation" of his shareholders' register.

Gezi said a condition of the deal would be the allocation of 25% shares in Hulett-Tongaat's local subsidiary, Triangle, to "indigenous" investors, and 25% to farmers contributing cane.

The development would be the largest in Gezi's depressed province since 1980.

He expected 500 jobs to be created with greatly increased demand for labour on farms in the area.

(362) BD 8/4/98

Harare may get IMF funds

(362) BD 8/4/98

HARARE — The World Bank said yesterday it believed Robert Mugabe's government had implemented enough fiscal and monetary reforms to allow for a resumption in lending from the International Monetary Fund (IMF).

The delay was imposed after IMF representatives grew worried the government was not going to meet its fiscal targets for the 18-month period ending on December 31 this year.

David Cook, the World Bank's representative in Harare said that the government had emerged from a tough eight-month period which has seen the Zimbabwe dollar lose more than half its value against the dollar, state finances stretched by extraordinary payments to war veterans, and economic growth fall to less than 3,0% year on year.

Chief among the IMF's concerns is the government's ability to stick to a revised deficit to gross domestic product target of 7,5% to the end of the calendar year.

Embattled Mugabe's now really getting it on the nose

Harare – An attempt by President Robert Mugabe to revive his popularity after Zimbabwe's economic troubles triggered strikes and riots has turned to disaster.

A series of weekend rallies flopped, usually pliant rural supporters were aggressively defiant and a powerful party chief told him publicly, with a thinly veiled personal insult, that he had lost his vision. Rallies and speeches around the country were meant to emphasise the embattled 74-year-old leader's ability to survive difficulties.

However, low turnouts and abandoned venues showed instead that the rural support he has commanded since independence has withered. These events also underlined that urban areas are lost to him.

It is not clear how Mugabe is interpreting signs which would give other leaders cause for sober reflection.

The president returned from an official visit to Germany last week to a military guard of honour at Harare airport. Such ceremony has been reserved previously for visiting heads of state.

On Friday, the rural settlement of Gutu in southern Zimbabwe, home to a faction of Mugabe loyalists, produced a crowd of about 5 000, mostly schoolchildren who chatted through the speeches. A party official started to lead a slogan chant of "Only Mugabe, only Mugabe", but received no response.

Even party chief takes shot at him

Mugabe cancelled a rally the next day in the eastern town of Marondera. Sources said it would have been "an embarrassment". But an alternative engagement, a meeting of the ruling Zanu (PF) party youth wing near the town, produced another serious blow. Josiah Tungamirai, a veteran member of the politburo and a former commander of the air force who leads the youth league, said in remarks directed at Mugabe that public apathy in recent years "seems to have grown into open hostility to Zanu (PF)".

The country's young were "hungry and angry, for they have no jobs". All that was offered was "a glorified past and empty promises for the future", he added.

The wave of popular discontent since late last year had shown "a lack of any clear vision by Zanu (PF)".

"The party is in crisis, and only a fool would claim otherwise," Tungamirai said, looking directly at the president.

In the eastern city of Mutare, on the Mozambique border, a planned show of mass support turned into farce. Zanu (PF) organisers were able to raise only 50 marchers. Kumbirai Kangai, the regional chairman, decided instead to address a much larger crowd who had come to support a demonstration against child labour.

But he was heckled by protesters from a new group, the Zimbabwe Liberation War Collaborators' Organisation, which has been set up by villagers who acted as scouts, informers and porters for the ruling party's military wing during the independence war.

The government has refused to meet the organisation's demands to reward its members' role in the conflict. The group has begun a campaign for the surrender of Zanu (PF) membership cards. Kangai was presented with thousands of cards, but fled. – The Times, London

Star 9/4/98 (362)

Low prices prompt calls to halt crop sale

(362)

Michael Hartnack

BD 9/4/98

HARARE — Nightmare conditions reigned for sellers again at Harare's Burley tobacco auction floors this week and small-scale black growers demanded a halt to sales because of low prices.

Of 604 bales of the air-cured tobacco laid on Tuesday, only 100 were sold — averaging just over $0,62/kg against last year's $1,80/kg. Sales of flue-cured Virginia Tobacco have also been in the doldrums.

Tobacco Trade Association chairman Jim van Heerden blamed depressed prices on a carry-over of leaf from the 1997 season, combined with the Asian economic crisis reducing demand.

Zimbabwe's 8-million kilogram burley crop is used for blending and usually goes on auction after the world's major producer Malawi has set trends with the start of sales of its 120-million kilogram crop.

This year sales of both air and flue-cured tobacco were advanced as the country strove to maximise an inflow of desperately needed foreign currency.

Burley growers demanded cancellation of the auctions on Tuesday, resewing of bales and reversion to the system abandoned four years ago when Zimbabwe's Tabex company bought the entire crop, then negotiated with external buyers.

Ian Barron, chairman of the Air-Cured Tobacco Association, said the Burley crop was the best in a decade.

SOWETAN Tuesday April 14 1998

Ex-soldier spills beans on genocide

Sowetan 14/4/98

BULAWAYO. A former soldier with Zimbabwe's notorious and discredited Fifth Brigade has given a chilling account of how some government soldiers posed as rebels in the rural areas of Matebeleland and killed scores of innocent villagers.

In a letter he wrote to human rights organisations and the press the former soldier, who asked not to be named for his own safety, disclosed that about 20 000 villagers were killed and that their only sin was to belong to the Ndebele-based and now defunct Zapu party.

A *Sapa* correspondent in Bulawayo, who has a copy of the letter, reported that Zimbabwean government-controlled newspapers ignored the letter.

The former soldier said he decided to spill the beans about the Matebeleland genocide because he was tired of living in condemnation.

He alleged that he was haunted by the spirits of two sangomas he and his colleagues killed in Kezi district, 65km south of the Matebeleland capital, Bulawayo, in 1984 during the brigade's occupation of the Nguni-speaking province.

"I was among the Fifth Brigade soldiers who were deployed in Matebeleland in 1985. Our orders were to wipe out Zapu supporters just before the elections to carry out the genocide in Matebeleland," the letter says.

He said some of the killings of commercial farmers in Matebeleland were carried out by government soldiers and security agents who posed as dissidents in the villages. – *Sapa*

Zimbabwe's inflation surges to two-year high

(362)

BD 15/4/98

HARARE — Zimbabwe's consumer inflation surged to a two-year high of 27,9% in the year to March, lifted by food prices, the central statistical office reported yesterday.

The statistical office's consumer price inflation (CPI) index rose 3,9 percentage points from February's 24% mainly as a result of a 33,7% rise in food prices, the major CPI component. Education costs also climbed 38,3% during the year, with tobacco and drink prices a close third at 31,9%.

Despite government attempts to curb consumer prices this year, the food index rose 7,5% last month, the largest rise apart from education which showed a 17,6% gain.

Economists said the increase in inflation was in line with expectations, and a 5,9% jump in prices last month showed the strength of underlying inflation.

"The figures look ominous from the viewpoint of wage bargaining and wage negotiations, but I am not surprised," said University of Zimbabwe business studies lecturer Tony Hawkins.

"It gets frightening when you consider that electricity and fuel prices have not gone up yet," said independent economist John Robertson, who forecast a peak of 40% by the end of June.

Six people were killed in January in violent riots triggered by increases of up to 42% in most consumer products. President Robert Mugabe's government, anxious to avoid similar disturbances, has ordered the state National Oil Company to subsidise fuel prices through the sale of 47-million shares it holds in blue chip Delta Corporation. About 7,6-million shares have been sold so far.

However, Transport and Energy Minister Enos Chikowore, who last month raised aviation fuel prices by at least 34%, said diesel and petrol prices would soon be increased. Robertson said higher fuel prices would inevitably mean a fresh round of price increases and feed the inflation spiral.

Labour leaders, who have staged two successful demonstrations against higher food prices and taxes in the past three months, have already served warning they expect above inflation wage reviews to cushion workers from rising food prices. — Reuter.

BUSINESS

TOBACCO *Sharply declining auction prices suggest international vote of no confidence*

Zimbabwean farmers fear the worst

(362) CT(BR) 21/4/98

JAN RAATH

Harare — The golden leaf of the tobacco plant, the weed that has driven the economy of Zimbabwe through decades of political and economic turmoil, is suddenly in deep trouble from which there may be no return.

Billion-dollar legal suits by smokers claiming damages from US cigarette companies, the effects of the economic slide in southeast Asia and threats by Zimbabwean President Robert Mugabe to illegally seize 4,5 million hectares of white-owned farms are cutting into tobacco prices.

The six-monthly auctions of flue-cured Virginia tobacco on the biggest and slickest tobacco marketing system in the world opened in Harare on March 31 with an average price of US$1,20 a kilogramme, 42 percent lower than the opening price the year before.

The anxiety of the growers, mostly white farmers in shorts and baseball caps, is palpable as they watch the lines of buyers signalling their bids as they tramp in step past the hundreds of metres of rows of tobacco bales while the auctioneer mumbles an incomprehensible litany of prices.

The first day's prices on the floors are traditionally taken as a key to how the rest of the season will go. It has continued badly since then. Prices have risen only marginally to $1,38 a kilogramme, 40 percent lower than the average for the whole auction season last year of $2,33.

The slump in prices has brought a stunning new blow to the Zimbabwean economy, already tottering from a weakened national currency, the evaporation of investor confidence and political instability.

Zimbabwe shares with Brazil the position as the world's largest exporter of tobacco, but the Zimbabwean leaf, most of it skilfully produced by 1 500 highly sophisticated commercial growers, has been noted for its aroma and high nicotine content. These qualities have made it indispensable to the high-priced cigarettes manufactured in Europe, where 48 percent of Zimbabwe's tobacco is sold.

Tobacco accounts for a third of the country's export earnings, directly employs about 75 000 people and generates value-added production throughout the economy. Last year's crop of 186 million kilogrammes earned farmers $433 million, and exports of the value-added leaf brought in $609 million. The industry was hoping the 1998 crop would pick up another $100 million more.

"Prices being offered by the trade are extremely discouraging," said Rob Webb, the president of the Zimbabwe Tobacco Producers' Association (ZTA) which represents the growers.

Members had been warned of softening prices, but not "the deep discounts" in prices prevailing now. Growers' earnings would fall 22 percent from the $565 million forecast this year to $436 million if the low prices prevailed, said Webb.

Webb also announced that the crop would only reach 205 million kilogrammes, against the 230 million kilogrammes estimated earlier. He warned that the economic slump in southeast Asia would slacken demand.

Litigation in American courts for settlement of damage claims by smokers and the likelihood of more claims "will continue to have a negative impact on demand and therefore prices", he said.

But none of this could fully explain the sharp drop in prices. Before the season opened, ZTA officials had been assured by European cigarette manufacturers that confidence in the Zimbabwean farmer was still strong.

But economist John Robertson doesn't believe it. He said Mugabe's controversial plans to confiscate 1 471 farms without legal compensation and to redistribute them to blacks had "destabilised the tobacco market".

"It's a vote of no-confidence in our position as a tobacco producer. Foreign buyers need continuity of supply but say they have seen government plans to confiscate nearly half of the tobacco farms. We are seen to be a country drifting out of the picture," Robertson warned.

"Manufacturers prefer to put their money into the new tobacco-producing nations in South America and the Far East. The low prices this season, if they hold, will do serious damage to the Zimbabwean economy," Robertson said.

"We have gone and made a mess of ourselves by becoming an unstable source of supply," he said. "The industry might never recover." — Sapa-DPA

AFRICAN BUSINESS

No end in sight to high inflation as tough business environment puts pressure on already thin margins

Earnings expected to remain flat in Zimbabwe

CT(PR) 22/4/98 (362)

GODFREY MUTIZWA

Harare — Zimbabwe corporate earnings were likely to stay flat in 1998 as companies struggled to shake off the effects of last year's currency turmoil and resurgent inflation, market analysts said yesterday.

They said inflation and nominal interest rates were certain to stay above 30 percent for the rest of the year, further squeezing already slim margins.

"We have a tough business environment and earnings will be under pressure this year because of the high inflation and interest rates," said Beckie Masawi, a Kingdom Securities investment analyst.

Jason Moore, of stock market analysts Dataworld, concurred that business would be difficult this year, but he forecast improved earnings in the second six months because of better than expected results of the agricultural season just ended.

"In the second half of the year we could see some recovery once agricultural proceeds start coming into the market, but inflation will bite," he said.

"Generally we have severely depressed investor confidence, both local and international," Moore added, saying many companies were scaling down capital expenditure plans.

Economic analysts identify two distinct segments in 1997 — a stable operating environment during the first nine months of the year, and then turmoil in the last quarter as the Zimbabwe dollar collapsed, propelling costs through the roof.

"Sentiment was badly affected," Moore said.

After expanding a record 8,1 percent in 1996, in what economic consultant Mervyn Ellis called the peak of "the golden years for company profits", the local currency collapse, on poorly received political and economic decisions, took the stuffing out of Zimbabwe's economy last year.

The government puts 1997 growth at 3,7 percent and private economists see gross domestic product (GDP) growth at about 1,5 percent in 1998, largely as a result of the higher inflation, which is expected to average over 28 percent this year.

Showing the extent of the damage were retail counters like Truworths and Edgars, which saw disposal incomes plummet, leaving them with expensive stocks and a drop in earnings, analysts have said.

On the other hand financial stocks Barclays, National Merchant Bank and UDC exhibit the benefits of a weaker Zimbabwe dollar — huge returns on their foreign exchange accounts.

But intensifying competition in the sector as well as the effect of higher interest rates have led to outlooks that warn margins are under pressure.

While mining receipts were boosted by the weaker Zimbabwean dollar, this was negated by sharply higher costs for imported machinery and rising local costs arising from high interest rates, wages and poor commodity prices.

Ellis argued that President Robert Mugabe's government needed to embrace good governance and strengthen reform in order to win back investor confidence. "Until this challenge is met, business cannot hope to replicate the remarkable growth in profitability that occurred in the mid-1990s," Ellis said.

The government hopes to slash the state deficit to below 5 percent of GDP by 2000 under the Zimbabwe programme for economic transformation. — Reuters combatants.

Violent food riots

Delegates at a Zimbabwe African National Union-Patriotic Front (Zanu-PF) congress, held at Mutare, also protested against the levy, and members of parliament followed suit. The government withdrew the levy.

That was not the end of protest. In the wake of the 27-point crash in the value of the Zimbabwean dollar on November 16 last year, prices of commodities skyrocketed.

Consequently, in January this year, there were violent food riots in Harare and other centres during which people looted shops and destroyed some of them.

Again the government relented and urged businessmen and women to withdraw the increases in basic goods.

What is important is that the government in all these incidents was engaged in crisis management – a response which was not going to solve the problems.

The courts [illegible] to fund a plan that was transparent – a necessary condition in a country where, in the past, farms purchased for resettlement were given to favoured Zanu-PF leaders and senior civil servants.

Many people, myself included, think that the government must accept the plan of the CFU as a means of kick-starting resettlement.

By the time 1,5 million hectares have been resettled, other lands and the means to resettle more people will have been found.

At the time of going to press, the government has been reported as saying it will, after all, pay compensation for confiscated farms and has indicated it is willing to engage in constructive dialogue on the issue.

If this is so, all Zimbabweans will be happy to partake in the resettlement exercise.

In any case, I do not think that the majority of our population – the young people – all want to be settled on rural land.

Zimbabwean civil society begins to stir

Sowetan 22/4/98 (362)

By Enoch Dumbutshena

ZIMBABWE has wonderful people of all colours. Our workforce is the most skilled in the Southern African region. We are a friendly people but our neighbours think that we are politically docile. They may be right.

Writing in the 1940s Peter Kelsen said: "The Southern Rhodesian natives are as docile as a donkey."

But for some reason the long-suffering people of Zimbabwe cast off their fear – the fear of a government – and fought against Ian Smith's regime and won the liberation war.

Since then, however, there have been very few who dared to oppose or criticise the government, so that in the last 17 years we have failed to produce an active civil society.

The latest protests have changed this. They began with ex-combatants (otherwise referred to as veterans), the very people who fought and won the war.

Having watched their leaders in government prosper while they were becoming poorer and poorer, they rebelled and staged violent demonstrations – and showed no respect for ministers.

No one arrested them and they were not teargassed – partly because the commanders of the army, air force and police had also been combatants.

The veterans went to see President Robert Mugabe, and "induced" him to promise to pay about 70 000 of them a $Z50 000 (about R17 000) gratuity and a monthly pension of $Z2 000 (about R700) free of income tax.

In December 1997 the Zimbabwe Congress of Trade Unions staged a massive, countrywide strike to protest against a levy imposed on all taxpayers [illegible] the

After the liberation war, Zimbabwe conceived and nurtured the policy of reconciliation, and this worked for some time. No one was prosecuted for having fought on the wrong side.

Ian Smith, who had made a unilateral declaration of independence, remained unmolested in the country. He continues to criticise the government and appears to be more free to do so than most of us.

But it seems that Mugabe threw reconciliation out with the land issue. The problem is vast and complicated.

Nobody disputes the right of the government to resettle peasant farmers from overcrowded communal lands – even the white farmers accept this.

The British government was once interested and forked out money to buy farms from white farmers on a "willing buyer, willing seller" basis, but the Zimbabwean government abandoned this policy.

Despite the objections of the International Monetary Fund, Mugabe said he would grab white farms because they were never bought but were given to the earliest farmers.

No compensation would be paid, only for "improvements". This was in breach of the constitution, which mandates the payment of proper compensation for property taken by government.

The Commercial Farmers Union (CFU) handed the government an alternative resettlement plan whereby there would be an immediate handover of 1,5 million hectares by 4 500 of its members under the government's Poverty Alleviation Programme.

Help would be given to the government to raise up to US$1,5 billion (R7,5 billion) for the resettlement exercise. In addition, the farmers would teach profitable methods of farming to those who were resettled.

They want to live in cities and towns where they can find employment.

It is time the government thought of reducing the number of people who live on communal lands, who are heavily disadvantaged by not being able to own property.

The Land Commission appointed by Mugabe recommended freehold tenure in rural areas and this is what the government should bring about.

It would enable peasant farmers to borrow money and would foster the work ethic that is associated with ownership of property. Those who do not work at tilling the soil must be accommodated in the cities and the towns.

The most worrying aspect of governance in Zimbabwe is the frequency with which the constitution is amended.

In other countries in the Southern African region there is great respect for fundamental rights and freedoms.

This is not the position in Zimbabwe. Since independence in 1980, the Declaration of Rights has been distorted by amendments brought by government whenever a court of law ruled against it.

Inhuman and degrading

For instance, section 15(1) has been amended four times. It reads: "No person should be subjected to torture or inhuman or degrading punishment or other such punishment."

In an appeal by a juvenile sentenced to moderate corporal punishment, the Supreme Court – by a majority of three to two – ruled that corporal punishment inflicted on a juvenile was unconstitutional and was an inhuman and degrading punishment, whereupon the government amended section 15 and made moderate corporal punishment, in all circumstances, constitutional.

President Robert Mugabe ... Zimbabwe's constitution has been amended by his government 14 times since independence in 1980.

Yet in Namibia the government requested the Supreme Court to rule on the constitutionality of corporal punishment, and when this was declared unconstitutional, the government repealed the legislation prescribing it.

Since 1980 there have been no fewer than 14 amendments to the Zimbabwean constitution, none of which were subjected to public debate, nor even to extensive discussion in parliament.

After suffering for a long time, civil society is now demanding the writing of a new constitution – a demand made also from within the ranks of the ruling party.

On January 31, in the University of Zimbabwe, the churches, trade unions, Zimbabwe Human Rights Association, Legal Resources Foundation, Catholic Commission for Justice and Peace and many others met and formed a National Constitutional Assembly that will carry out broad-based discussions on a new constitution.

At the back of their minds is the South African Constitution, which is an example of thorough debate by the people – unlike ours which was drawn up at Lancaster House in 1979 by leaders of the liberation war and the Rhodesian and British governments.

Civil society in Zimbabwe, at last, in now alive and kicking.

(The writer is a former chief justice of Zimbabwe. This article first appeared in the latest issue of Frontiers of Freedom, *published by the South African Institute of Race Relations.)*

Govt orders inquiry into private black-owned bank

(362) BD 24/4/98

HARARE — The Zimbabwean government ordered state-appointed auditors to investigate a private bank owned by a leading affirmative action campaigner, the finance ministry said yesterday.

Investigators were asked to urgently report their findings on the black-run United Merchant Bank of business tycoon Roger Boka, the ministry said.

"The government's interest in this investigation is to ensure that depositors funds are protected and the integrity of our financial system is protected at all times."

It gave no reasons for the probe and Farai Munyuki, the bank's spokesman said its trading operations were confidential.

The investigation comes after Boka's bank closed its doors on Friday, touching off rumours it was one of three black-owned banks on the verge of collapse because of irregular lending practices and poor credit collection methods. Some of its own cheques were reported to have bounced.

Officials at the bank said it closed temporarily to allow government auditors to examine its books.

Boka's bank was one of several "indigenous" finance houses hailed as breaking the traditional domination by mostly white-managed foreign banks. It offered loans at favourable terms and accused multinational banks of discriminating against black entrepreneurs who lacked collateral.

The independent Financial Gazette newspaper reported that President Robert Mugabe ordered the state treasury to cancel a $25m loan guarantee to Boka as it was issued without formal authority. — Sapa-AP.

Zim faces threat of wider economic storm

(362)

Sowetan 27/4/98

By Barnabas Thondhlane

HARARE – Zimbabwe's sickly economy may have to wait longer than previously thought before it is thrown a lifeline through the resumption of Balance of Payments (Bop) support from the International Monetary Fund (IMF).

The IMF suspended loans to Zimbabwe to address the difficulties it was encountering with its Bop – the difference between its imports and its exports – in 1995.

Although the IMF recently appeared upbeat about Zimbabwe's troubled economy, the institution is reportedly upset about the government's stance on fundamental economic problems.

But, even so, observers believe the IMF was painting a rosier picture of the true situation in the local economy and glossing over disturbing economic realities which should not be ignored.

According to well-placed sources in Harare, the 182-member institution was disappointed by the government's prevarication over fuel price hikes, the lack of improved supervision in the rapidly growing financial sector, the land acquisition programme and President Robert Mugabe's refusal to provide written assurances on budgetary matters.

The sources said that even though the IMF may diplomatically pretend otherwise, this was the reason the crucial board meeting on Zimbabwe – initially slated for mid-March – was postponed to the end of this month.

IMF officials told the official media earlier this month that the board meeting which was supposed to decide on Zimbabwe's fate was pushed back to April because the board would be in recess.

During this time, the institution would hold its annual general meeting as well as an interim committee meeting.

The sources were, however, adamant that the IMF was piqued by the continued delay in increasing fuel prices, which many agree should have been effected gradually from August last year.

The IMF felt that, without increasing the fuel price, the government would find it difficult to keep within the budget proposals agreed with the institution.

Even though the government recently announced a 34 percent hike in aviation fuel, this move was unlikely to appease the IMF which opposed the piecemeal implementation of policy.

A fuel price hike of 40 percent and 60 percent was widely expected following the collapse of the local currency against the world's premier currencies, but the government has been reluctant to bite the bullet of fuel hikes because it fears the social and political repercussions.

The IMF was also understood to have expressed its concern over the rapid growth in the country's financial sector, which was not accompanied by improved supervision.

The institution has already made it clear that existing banking legislation does not empower the Reserve Bank of Zimbabwe, which controls the country's financial levers, with legal authority to exercise supervision or strictly enforce the minimum capital adequacy limits.

The most disturbing issue was that the draft banking legislation might not become law soon as some banking institutions were said to have lodged objections to certain aspects of the draft.

The sources said the IMF was wary that Zimbabwe could go the Asian route, where banks were threatened with imminent collapse in the midst of a wider financial storm. Already at least three under-capitalised banks are said to be sitting on shifting sand.

It is understood that the other sticking points that prompted the IMF to postpone the March meeting were Zimbabwe's land-acquisition programme and the letter to be signed by Mugabe on this and other budgetary matters.

The land question was said to have become a problem again following mixed signals from Mugabe and his lieutenants over the issue of compensation.

While there have been indications that the beleaguered government may be changing its stance on the emotive land issue because of the blight it has cast on international relations and investor confidence, there has been some confusion surrounding minister Kumbirai Kangai's pledge last month to representatives of the international community to fully compensate farmers whose farms had been designated for appropriation.

(The writer is a Zimbabwean journalist based in Harare.)

Flashback ... Workers in Zimbabwe before the country became independent in 1980. The country may once again be facing social and political upheaval because of its struggling economy.

Zimbabwe to replace old environmental law

(362) BD 28/4/98

HARARE — Zimbabwe's ministry of mines, environment and tourism has started an environmental law reform to replace outdated legislation put in place during colonial times.

The proposed law, to be called the Environmental Management Act, will replace the Natural Resources Act and will be the main law to guide all other environmental legislation. At the moment, there are overlaps, duplication and sometimes conflict between laws managed by different ministries.

Fines for causing damage to the environment are also very low. Individuals and companies that harm the environment prefer to pay fines instead of finding ways to avoid the damage.

A document based on studies on the new law carried out over the past two years has been circulated to all stakeholders, including the public, for comments before the draft bill is presented to parliament.

"Because environmental laws affect everyone, it is important for all Zimbabweans to play a part in changing laws. The old laws make it difficult to manage the environment well since they do not take into consideration the relationship between the different parts of the environment," said Clara Musendo, a legal practitioner in the ministry.

Ten fundamental principles form the basis to the act. These include proper use of the environment and natural resources which allow for development now and in the future; managing the environment in a way that considers the interrelation between economic, social, cultural and natural elements; and prevention of harm rather than correction. — AIA.

Zim banking (362) tycoon pleads for state bail-out

Sowetan 29/4/98

A ZIMBABWEAN black tycoon, with a merchant bank on the brink of collapse, yesterday admitted there had been a run on deposits at his institution that it could not continue to sustain.

Roger Boka, chairman of the United Merchant Bank, which has thrown Zimbabwe's financial sector into turmoil since it closed for a day without explanation 10 days ago, said in a statement that the bank was in "a precarious situation".

Boka had asked president Robert Mugabe's government and the Reserve Bank of Zimbabwe to intervene.

Last Thursday, finance minister Herbert Murerwa announced that an investigation had been launched into UMB "to ensure that depositors' funds are protected and that the integrity of our financial system is maintained at all times".

Senior banking sources said that before the one-day closure UMB cheques worth billions of rands had been bounced by commercial banks out of anxiety over the bank's stability.

Boka's statement came as the heads of the country's financial sector were set to meet Murerwa yesterday.

Bank chief executives met governor of the Reserve Bank of Zimbabwe, Leonard Tsumba, on Monday. Details of the meeting were not made available. – *Sapa.*

Student protesters call on Mugabe to quit

(362) BD 30/4/98

HARARE — Thousands of students marched through the streets of the Zimbabwean capital yesterday in the first organised antigovernment demonstration calling for President Robert Mugabe to resign.

The peaceful demonstration by about 5 000 from the University of Zimbabwe's Harare campus followed a high court order ruling on Monday that barred police from interfering with the protest.

Last week the campus was rocked by violence as riot police confronted students with live gunfire, teargas and baton charges as they tried to march into the city centre. A student was shot through the neck by police. He is recovering in hospital.

In the wake of the court order, police yesterday took a low profile, and only a handful of riot police were visible as a single police motorcyclist escorted the demonstrators. The march was to protest against the shooting of the student and the privatisation of university accommodation and catering facilities that has seen hundreds of workers retrenched.

Outside parliament the orderly crowd roared "Mugabe enda (Mugabe, go)" and chanted for party rebel Dzikamayi Mavhaire, who was stripped by Mugabe of his party rank last month for calling on the president to resign.

Deafening applause greeted Margaret Dongo, the outspoken independent MP, when she stepped on to the parliament building's balcony and waved to the thousands of students below.

One of the placards read, "Mugabe you're irrelevant — go and rest, old man."

The demonstration dispersed without incident after over two hours of marching. — Sapa.

British put brakes on Zimbabwe vehicle deal

Star 1/5/98 (362)

Harare – The British government is stalling on the conclusion of a R67,5-million aid deal meant to help pay for 1 500 Land Rovers for Zimbabwe's police, local media reported yesterday.

British government lawyers are apparently concerned they will be used by President Robert Mugabe's government to help crush opposition.

Western diplomats confirmed reports in the Herald, the country's main daily newspaper, that the British government was re-examining a provisional agreement signed by the two governments last year which promised to pay 35% of the cost of a contract with Britain's Land Rover company.

The newspaper said Prime Minister Tony Blair's government was unhappy with the agreement negotiated earlier by the Conservative government of John Major.

Officials at the British High Commission in Zimbabwe would neither confirm nor deny the reports. A statement said the agreement "is subject to a number of conditions".

These included a separate contract between Land Rover and the Zimbabwe government, which had not yet been finalised. Another clause of the agreement excludes the vehicles being used by the Police Support Unit, a paramilitary unit.

Western diplomats, who asked not to be identified, said lawyers had advised British International Development Minister Clare Short that letters of intent signed last year by Zimbabwe Finance Minister Herbert Murerwa and the previous high commissioner, Martin Williams, were not binding.

They said concern over the use to which the vehicles would be put had emerged in December when hundreds of armed riot police met peacefully demonstrating strikers in Harare with teargas and baton charges.

Civic groups have accused police of responsibility for outbreaks of violence by using force against demonstrators who, they say, would have acted peacefully if allowed to do so.

Zimbabwe's police force is highly regarded in southern Africa for its professionalism, but the shortage of vehicles is acknowledged as a serious curb to normal policing. – Sapa

Jitters in Zim as bank falls

But minister says overall system sound

ARG 2/5/98 (362)

GODFREY MUTIZWA

Harare – Zimbabwe's first bank collapse has battered confidence in the banking system, and analysts said its future would depend on tightening of the supervision system.

Finance Minister Herbert Murerwa announced the withdrawal of United Merchant Bank's licence on Wednesday after an audit showed it was insolvent and under-capitalised.

He said the investigation found the bank was in "a serious financial condition, with a low capital ratio and inadequate liquidity to meet depositors' claims and other liabilities".

"I must reiterate that the general condition of the banking system remains sound. Where deficiencies have been identified corrective measures have been taken," Mr Murerwa said.

Analysts said the crisis had raised questions about the effectiveness of the Reserve Bank's supervision and the ministry's licensing considerations.

"My view is that the Reserve Bank did not move swiftly enough and it appears nobody was fully aware of the extent of the problem until it was too late," said Muthuli Ncube, managing director of Barbican Asset Management. "Right now the stability of the payment system is at risk and the Reserve Bank must move quickly to stabilise it."

Bankers said new and small banks were already feeling the pinch in the clearing system, with established banks suddenly changing trade terms.

Economists have accused the central bank and the finance ministry of relaxing supervision and compliance rules to aid the entry of black business into the sector.

Reserve Bank governor Leonard Tsumba said bank inspections had found asset quality, liquidity and funding was generally satisfactory.

The collapse of the bank is expected to cost over Z$1-billion (R340-m) but bankers said the greater cost would be to Zimbabwe's tarnished banking sector, especially in the eyes of foreign investors.

However, there was praise for the authorities' decision to shut UMB rather than prop it up.

"I think the correct decision was taken and will improve sentiment in financial shares," said Jason Moore of market analysts Dataworld.

Howard Sithole of Kingdom Asset Management said: "I think closing the bank was a step in the right direction and the central bank must move quickly now to prevent the domino effect. There is a very real possibility of this happening given the level of exposures."

Financial shares that took a knock last week rebounded as news of cancellation of the bank's licence filtered through. – Reuters

Zimbabwe bank crash brings fears about others

Star 2/5/98

(362)

Sector is run by 'half-baked bankers'

By ANDREW MELDRUM
INDEPENDENT FOREIGN SERVICE

Zimbabwe's already battered economy, still struggling to recover from its currency collapse, has been shaken to its financial roots by the billion-rand collapse of tobacco tycoon Roger Boka's United Merchant Bank and the threat that other banks could also sink.

The political favouritism shown towards the Boka bank and several other new banks owned by black entrepreneurs is blamed for the banking crisis.

Not only have United Merchant Bank cheques worth hundreds of millions of rands bounced, the bank allegedly issued fraudulent notes for the state-owned Cold Storage Commission worth R300-million. It is widely believed that several other Harare financial institutions are in danger of imminent collapse.

After weeks of hesitation at taking strong action against the politically well-connected Boka, the government on Wednesday night revoked the banking licence of the United Merchant Bank and ordered the Reserve Bank of Zimbabwe to carry out a thorough audit.

It is not yet clear whether the bank will be closed, and Boka's empire liquidated to pay depositors, or if the bank will be placed under judicial management.

Although the International Monetary Fund and the World Bank have warned the cash-strapped Mugabe government not to prop up any failing private banks, it appears that it will not allow the Boka bank to sink for fear of the several banks and financial institutions that United Merchant Bank might take down with it.

Already it is understood that the Reserve Bank of Zimbabwe is planning to honour all of the fake Cold Storage Commission notes issued by the United Merchant Bank.

The ripple effects of the banking crisis are many and serious. The financial trouble caused the Zimbabwe Stock Exchange to drop nearly 10% this week, wiping out all the cautious gains it had made in 1998. The banking woes are also blamed for causing the Zimbabwe dollar to drop from 16 to one US dollar to 17 to one. Foreign confidence in the Zimbabwean economy has been badly shaken.

Perhaps most devastating for the economy is the news that the IMF has postponed, yet again, its crucial decision on whether to approve resumption of an aid package to Zimbabwe, suspended in 1995 because of the country's high budget deficit, which still stands.

The IMF, already wary of the Mugabe government's economic policies, does not want to see increased state participation in the banking sector.

Economic commentators have laid the blame for the financial crisis squarely at the feet of the government. "Indecision by the Reserve Bank and its political masters has put in jeopardy millions of dollars in hard-earned savings by the public and further threatens to bring down many nascent banking institutions," stated the financial weekly newspaper, the *Zimbabwe Independent*.

"It is the man in the street that stands to lose the most as a result of this abdication of responsibility by the Reserve Bank and government."

The newspaper blamed the government for not adequately supervising the newly liberalised banking sector and thereby allowing "half-baked bankers and outright charlatans" to start up financial institutions.

Furthermore, it appears that cabinet ministers ordered state institutions to channel vast contracts through the Boka bank, and others, even though it was obvious that the banks were undercapitalised and overstretched by bad loans.

Zimbabwe's once staid banking community became a much more free-wheeling place following liberalisation in the early 1990s. The country used to have only five banks, most of them major British-based multinationals. Now there are 20.

Many of the new banks, controlled by black entrepreneurs, are solidly based and managed. But some were not, and the current financial shakedown could take down good ones with the bad.

According to the *Independent*, the big institutions exposed to the United Merchant Bank include: the state-owned Post Office Savings Bank (R90-million), the Zimbabwe Building Society (R60-million), Bard Discount House (R31-million), the National Social Security Authority (R18-million), Crown Securities (R18-million) and Barclays Bank (R9-million).

(362) BD 4/7/98

Zimbabwean govt freezes Boka's multibillion-dollar business empire

Michael Hartnack

HARARE — Zimbabwe has frozen the multibillion-dollar business empire of militant black empowerment campaigner Roger Boka.

Black-owned financial institutions distanced themselves from Boka's United Merchant Bank as a crisis of confidence swept through the sector. Boka's empire was frozen in a special Government Gazette at the weekend.

The Boka fiasco could imperil talks with the International Monetary Fund for re-extension of $280m budget support. Renewed aid is conditional on spending cuts, impossible if the government bales out the Boka empire.

An analyst described the crash of Boka's bank as "a body blow to indiginisation" — President Robert Mugabe's policy of wresting influence from whites, coloureds, Asians and foreign-controlled companies.

Elisha Mushayakarara, the head of Financial Holdings in which the government has a 19,5% stake, denied that Finhold subsidiary Zimbank faced panic withdrawals of Z$750m before the May Day holiday. He denied Zimbank had granted overdraft facilities to Boka's United Merchant Bank, reported to have debts of more than Z$2bn. "The bank is healthy," he said.

The black-owned National Merchant Bank also denied any link with the Boka group's losses, saying it was a "sound and profitable bank".

Speaking in his capacity as president of the Zimbabwe Bankers' Association Mushayakarara, a former treasury chief, broke with past reticence by blaming government tardiness for the Boka crisis. The finance ministry and Reserve Bank had "not moved fast enough", he said.

The Government Gazette declared Boka a "designated person" in terms of Zimbabwe's Prevention of Corruption Act. This banned him from acting as a director, disposing of property or operating a bank account.

In a statement cancelling United Merchant Bank's banking licence, Finance Minister Herbert Murerwa claimed Zimbabwe's banking sector was "generally sound" but the failed house had "low capital ratio and inadequate liquidity to meet deposits".

The government has denied President Robert Mugabe precipitated the crash by withdrawing a Z$400m guarantee given to Boka by vice-president Simon Muzenda during Mugabe's absence abroad.

Boka was preparing a 40% share flotation, encouraging small-scale black investors with a series of advertisements alleging a white conspiracy to impoverish them.

Wankie sees little hope of getting cash

(362)

BD 5/5/98

BD 5/5/98

HARARE — Zimbabwe's sole coal producer, Wankie Colliery, said yesterday it doubted whether the state-owned Zimbabwe Iron & Steel Company (Zisco) would repay its debt to the mine, which more than doubled to Z$153,45m in the year to February.

Wankie chairman Ngoni Kudenga said the government had urged restraint in calling in the Zisco debt and management had therefore decided to provide fully for it.

"All efforts by Zisco to raise finance for working capital to pay off the debt during the financial year were unsuccessful," Kudenga said. "In the circumstances the directors were unable to ascertain with confidence that the outstanding debt would be collected or whether Zisco would be able to sustain the weekly cash purchases," he said, referring to a payment arrangement that also failed.

The government has declared the loss-making Zisco, which runs sub-Saharan Africa's second largest steel works, a strategic company and has contracted Chinese and German companies to help turn it around.

Kudenga reported that Wankie's coal sales were down 4% to 3,92-million tons in the year ended February 1998. This, he said, was largely because of erratic transport.

However, coke sales, at 609 427 tons, surged 98% higher than last year with the bulk coming from Zisco supplies under an agreement to help reduce the utility's debt.

Under the deal, Wankie uses Zisco's coke ovens and liner train for a fixed Z$5,3m a month, while Zisco was supposed to pay Z$3m a month, which it failed to do.

Kudenga said domestic and regional demand for coal and coke remained high and with the government granting price increases of 22% for coal and 20% for coke from March this year, the company expected an improved performance. — Reuter.

Boka's collapse set to reverberate through Zimbabwe

BD 6/5/98 (362)

Bernard Simon

HARARE — Zimbabwe's business community is bracing for the aftershocks of last weekend's collapse of entrepreneur Roger Boka's financial and commercial empire.

Many details of Boka's business dealings have yet to emerge. Rumours are rife that truckloads of documents were removed from the controversial group's Harare offices before it was cited under the Prevention of Corruption Act. However, there is evidence to suggest the collapse will have a ripple effect far beyond Boka's interests, which included a merchant bank, a tobacco floor, gold mining and stationery.

Two Harare-based financial institutions, RAD Securities and Bard Discount House, have launched legal action to recoup losses stemming from fraudulent Cold Storage Company bills allegedly issued by Boka's United Merchant Bank (UMB). The bills, popular investment instruments as they carried government guarantees, were classified as liquid assets and were exempt from withholding tax.

RAD Securities is a subsidiary of SA group Real Africa Durolink.

Bard CE Paul Siggsworth estimated the total value of the fraudulent bills at Z\$700m-Z\$1bn. He foresaw substantial losses among financial institutions and other investors if the bills were not honoured.

Boka's problems are expected to deal a severe blow to government efforts to promote black entrepreneurship. Several local executives say a flight to quality has already begun in financial markets. In practice, the main beneficiaries of this trend are established banks such as Barclays, Standard Chartered and Stanbic.

The main victims are a growing number of fledgling black institutions, including a number of new discount houses and merchant banks.

"It is a disaster," said Wonder Maisiri, CE of the Zimbabwe National Chamber of Commerce, made up mainly of small and mid-sized businesses. "Boka was one of the role models for black business entrepreneurs."

The Boka saga is also expected to have political reverberations. Questions are being raised about the future of Finance Minister Herbert Murerwa and Reserve Bank governor Leonard Tsumba. Bankers and economists say the central bank and finance ministry ignored repeated warnings in recent months of UMB's difficulties. The finance ministry, in particular, is said to have blocked action against Boka.

Tsumba has been named to head an investigation into the Boka group's affairs. However, his ability to conduct an independent probe has been questioned, given the central bank's role in the affair and allegations of political intervention on Boka's behalf. The scandal has reinforced widespread concerns about the cronyism that has become a hallmark of President Robert Mugabe's 18-year administration. Boka was regarded as a Mugabe favourite and his wishes appear to have been government's command.

One economist cites the example of Boka's ability to secure immigration visas for 80 Russian gold mining experts for one of his proposed ventures, despite official discouragement of expatriate recruitment. Outsiders are especially interested to learn the identity of UMB's borrowers, who may include several prominent Zimbabweans.

No rescue plan

Zimbabwe has no deposit insurance scheme and the Reserve Bank said yesterday it had no intention of rescuing UMB's victims.

Whether the authorities stick to this hard line remains to be seen. The Post Office Savings Bank, which has thousands of small depositors, is understood to be one of the biggest holders of fraudulent Cold Storage Company bills, allegedly issued by UMB.

Observers agree that the Boka scandal is sure to speed up the passage of long-delayed amendments to the Banking Act. These changes are set to clarify the regulatory powers of the reserve bank and finance ministry over financial institutions. Blurred functions appear to have contributed to the lack of effective oversight over UMB.

Meanwhile, the man at the centre of the storm is keeping a low profile. Roger Boka has been away from his office so far this week attending his younger brother John's funeral. A poignant notice placed in a newspaper yesterday by the Boka family said that John "chose the wrong time to leave us when everybody is deserting us".

Comment: Page 11

there is any surge in EU exports. SA believes that such a clause is indispensable for the successful implementation of its industrial restructuring policies. The EC fears that such a provision could allow SA to backtrack on trade liberalisation.

The commission is also pressing SA to tighten its rules on competition policy and especially the granting of government subsidies to industry. SA, meanwhile, is unwilling to accept EU demands that it should sign up a list of international conventions on protecting intellectual property rights.

Discussions are also continuing on a separate agreement on trade in wines and spirits and another pact on fisheries. On the plus side, however, both sides have agreed on about 75 articles, or two-thirds of the draft agreement. These include issues like the general objectives and principles of the treaty, the provisions for intensified political dialogue and closer economic and development co-operation.

However, it's the trade sector that continues to be the focus of attention. Commission officials say they understand SA's difficulties in coming up with a new offer because in the end "we have the same problems when it comes to making the improved market-opening moves".

But the warning is clear: the free trade agreement under negotiation must be made sufficiently attractive for all players. If not, it may not be a deal worth negotiating.

Shada Islam in Brussels

ZIMBABWE

(362)

Collapse sends depositors running for cover

Banking crisis throws economic forecasts out of kilter

Zimbabwe's banking crisis has all the elements of a thriller. There is fraud, along with political intrigue, bureaucratic bungling, the potential for high-profile sackings — and far-reaching economic consequences. And it looks set to run and run.

When news leaked out in mid-April that a bank was in serious trouble, it was hardly a surprise, as bankers had been warning of an accident waiting to happen at the small United Merchant Bank, owned by controversial business tycoon Roger Boka.

Boka, who had bankrolled the ruling Zanu-PF party and promised to smash the "stranglehold" that he claimed white and foreign-owned business held over the economy, had become a high-profile player, in mining, tobacco and banking.

After the Reserve Bank of Zimbabwe sent in the inspectors last month, the bank closed — but just for a day. Boka's bankers dishonoured an estimated Z$1bn (US$58m) and more of his cheques, but still the doors stayed open. Then, last week UMB's licence was cancelled. At the end of the week, Boka was declared a "specified person" under the Prevention of Corruption Act — taking the matter out of the hands of normal commercial judicial management procedures and puts the government in the saddle. RBZ Governor Leonard Tsumba has been tasked with conducting an inquiry into the bank.

Meanwhile, contagion spread from UMB to other banks with the small, newer, black-owned organisations feeling the draught as there was a "flight to quality" — primarily to Barclays, Standard Chartered and Stanbic. The crisis deepened when it was revealed that UMB had fraudulently issued more than the Z$250m it had been mandated to for the State-owned Cold Storage Commission — stretching the figure according to some estimates to more than Z$1bn.

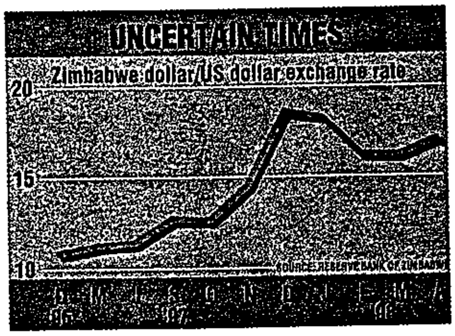
The State-owned Post Office Savings Bank was reported to be down Z$300m in the scandal while the National Social Security Association (NSSA) was said to have lost Z$60m.

Banks, discount houses, one building society and many fringe operators — unregistered investment houses and market dealers — have all been caught up in the bank failure. Just how government proposes to handle the problem is far from clear. No public funds will be used to bail out unfortunate depositors, whose claims are put at more than Z$2bn or 1,5% of GDP.

The RBZ has come up with a "liquidity support facility" at 2,5% above Treasury Bill rate (that is at 34%) but which will normally extend only until August 31 this year. This is a typical bureaucratic solution for what is ultimately a political problem — the need to ensure that innocent people don't lose because of the combination of incompetence on the part of both the central bank and the Ministry of Finance on the one hand and the alleged fraud at UMB on the other.

More realistically, one government Minister says privately that the "agreement" with the IMF — still to go to the Fund's board in Washington — for a $175m 12-month standby facility is now dead and will have to be renegotiated since bailing out the banking system will bust the agreed national budget. Others point out that because the central bank's inspection team last year advised the finance ministry to withdraw Boka's licence — advice that was ignored for political reasons — the government itself is morally obliged to rescue those who risk losing their money.

Bankers believe that Finance Minister Herbert Murerwa who has looked way out of his depth since becoming Minister, ought to resign, or failing that, be sacked. Others feel that Governor Tsumba should also fall on his sword along with at least one other



top Treasury official. The signs are that all three will hang on to their jobs, especially now that Tsumba has been asked to head the inquiry into the bank and who will be expected to hush up anything politically damaging to the Mugabe government.

Meanwhile, the RBZ's rescue plan will make a mockery of the money supply and inflation targets trotted out only last week by Tsumba. These project inflation, now at 28%, falling to 19% by the year-end.

Tsumba who last September said the Zimbabwe dollar was "just about right" when standing at Z$12,6 to the US dollar, now believes the Zimbabwe currency is appropriately valued at Z$17 to the US. The markets seem not to agree and dealers expect the currency to head south towards Z$20 later in the year.

A strong push factor is the tobacco price. With 10% of the crop sold, tobacco is averaging US125c\kg, down 37% on last year. This plus depressed prices for other exports, especially gold, ferrochrome, nickel and cotton, suggest the hoped-for improvement in the balance of payments is unlikely to materialise this year.

An IMF deal might stabilise the rate temporarily but what the markets are really looking for is firmer leaf prices, expected in late May and June, along with the restoration of confidence in the financial sector.

The markets are jumpy too ahead of the 1998 wage negotiations which promise to be traumatic. Union leaders are demanding more than 30% pay awards, which employers say they cannot pay.

The Zimbabwe Congress of Trade Unions is threatening to bring the country to a standstill again, as in March, thereby signalling to employers that the balance of power has shifted against them. The signs are that pay awards will, in fact, average close to 30% this year, further fuelling inflation while blowing a hole in everyone's budgets, including the government's.

Special Correspondent

Zimbabwe's rag-tag armed forces 'cannot defend country'

(362) BD 8/5/98

HARARE — Poorly fed troops in torn uniforms who live in barracks unfit for human habitation. Armoured vehicles that constantly break down. Unreliable air support from unsafe planes.

Zimbabwe's rag-tag army is not ready for action, according to an official report released on Wednesday.

A litany of complaints, mostly caused by a shortage of cash for equipment and facilities and "poor planning and lack of foresight" had left the armed forces demoralised and unfit to defend the nation, said the report by a committee of military officers and legislators appointed by parliament.

"Something has to be done before this situation gets out of hand," the report said.

Investigators were shocked and disgusted by overcrowding in one complex that saw 800 troops living in space designed for 135, according to the report.

Military air transport and air force strike squadrons suffered from a shortage of aircraft spares, resulting in pilot training at the main Thornhill air base in central Zimbabwe being suspended, investigators said.

An unspecified number of military aircraft were grounded after they were "cannibalised" for spares to keep other planes airborne.

Flight safety was therefore compromised and the air force had lost its strategic "deterrent posture".

One army unit had only five of its 264 vehicles in service because most were damaged beyond repair. The officer training programme at Zimbabwe's military academy had only eight of 124 vehicles in working order.

Even Zimbabwean peacekeepers on United Nations duty in Angola had to borrow transport from other contingents because half their vehicles broke down, the report said.

Ordinary troops were forced to wear torn uniforms "and resorted to buying their own socks and blankets", while tents, beds and mattresses badly needed replacing.

The report said financial constraints caused troops in the 35 000-strong army to regularly go on forced leave so that the military avoided having to pay the Z$30 a day to feed them.

Investigators also said they were "horrifically appalled" by military health facilities after seeing soldiers sleeping on the floors of barrack wards.

The report blamed civilian suppliers for overcharging on goods and services and said irregular procedures by procurement officers led to "rip-offs and money going down the drain".

The only positive note in the 33-page report referred to a coffin-making enterprise by army engineers that saved about 67% of the military's internal budget for the funerals of serving members. — Sapa-AP.

Discontent deepens: Page 15

IN BRIEF

Zimbabwe's monetary targets seen as unrealistic

(362)

HARARE — Zimbabwe's monetary targets for this year were unrealistic because of a lax fiscal policy, resurgent inflation and a weak currency, analysts said yesterday.

Reserve bank governor Leonard Tsumba last week targeted inflation of around 19% by year-end and money supply growth of 16% and said he thought an exchange rate of Z$17 to one US dollar was a fair value.

BD 8/5/98

Economists dismissed the governor's targets — apparently agreed with the International Monetary Fund — saying the bank would have to implement what one called "an economic overkill" entailing further tightening of an already taut monetary policy.

Discontent is deepening in Zimbabwe

Zimbabwe's people are getting increasingly angry as their economy spirals downward and their president shows no sign of pulling the country out of its decline, writes deputy editor Bernard Simon (362)

BD 8/5/98

ONE Zimbabwean had an instant explanation for the power cuts that brought the entire country to a virtual halt last Tuesday. He reckoned, only half in jest, that restive workers at the Zimbabwe Electricity Supply Authority (Zesa) had moved forward plans for industrial action and simply decided to pull the plug on an essential service.

In fact, the power cuts were due to technical supply problems. But the thought that labour discontent might have been the cause is evidence of the deepening gloom among many Zimbabweans about their country's prospects.

The chairman of one of the country's biggest black-controlled groups said that in more than 20 years in business, "I have never seen confidence as low as it is right now. It is very difficult to make any assumptions about the long-term future."

The Zimbabwe National Chamber of Commerce, which speaks for small and mid-sized businesses, recently expressed its "extreme" concern at "the worsening problem of corruption in both the private and public sector".

The despair appears equally profound at grassroots level, although to a greater degree in the cities than the rural areas. One Harare taxi driver complained that his earnings these days were spent entirely on rent and food, with nothing left over for even a new shirt. A high school teacher said that "whatever the future holds, it will not be pleasant".

President Robert Mugabe's accomplishments in the 18 years since independence are widely acknowledged. They include the emergence of a new class of black business leaders and entrepreneurs and relatively stable political and social conditions.

The Mugabe government has taken a number of steps to bolster business confidence. Deregulation is taking place in the power generation and telecommunications sectors. Privatisation also appears to be gathering momentum. Sell offs since last July include Dairiboard, the Commercial Bank of Zimbabwe and the Cotton Co of Zimbabwe. The government has indicated a willingness to sell its remaining 19,5% stake in Zimbank, a commercial bank.

But these bright spots are fast being overshadowed by economic and social problems manifested in rising unemployment, soaring inflation and a steady erosion of living standards.

Standard Chartered Bank notes in its latest economic outlook published this week that "the combination of sluggish, if not negligible growth, rapid inflation, intense wage pressure, high interest rates, fiscal retrenchment and a weak currency means that 1998 will be a year of stagflation".

On almost every count, Zimbabwe's economic performance is likely to fall short of government targets this year. Gross domestic product, officially forecast to rise 3% this year, may in fact decline. Standard Chartered forecasts inflation at 27% this year, up from 18,9% last year. Public debt is estimated at over 80% of GDP. The Zimbabwean dollar is expected to lose another 10% of its value by the end of the year.

Zimbabweans invariably put the blame at the door of "the leadership", in particular 74-year-old Mugabe, his spendthrift wife Grace and a close group of sycophantic advisers.

Several recent events have heightened disenchantment with Mugabe's "one-party democracy". One was the government's ill-conceived plan late last year to seize thousands of white-owned farms, many of them highly productive, in the name of land reform. It was forced to back down and is expected to unveil a much-watered down plan within the next month or two.

The government's move to pay out Z$4,5bn in pensions to war veterans has raised doubts about its ability and willingness to meet budget deficit targets set by the International Monetary Fund.

Besides partial deregulation and privatisation, the authorities have done little to generate investor enthusiasm. The government frowns on local companies hiring expatriates and has imposed ceilings on foreign acquisitions of existing companies.

A UK-based group spent three months drawing up an investment agreement with the authorities, only to find its provisions ignored in practice. The company's CEO described uncertainty about official policies and the difficulty of navigating one's way through the system as the biggest obstacles to new investment.

Despite the gloomy outlook, some business opportunities are opening up. Nkosana Moyo, the MD of Batanai Capital Finance, a venture capital firm, acknowledged that "things are tough and may get tougher". However, he said that "environments that are perceived as being the most difficult are often those where you can make the most money".

Moyo singled out tourism, health care, telecommunications and export-oriented manufacturing as opportunities for bold entrepreneurs.

On the other hand, last week's collapse of black empowerment campaigner Roger Boka's sprawling business empire has reinforced concerns about the cronyism and lack of transparency that have become a hallmark of the Mugabe administration. Although the full story of Boka's rise and fall has yet to emerge, business leaders are adamant that his merchant bank, tobacco auction floor and other interests would not have survived even this long without special favours from the top.

The Mugabe team's patronage and blatant self-enrichment have triggered a pervasive cynicism about the government. Moyo, a man in his 40s, said: "I tell people of my generation that they have no business going into government, even if asked."

At the same time, Mugabe's critics are becoming increasingly vocal. Food riots broke out in Harare last January. For the first time in recent memory, the government called out not only the police, but the army to quell them.

Trade unions called a national work stoppage in March and are threatening a five-day stayaway. According to Standard Chartered, the success of the March stayaway "has strengthened worker resolve to demand pay awards above the inflation rate".

Mugabe's concern at the mounting social unrest is reflected in the payouts to the war veterans and the government's reluctance to raise fuel prices in the face of spiralling inflation and a fast depreciating currency.

One economist said: "If 18 months ago you said Mugabe was on the skids, you would have been laughed at. But it's different now."

Exactly when and how Mugabe will exit the political stage is a subject of intense debate. One view is that he may step down as soon as a pending bill that provides for generous pensions for politicians becomes law.

Another is that he will not go until he has anointed a successor.

Candidates include Education Minister Ignatius Chombo, Justice Minister Emmerson Mnangagwa, intelligence chief Sydney Sekeramayi and Minister without Portfolio Eddison Zvobgo. For the time being however, all these men are seen as instruments of the ruling Zanu-PF party, rather than leaders with the charisma or influence to move quickly away from Mugabe's unhappy legacy.

Although antigovernment demonstrations may become more violent, a widespread uprising is another matter — at least for now. Opposition in rural areas remains muted. Zanu-PF has so far been successful in either co-opting, infiltrating or eliminating critics who pose any significant threat.

The party has made a particular effort to keep dissent in the rural areas to a minimum. For instance, more than a million people have applied for food aid under a new "grains loan" scheme.

The risk is that if living standards continue sliding and discontent grows, Mugabe may find it difficult to keep a lid on his increasingly angry citizens.

Zimbabwe: economic outlook

Years	1996	1997	1998*
GDP growth (% per year)	7,3	3,5	1,5 to 2,0
Inflation	21,6	18,9	27,0
Prime lending rate (% per year)	32,5	30,5	35,0
Z$/US$ (year-end)	10,9	18,5	20,0
Trade-weighted exchange rate index (year-end)	94,6	60,0	54,0 April 1998 = 64

* forecast Graphic: KAREN MOOLMAN Source: STANDARD CHARTERED BANK

Harare moves to contain losses after bank fails

(362)

ANDREW MELDRUM

CT (BR) 11/5/98

Harare — Roger Boka, the Zimbabwean businessman, has been uncharacteristically silent as his empire of gold mines, booksellers, tobacco, cotton and paprika auctions and other businesses struggles to survive the collapse of his United Merchant Bank (UMB) last week.

The Reserve Bank of Zimbabwe has unfrozen the bank accounts of Boka Tobacco Auction Floors, but business has been slow. Troubled by their association with beleaguered Boka's failed bank, the Boka tobacco auctions are having difficulties getting enough deliveries of high-quality tobacco.

Fewer than 500 bales of tobacco are being delivered to the Boka floors daily, whereas sales of more than 7 000 bales a day are needed to assure profitability of the huge floors, which Boka claims as the world's largest.

The prices fetched at the auctions are also disappointing. On Friday, the prices averaged US$1,14, compared with the US$2,30 average price for all sales of Zimbabwean tobacco last year.

But while the Boka tobacco auctions are carrying on, Boka's bank has shut its doors. Financial experts do not think it will reopen, and that its collapse will take down several other Harare financial institutions.

To prevent a domino effect from destabilising the financial community and further weakening the country's already feeble economy, the central bank announced on Friday measures to protect financial institutions that had been exposed to UMB.

Herbert Murerwa, the minister of finance, said the Reserve Bank had put in place a clearing arrangement for banks threatened by the troubles at the failed UMB.

To ensure further stability in the financial services sector, Murerwa said the government was preparing to submit the long-awaited Banking Act to parliament.

"Our objective at the moment is to address the UMB's problems and ensure that other banks function normally," said Murerwa. — Independent Foreign Service

Star 12/5/98

1,5 million have HIV in Zimbabwe

(362)

Harare – About 200 000 people in Zimbabwe may have died of Aids since the beginning of the epidemic about 13 years ago, Health and Child Welfare Deputy Minister Dr David Parirenyatwa said yesterday.

He said about 1,5 million of the country's estimated population of 12,5 million were infected with the HIV virus which causes Aids. About 350 000 of these had developed full-blown Aids.

Speaking at the opening of a five-day Aids workshop, Parirenyatwa said the government was establishing an Aids co-ordination mechanism which would place the disease on the national priority list for social and resource mobilisation.

He said the government was also working with the Zimbabwe National Traditional Healers Association to utilise herbal drugs which were being evaluated to alleviate symptoms and signs of HIV/Aids.

The workshop marks the beginning of a concerted campaign to contain the Aids epidemic, which is killing more than 700 Zimbabweans a week. – Sapa

NEWS DIGEST

☐ ZIMBABWE

ET (MR) 13/5/98

Mugabe complains SA is 'unreasonable' in cross-border trade relations

(BR)(362)

Zimbabwe President Robert Mugabe has accused South Africa of being unreasonable over trade relations between the two countries and holding back on tariff reductions.

The state-controlled Herald newspaper quoted Mugabe yesterday as saying that Zimbabwe could not continue to sustain a negative balance of payments with South Africa. He said South Africa was unwilling to be reasonable. Zimbabwe and South Africa have been locked in discussions since 1987 over a renewal of the 1964 trade agreement between the two countries. Last year negotiating teams concluded agreements on tariff reductions on textiles and agricultural products which were regarded as significant breakthroughs in the series of talks.

Mugabe, in Cairo for the Group of 15 summit, was addressing staff at the Zimbabwean embassy in Egypt when he referred to the controversy. "We hope the South Africans will be more reasonable than they have proved to be in the past," he said. Mugabe said it was unfortunate that history had conditioned Zimbabwean businessmen to look to South Africa all the time. The government would urge them to vigorously seek out new markets. — *Sapa, Harare*

Mugabe slates SA

ZIMBABWEAN president Robert Mugabe has accused South Africa of holding back on tariff reductions and being unreasonable on trade relations between the two countries.

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Mugabe said it was unfortunate that history had conditioned Zimbabwean businessmen to look to South Africa all the time. The government would urge them to vigorously search for new markets. — *Sapa*.

Sowetan 13/5/98

(362)

Trade imbalance is untenable — Mugabe

(36a) BD 13/5/98

Michael Hartnack

HARARE — Zimbabwe could not afford to maintain its R12bn-a-year trade imbalance with SA, President Robert Mugabe warned in Cairo yesterday.

"We hope the South Africans will be more reasonable than they have proved to be in the past," the state-controlled Herald yesterday quoted him saying at a briefing for Cairo embassy staff.

Mugabe attending the G-15 economic summit meeting in Cairo, for the first time commented on an issue which has brought warnings from local industrialists Jonee Blanchfield and Simba Makoni of a "trade war" between Harare and Pretoria. Mugabe said with further talks due on relaxation of tariffs and quotas, "optimism must be backed by results on the ground".

Meanwhile, diplomatic sources blamed tardiness in implementation of access for Zimbabwean agricultural produce for much of the local discontent about the trade relationship.

A sectoral subagreement signed last September should have seen SA opened to Zimbabwean farm exports of R100m a year, but has been delayed by issues such as crop hygiene.

The sources said criticism by Blanchfield that SA clothing and textile quotas at preferential rates were, so far, "too small to be meaningful", were belied by the fact the Zimbabweans had sought extra concessions only for yarn. Other quotas had not been taken up.

SA was also understood to be ready to reduce to zero tariffs on all Zimbabwean exports that attract 15% duty or less.

This covers 60% of SA tariff items.

The other 40% cover "sensitive items" such as sugar, textiles, clothing and electrical goods where the South Africans feared additional access could result in severe job losses or re-exports via the Southern African Development Community states of cheap goods from the Far East.

Mugabe's entrance into the controversy after more than 12 years of on-off talks about the future of the moribund 1964 "most-favoured nation" trade pact might give fresh impetus to the search for agreement.

SA unions strongly opposed concessions to Zimbabwe, claiming lack of shop-floor democracy enabled payment of rates a sixth of SA wages.

Mugabe told Cairo diplomats SA should realise it was as much of a market for Zimbabwe as Zimbabwe was for SA.

Tobacco price decline 'could halt auctions'

Michael Hartnack (36a) MD 13/5/98

HARARE — Depressed prices for Zimbabwe's 210-million kilogram tobacco crop could halt open auctions for the first time since independence in 1980, Zimbabwe Tobacco Association president Ron Webb warned yesterday.

"If we cannot come up with positive arrangements with international merchants then we will be forced to stop selling our crop and find other markets," said Webb, who represents 1 400 major growers, 75% of whom are white, and up to 10 000 peasant farmers trying to break into the once lucrative crop. Tobacco earned Zimbabwe Z$9bn last year, its largest single source of foreign exchange.

A return to closed-door dealings — the rule during 1965-1980 sanctions against Rhodesia — might have serious implications for world sales of tobacco, now under constant attack from the powerful anti-smoking lobby.

Secret sales from Rhodesia's huge stockpile of high quality leaf used to skew exports by the US and Brazil, the other major producers.

The early March 31 start to auctions, when many international buyers were still in Brazil, was initially blamed for prices nearly half the 1997 average of $2,15/kg. On the first day 60% of growers "tore their tickets", cancelling sales.

Meanwhile, the smaller burley (air cured) crop has run into similar problems with prices just more than $1/kg compared with $1,80/kg last year.

Air Cured Tobacco Association CE David Slack said he foresaw little improvement, and growers would have to judge whether to continue production. Burley auctions were briefly halted last month due to prices growers considered unrealistic and unviable.

Webb said growers' flue cured producers might see Z$2bn wiped off their viability if prices failed to firm.

Tobacco Trade Association chairman Jim van Heerden said it was too early in the season for farmers to be "totally depressed".

The Asian economic crisis, hitting a growing source of demand, has reportedly contributed to the tobacco slump, along with US anti-smoking measures.

Depressed prices for staples, tobacco and gold are depressing Zimbabwe's economy, as have 27% inflation, fears of renewed labour unrest, the farms takeover crisis and doubts about resumption of international aid.

Zimbabwe's farmers fight for tobacco

(362)

GODFREY MUTIZWA

ET (Bm) 14/5/98

Harare — Zimbabwe's embattled tobacco farmers declared yesterday they would not abandon the crop and appealed for state support to rescue prices from five-year lows.

"Zimbabwe is tobacco country and will be so in the future," said Rob Webb, the Zimbabwe Tobacco Association president. "There is no crop that can replace tobacco."

He urged the government to scrap a 5 percent levy on sales and all duty on capital imports for the industry.

Tobacco farmers and merchants held talks with Kumbirai Kangai, the agriculture minister, on Tuesday, during which the buyers were asked to find ways of improving prices.

After 28 selling days, prices at Zimbabwe's three flue-cured tobacco auction floors have averaged US$1,2684 a kilogramme, down 43,88 percent on last year. Volumes are 27,41 percent lower at 30,60 million kilogrammes.

Economists say poor tobacco prices will destabilise Zimbabwe's already wobbly dollar and open it to a crisis of similar magnitude to last year's 69,9 percent fall against the US dollar.

That would slow economic growth to between 2,5 percent and 3 percent compared to last year's 3,7 percent.

Buyers blame the poor prices, the worst since 1993, on a glut on the world market and slowing demand. But merchants paid higher prices in Brazil and told farmers there to raise production to 410 million kilogrammes next year.

"What I can't understand is how prices are so flat here when they paid better prices in Brazil and they tell us there is oversupply," Webb said.

Jim van Heerden, the president of the merchants' Tobacco Trade Association, thought prices were depressed by oversupply and weak demand.

John Robertson, an economist, said many farmers had realised tobacco was not viable in the long run and were moving away from it. — Reuters

NEW IMPERIALISM

Mugabe attacks 'neo-imperialist' bodies

(362)

Zimbabwe's President Robert Mugabe has denounced the "neo-imperialism" of institutions such as the World Bank, the official Jana news agency said yesterday. "African countries are going through a hard political test. After getting rid of colonialism, they suffer from the new imperialism of those who seek to humiliate us," said Mugabe, who arrived in Tripoli on Tuesday. He singled out "institutions such as the World Bank, which demand extreme conditions by asking some countries to impose taxes and set prices", as the new oppressors.

G(BR) 14/5/98

"These institutions don't worry about the price increases their requests cause and problems they pose for the poor. But the governments concerned don't have any choice because they need the credits granted by these institutions," said Mugabe, who currently heads the Organisation of African Unity. Mugabe was speaking as he accepted Libya's highest award from Libyan leader Muammar Gaddafi on Tuesday night. — *AFP Tripoli*

Bond fraud charges follow Zimbabwe bank closure

(362) CT (PR) 14/5/98

From Sapa

Harare — Senior management members of the collapsed United Merchant Bank, owned by black empowerment champion Roger Boka, have been formally named as suspects in an alleged mammoth bond fraud of up to Z$750 million (R219,7 million).

An extraordinary issue of the Government Gazette listed the bank's managing director, the general manager, the chief economist, the head of the agribusiness section and four dealers in the treasury department under anti-corruption laws.

The listing freezes their business assets and operations down to the use of bank accounts. It also includes them as fraud or theft suspects in an investigation by the Reserve Bank of Zimbabwe.

The crash of Boka's bank, founded in 1992, sent shock waves through the country's business community. It aroused widespread fears that financial institutions, pension funds and ordinary depositors heavily invested in the United Merchant Bank would be badly hurt in the fallout.

The bank was shut down by the government on April 29 after a preliminary investigation revealed it was broke.

Boka, his bank and eight of his companies had their assets and operations frozen a day later as it emerged that the bank had been issuing bond certificates in the name of the Cold Storage Company, the state-owned beef trader, without the company's authorisation.

Senior bank executives said between Z$500 million and Z$750 million worth of phony bonds had been issued in what appeared to be the biggest fraud in the country's history.

President Robert Mugabe was quoted in the Herald newspaper as saying he was sorry Boka was faced with serious problems.

Plea to save thousands of shacks from Harare cleanup

Michael Hartnack

POD 14/5/98 (362)

HARARE — Churchmen and human rights groups were yesterday considering an urgent application to Zimbabwe's high court for an order to stop the Harare city council razing thousands of backyard shacks at month end.

"In theory, a million people living below the breadline could be thrown onto the city's streets," said a welfare worker for a voluntary organisation, who doubted the authorities would go through with a plan certain to trigger wholesale urban violence.

A council spokesman said the mayor was determined to clean up the city. Human rights groups said they were likely to seek a temporary injunction against the demolition, to be reinforced by a permanent order requiring reasonable provision of alternative housing before evictions.

Executive mayor Solomon Tawengwa, a ruling Zanu (PF) party office-bearer, appears to have disregarded the possible volatility that his order might create. During January's food riots, eight people died and President Robert Mugabe deployed troops.

Midnight raids for "illegal lodgers" and demolition of backyard shacks housing fugitives from rural poverty were among the most hated aspects of white rule in former Rhodesia, and helped spark the bush war that brought Mugabe to power.

There are 300 000 names on the council's housing waiting list, some representing families of up to10.

Tawengwa complains that almost all township houses are surrounded by "packing case" shelters for which adult tenants pay up to Z$200 a month each. This may result in 20 to 30 people sharing a single toilet and tap, putting unbearable strain on infrastructure and health facilities.

In 1991, central and local government drew worldwide censure by burning squatter settlements along roads likely to be travelled by Britain's royal couple and visiting Commonwealth leaders. The council has a 500-strong police force of former guerrillas.

A council spokesman said the council had no money and could not afford to offer alternative accommodation.

Zimbabwe's tobacco farmers appeal for aid

(362) BD 14/5/98

HARARE — Zimbabwe's beleaguered tobacco farmers declared yesterday they would not abandon the crop and appealed for state support to rescue prices from five-year lows.

"Zimbabwe is tobacco country and will be so in the future," Zimbabwe Tobacco Association President Rob Webb said. "There is no crop that can replace tobacco." Webb urged President Robert Mugabe's government to scrap a 5% levy on sales, and all duty on capital imports for the industry.

Tobacco farmers and merchants held day-long talks with Agriculture Minister Kumbirai Kangai on Tuesday, when the buyers were asked to find ways of improving prices.

After 28 selling days, prices at Zimbabwe's three flue-cured tobacco auction floors have averaged $1,2684/kg, down 43,88% on last year. Volumes are 27,41% lower at 30,60-million kilograms. "The situation as regards prices is very serious and it needs urgent redress," Kangai said.

Economists say poor tobacco prices will destabilise Zimbabwe's already wobbly dollar and open it to a crisis of similar magnitude to last year's 69,9% fall against the US dollar.

That, in turn, would slow economic growth to between 2,5% and 3% compared with last year's 3,7%.

Buyers blame the poor tobacco prices, the worst since 1993, on a glut on the world market and decreasing demand. However, local farmers are furious that merchants paid higher prices in Brazil and told farmers there to raise production to 410-million kilograms next year.

Jim van Heerden, president of the Tobacco Trade Association representing merchants, said he thought prices were depressed by oversupply on the world market and weak demand. "From our point of view, it's a situation of supply and demand." — Reuter.

AFRICA

Mugabe faces litany of woes on return from Cairo

(362) BD 15/5/98

Michael Hartnack

HARARE — Economic woes await President Robert Mugabe's return to his desk next week after trips to Cairo, Tripoli, Kinshasa and Windhoek.

While Muammar Gaddafi gave him Libya's highest decoration for fighting colonialism, stockbrokers Quincor James Capel reported the Zimbabwe Stock Exchange index was nosediving "like a homesick mole" as foreign investors pulled out their capital.

Annual tobacco auctions, on which Zimbabwe depends for up to 40% of its foreign exchange, are being halted. International Monetary Fund (IMF) support remains in limbo, and creditors of Roger Boka's failed business empire believe Mugabe is committed to baling them out.

Widespread urban violence looms as Harare's city council prepares to evict up to 1-million people from backyard shacks.

After Boka's United Merchant Bank was shut down with reported debts of Z$2bn, reserve bank governor Leonard Tsumba said no public funds would be used to bale out the bank, its shareholders or depositors and creditors; but in Cairo Mugabe said: "Government is taking care of the situation and measures have been put in place to ensure those owed money will not suffer losses."

Baling out Boka's creditors would further encumber the budget deficit and imperil $176m in IMF aid which, in Cairo, Commerce Minister Nathan Shamuyarira announced would definitely flow in June — "all outstanding issues have been resolved", he said.

Meanwhile in Harare Finance Minister Herbert Murerwa admitted "one or two issues are still outstanding".

The Zimbabwe Tobacco Association yesterday declared a halt to auctions and protest meetings because of prices 90% down on last year's $1,80c/kg average. Growers failing to make break-even prices still face Mugabe's 5% turnover levy. "The plan is to close the floors for at least a week while we try to arm-twist the trade," said a tobacco association official who blamed the depressed Far East market and American antismoking lawsuits for the crisis.

Harare stockbroker Sagit said Mugabe's plan to take over 1 480 white-owned farms had contributed to foreign doubts about the local crop's future. "The gloom on auction floors will permeate the whole economy," said Sagit, attributing Zimbabwe Stock Exchange falls to offloading of shares by foreign investors. The tobacco association fears tobacco earnings might fall from $565m to $400m.

A Quincor James Capel analyst said: "The serious lack of confidence has been caused by banking sector turmoil and the IMF decision to postpone its decision on balance of payments support indefinitely.

Despite a 19-point rally at mid-week, the Zimbabwe Stock Exchange index has fallen 9% to 6 585 over the past fortnight and by 50% since Mugabe launched his land designations last year and pledged Z$4,5bn to former guerrillas.

Sagit described the handling of the Boka crisis as "appalling". Tsumba is reportedly investigating the fraudulent issue of Z$750m bonds on the parastatal Cold Storage Commission.

With Z$400m shares in Boka's tobacco floors sold to emergent black investors, political paranoia is spreading, with the vocal Affirmative Action Group demanding a state rescue.

Action group president Martin Hlalo said Boka was the victim of a right-wing conspiracy.

The group's Matabeleland branch chairman, Sam Ncube, said: "Boka was providing an economic base which was empowering a lot of black busineses. He was not siphoning money out of the country like white-owned businesses."

Star 16/3/98

Ex-guerrillas and landless invade white-owned Zimbabwe farms (362)

Bulawayo, Zimbabwe – More than 800 landless peasants and former Zapu guerrillas yesterday afternoon invaded and occupied three white-owned farms in the Nyamandlovu district, about 57km north-west of the Matabeleland capital, Bulawayo.

The angry crowd sang liberation war songs and vowed not to move out until the government agreed to allocate them land for resettlement.

The former guerrillas and the villagers accused the government of employing delaying tactics in the allocation of land.

Yesterday the crowd, most of them women, were clearing land to erect dwellings.

"We don't want to take all the farms but we just want the white farmers to give us a portion to build our homes," said ex-Zipra cadre Onesimo Ndlovu.

The former guerillas said the independence Zimbabwe had gained would be meaningless to them and their children if they were not allocated land for resettlement.

The farmers whose farms had been occupied described the move as politically motivated.

Matabeleland North governor Welshman Mabhena told the invaders he was not sure whether the farms they occupied had been designated for resettlement by the government.

Some villagers said they did not agree with the occupation of the farms.

They said most of the farmers in the area had been helping the community, including funding local schools neglected by the government – Sapa

Zim tobacco industry in crisis

Harare – Zimbabwe's once vigorous tobacco industry is facing disaster as farmers are battered by the country's economic and political crisis.

The tobacco industry is expected to grind to a halt today as farmers heed a call to boycott auction sales in a bid to force up prices being offered by international merchants.

The first major boycott in decades by the country's 5 300 growers came after a 45% crash in prices paid by merchants since the auction season began on March 30. But neither growers nor merchants are confident that the move will have any effect.

"We are facing complete disaster," said Arthur Baisley, vice-president of the Commercial Farmers' Union – Sapa

(362) Star 18/5/98

Zimbabwe tobacco growers react to 'suicidal' prices

(36a)

BD 8/5/98

Michael Hartnack

HARARE — Renewed pressure is expected on the Zimbabwean dollar following Friday's decision by 1 400 large scale tobacco growers and several thousand emergent small-scale cultivators to withhold deliveries to the auction floors in protest against "suicidal" low prices.

"Our growers are being wiped out and may never recover," Zimbabwe Tobacco Association president Rob Webb said as floors closed for the first time since open auctions resumed at 1980 independence.

Tobacco is Zimbabwe's largest foreign currency earner and sale of a 210-million kg crop, optimistically valued at $600m, had been expected to sustain the Zimbabwean dollar at around 18 to the US dollar and 3,5 to the rand until the scheduled end of auctions in September. In the past year the Zimbabwean dollar has lost 60% of its value as a result of a crisis of confidence caused by chronic economic mismanagement, President Robert Mugabe's plan to takeover 5-million ha of white-owned farms and his Z$4,5bn gratuity handout to militant ex-guerrillas.

Further harm has been done by the collapse of Roger Boka's United Merchant Bank (UMB) with Z$2bn liabilities and falling prices for Zimbabwe's mineral exports, including gold.

In addition to seeing their leaf fetch prices 40% below last year's $180c/kg, growers are still faced with paying a 5% turnover levy to the treasury, driving them further into the red.

On Friday, the country's only diamond mine near Beit Bridge closed with the loss of 400 jobs. Previously run by Anglo American, the River Ranch mine was sold to a Canadian consortium when Mugabe forbade Anglo American to market output through De Beers.

The annual congress of Zimbabwe's Chamber of Mines took place last week on a reportedly gloomy note, with Mines Minister Simon Moyo warning companies to notify his ministry in advance before cutting back or abandoning work.

The state-run Zimbabwe Broadcasting Corporation (ZBC) reported that the parastatal National Oil Company of Zimbabwe (Noczim), on Friday raised Z$300m to offset its multibillion dollar debts on fuel sales by selling 28-million shares in the commercial and industrial conglomorate Delta Corporation, owners of OK Bazaars and the breweries.

A spokesman told the ZBC that Noczim faced collapse if the government continued to delay raising prices of petrol and diesel in line with the fall of the currency.

In January, food riots caused eight deaths, and the government fears a recurrence if fuel prices are raised, causing a "knock on" effect in the economy.

Legal sources say that the parastatal Cold Storage Commission faces lawsuits of about Z$758m from financial institutions that bought CSC bonds issued without authority by Boka's UMB.

If the CSC is held liable in the biggest fraud in Zimbabwe's history the government may be forced to intervene despite this week's repeated advertisements by Reserve Bank governor Leonard Tsumba that no state funds will be used to reimburse Boka creditors.

Squatters retreat from 'white' farms

(36a)

BD 18/5/98

Michael Hartnack

HARARE — Squatters who invaded white-owned farms on Friday, began moving off at the weekend in response to appeals from owners and the police, farming sources said.

About 800 squatters invaded commercial farms in the Nyamandhlovu area, 70km north-west of Bulawayo, on Friday.

"The squatters were cutting down trees and drawing water, but the police seem to be sympathetic to the farmers," said a prominent farmer who asked not to be named. "The farms are sandveld totally unsuited for peasant settlement."

On Friday, crowds of squatters, armed with hoes and axes, said: "We will not move until we are allocated land."

Farmers accuse local officials of President Robert Mugabe's ruling Zanu (PF) party of engineering the invasion to whip up flagging support.

Lands and Agriculture Minister Kumbirai Kangai roused strong protests from the Commercial Farmers' Union last year when he warned that cancellation of Mugabe's plan to takeover 1 480 white-owned farms risked the alternative of whites being killed by squatters from the eroded and overcrowded communal lands.

The Nyamandhlovu squatters come from the neighbouring Tlolotjo communal area.

"We don't want to take all the farms. We just want the white farmers to give us a portion to build our homes," said squatter Onesimo Ndlovu.

However, some villagers told a local newspaper they opposed the squatters because owners of the ranches had assisted nearby communities.

The Nyamandhlovu squatter invasion is the first since Mugabe published lists of white farms due for redistribution to black Zimbabweans last year.

Farmers fear it could trigger similar incidents — partly prompted by peasants' fears that white farms, when taken over, will be given to politicians.

Local government ministry officials at the weekend told the Zimbabwe Broadcasting Corporation they doubted resettlement could begin in July, as previously announced by Kangai. They said Kangai's officials had yet to indicate what land would be available, so no plans could be made for its allocation to black farmers.

There have been rumours of a revised list, sparing productive farms or those unsuitable for peasant smallholdings, in order to placate the International Monetary Fund.

High school pupils celebrated in Khartoum yesterday after returning from the warfront in southern Sudan after seven months of complusory military service. Sudanese rebels have tried in vain to capture the Hi-jlieg oilfields of western Kordofan.

Picture: AFP

Defence chief says army needs Z$1bn

HARARE — Zimbabwe's defence chief demanded a multimillion dollar cash injection for his forces in a press interview published on Thursday, as a parliamentary report said they were in a "deplorable" state.

The report said the country's 35 000 troops lived in crumbling barracks or were sent on forced leave because the army could not afford to feed them and that low morale had compromised combat readiness.

Defence Minister Moven Mahachi told the Financial Gazette the armed forces needed Z$1bn immediately to return them to a sound operational footing.

"The major stumbling block to equip our armed forces has been inadequate funds made available to us in the budget," he said.

Defence already takes one of the biggest chunks of Zimbabwe's budget, but the report to parliament last week said less than 5% of the army's vehicles were in running order.

Drawn up by a committee of MPs, the report said that some barracks were "not fit for human habitation". — Sapa-AFP.

Tobacco volumes dip as farmers heed boycott call

BD 19/5/98 (362)

HARARE — Zimbabwe's tobacco auctions opened yesterday, but officials reported a sharp decline in volumes as farmers heeded calls to boycott the floors in protest over poor prices.

"We are in business but we are offering approximately half what we normally offer," Tobacco Sales Floor (TSF) MD Pat Devenish said. TSF is the largest of the country's three floors, handling up to 70% of the floors' total capacity of 1,5-million kg.

The Zimbabwe Tobacco Association, which represents the bulk of the country's commercial tobacco growers, last week urged farmers to withdraw their crop until May 26 in protest against prices which have averaged under $1,30 per kilogram compared with more than $2,20 the previous year.

The poor prices have created a rare unanimity between the farmers and President Robert Mugabe's government which last week warned it would take measures to protect farmers if prices did not improve.

Bruce Searles — executive director of Burley Marketing Zimbabwe, the third-largest floor — said only 117 bales were sold yesterday at an average $1,67 a kilogram compared with Friday's approximately $1,30 a kilogram.

"Trading was very light," Searles said, contrasting the day's sales with the daily minimum of 3 000kg. "But we are not expecting any big movement in prices," said Searles, who attributed yesterday's higher average to the small volume sold. The closure of the floors rocked Zimbabwe's dollar, which dropped 60 cents against the US unit yesterday. — Reuter.

Mugabe plays down reports

(362)

WINDHOEK — Zimbabwean President Robert Mugabe yesterday played down reports of deteriorating financial situation in Zimbabwe, saying it was merely a difficult period. BD 19/5/98

Addressing delegates at the World Economic Forum in Windhoek, he admitted to social distances but said Zimbabwe was still one of the strongest economies in the region.

He described recent financial reports as absolute nonsense, saying there were similar protests against the economy everywhere in Europe and London. "Does that mean that (British Prime Minister) Tony Blair is losing power?" Referring to the tobacco industry, he said the Zimbabwean government would take the necessary steps if the industry faced collapse.

He called the land reform issue a British burden, adding that Britain had to supply funds to pay compensation for the land. "The programme is on," he said. — Sapa.

Zimbabwean President Robert Mugabe addresses a news conference at the World Economic Forum in Windhoek yesterday. He scoffed at critics of his cash-strapped government, saying he was running one of the strongest economies in the region. Picture: AFP

Zimbabwe's Rainbow group deal finally through

Michael Hartnack (362) MD 20/5/98

HARARE — The on-off deal between the Zimbabwean government's Rainbow Tourism Group and Touch the Wild safaris has at last gone through, following the loss of Touch the Wild's northwest Zimbabwe Hwange National Park camps to "indigenous" concession seekers.

Rainbow Tourism, in a 40%-60% partnership deal with Mauritian-based Ireland Blyth Ltd (IBL) took over six remaining Touch the Wild tourist camps, countrywide, on May 1, after months of bureaucratic obstruction from the Reserve Bank.

Touch the Wild founder Alan Elliott, a minister in President Robert Mugabe's ruling Zanu (PF) party, has meanwhile opened five camps in neighbouring Zambia. Established tour operators feel this is an omen of how Mugabe's "indigenisation" policy will benefit other African states at Zimbabwe's expense.

Replacing Elliott at the helm of Touch the Wild is an expatriate, Roger Koenig, of IBL, with a contract payable in foreign exchange.

Longstanding concessions to camps on state land are being removed from whites who built them up, and given to black Zimbabweans, many of whom allegedly pass them on at a premium to foreign firms without adding any value, making Zimbabwe less competitive with other regional destinations.

Real power is economic

Zim to emulate S Africa

(362) 2/5/99

ZIMBABWE's lack of private sector investment or development was largely due to the Government's failure to include local business leaders in policy formation, Mpumalanga premier Mathews Phosa said yesterday.

Speaking at a breakfast meeting with members of Zimbabwe's agriculture department, Phosa said Mpumalanga's consultative policy process was the single biggest factor in attracting private sector investment.

Mpumalanga boasts the highest national economic growth rate, at four percent per annum, and is looking at R35 billion in possible investment through its Maputo Corridor spatial development initiative, *African Eye News Service* reported.

The Zimbabwean delegation arrived in Mpumalanga on Wednesday to study the province's sugar cane small grower programme and will tour private sector-backed projects in the Nkomazi and Komatipoort regions.

The small grower initiative in the region has prompted sugar company TSB to launch a R230 million expansion of its Komati Mill to service the region.

Zimbabwe delegation members said they hoped to copy Mpumalanga's success in a similar scheme based near the new Osborn Dam in Manicaland in Zimbabwe – *Sapa*.

Sowetan

IMF again delays $176m support for Zimbabwe

(362) BD 22/5/98

Martin Rushmere

HARARE — Zimbabwe has again had its hopes dashed of immediate help from the International Monetary Fund (IMF) with the announcement of another month's delay of a decision on the $176m balance of payments support. The business community expressed no surprise this week when the IMF said consideration of the package would now be done in June. This is the sixth time in six months that the IMF has postponed a decision.

The government tried to put on an optimistic face by intimating in The Herald that disbursement of the facility will start next month.

Economist John Robertson said: "It was inevitable that there would be another delay. The government has done hardly anything about the budget deficit, debt service, privatisation and inflation. Finance Minister Herbert Murerwa claimed this week the deficit would be down to 7,5% by the end of the year, but even its (the government's) own figures show that the deficit will be at least 8% and most likely in double figures."

The IMF also insists the price of motor fuel, controlled by parastatal Noczim, must be increased. The corporation is losing about R300m a year because the price has been static while the value of the Zimbabwe dollar has fallen more than 50% in the past six months.

This week the currency took another hammering, shedding almost Z$1 against the US dollar in one day before the Zimbabwean Reserve Bank stepped in with a $10m support to prop it up.

Such interventions are seen by analysts as mere short-term measures.

"There is no doubt that Zimbabwe is headed on a downward slope, at least for the foreseeable future, until such time as the government gets its economic act together," said a commercial banker in Harare. "Even if the IMF does come in, a total of $176m is not going to go far.

"It must be remembered that the fund is now disbursing the money in four tranches. Dishing out $45m at a go will achieve very little."

For President Robert Mugabe, economic worries pose no threat. At the World Economic Forum meeting in Windhoek this week he brushed off a report on Africa's economic progress, listing Zimbabwe as the fourth worst performer, as "a matter of opinion".

Trim Mugabe's power, urges parliament report

(362) ARG 23/6/98

Harare – A Zimbabwean parliamentary report has recommended reforms to strengthen the legislature and trim executive powers held for the last 18 years by the now embattled President Robert Mugabe.

The report, published by a 27-member parliamentary reform committee chaired by backbencher Mike Mataure, says major changes are required to establish the integrity of the southern African country's 150-member assembly, regarded by many Zimbabweans as a mere rubber-stamp of decisions made by Mr Mugabe's executive.

The report urges Mr Mugabe – who is resisting public calls to review a constitution that gives him sweeping powers – to work with parliament on the issue, saying it would serve democracy.

It calls for strong parliamentary committees to shadow government ministries and to improve accountability, and for the introduction of pre-legislation white papers aimed at canvassing public opinion before bills are drafted.

The report recommends that the power to appoint an auditor-general, ombudsman and public comptroller must be transferred from the presidency to parliament to enhance their independence.

It also recommends that parliamentary committees be empowered to examine government policies, a function that Mr Mugabe sees as a preserve of the executive and his ruling Zanu-PF party.

The reform committee says its recommendations are based "securely" on public opinion expressed during countrywide consultations over the past year.

The 74-year-old Mr Mugabe has been in office since 1980, but has come under immense pressure to quit by a public that blames him for an economic and social crisis gripping the country.

In the last six months, the former independence war guerrilla leader has used force to crush a series of violent protests over taxes and food prices, which he saw as part of a campaign to topple him. – Reuters

Zimbabwe sheriffs attach troubled bank's furniture

Michael Hartnack

BD 25/5/98 (362)

HARARE — Zimbabwean High Court sheriffs at the weekend attached furniture and office equipment belonging to Roger Boka's United Merchant Bank (UMB) as worries grew in the business community about recovery of debts over Z$1bn.

Finance house RAD Securities and other institutions have lodged action over Z$758m bonds alleged to have been issued by UMB on behalf of the parastatal Cold Storage Commission (CSC), but without the Cold Storage Commission's authority.

The matter of CSC liability — which could rebound on President Robert Mugabe's government — is due to be argued in the Zimbabwean High Court in about three weeks' time.

Banking sources believe up to Z$500m in cheques issued by the Boka group of companies may have to be dishonoured and there may be other unauthorised bonds on issue totalling Z$960m.

Investigations are being hampered by the reported erasure of all computerised accounting records and removal of several truckloads of printed records.

Businessmen criticise the authorities for delaying — and thus giving time for concealment — the repeal of the bank's 1994 licence.

Boka's tobacco floors, billed as the largest in the world, were said by employees to be still open for auctions last week, but they were not sure how sellers would be paid.

Zimbabwe Tobacco Association (ZTA) president Rob Webb on Friday urged his 1 400 large-scale and 2 000 small-scale growers to resume deliveries to the main floors owned by Tobacco Sales Limited, which last year marketed most of the 207-million kilogram crop that earned Zimbabwe over $500m in vitally needed foreign exchange earnings.

Some growers were forced to continue sales during a week-long boycott, despite prices 40% to 50% below the ZTA's $1,80/kg break-even figure because they said they were in desperate need of cash to pay labour and stave off creditors.

AFRICA

Harare's state hospital group close to bankruptcy

(362)

BD 27/5/98

Michael Hartnack

HARARE — Harare's Parirenyatwa group of state-owned hospitals is on the verge of bankruptcy, owing more than Z$25m to essential suppliers, an official spokesman has confirmed.

But Zimbabwe's Health Minister Timothy Stamps has ruled out turning away patients, saying: "We cannot as a government act as though those with a genuine need for treatment and who are genuinely unable to pay, do not have a right to health service provision."

Relatives of patients said they were already being denied treatment because of the financial crisis at the city hospitals, which had resulted in suppliers refusing to deliver food, medicines and other essentials, except on a "cash down" basis.

At the older Mbare hospital, in the capital's black townships, patients' relatives have for years had to bring food and medicines, bought from their own pockets and assist with basic nursing tasks.

Last month, the Parirenyatwa hospitals belatedly settled long overdue bills totalling Z$5m from one comparatively minor creditor, the Zimbabwe Blood Transfusion Service. The annual central government grant of Z$250m is Z$1m a month short of the hospitals' wage bill.

Failure to collect fees lies at the heart of their financial problems.

The poverty alleviation or Social Dimensions Fund set up by President Robert Mugabe under his economic structural adjustment programme owes the hospitals Z$52m on behalf of poor patients — those earning less than Z$400 a month — who are formally excused fees.

Stamps said the hospitals hoped to install online computers within the next month "that should enable us to follow money management more closely".

Not only were wealthier patients avoiding payment for treatment, but there was a need to "prosecute corrupt workers and investigate levels of remuneration of staff", he said.

The Parirenyatwa group of hospitals includes an isolation hospital, maternity unit and the former Andrew Fleming hospital and former Godfrey Huggins school of medicine.

Mugabe ranks show disaffection

(360) BD 28/5/98

Martin Rushmere

HARARE — Criticism of President Robert Mugabe's economic policies has now come from within the ranks of his most senior ruling party officials, who have previously staunchly remained silent on Zimbabwe's worsening plight.

The chairman of mining company Rio Tinto Zimbabwe, Solomon Tawengwa, who is also a member of the ruling Zanu (PF) party's central committee — a political advisory body to Mugabe — said that the path down which the country was heading with its growing unemployment, social unrest, high inflation, unsteady currency and a banking crisis, was scaring away investment.

Tawengwa told shareholders at the Rio annual meeting this week: "Different constituencies vie to use their particular economic or social leverage to their own selfish advantage. Our focus as a nation is being diverted away from our primary need, the promotion of conditions in which investors both local and foreign are prepared to risk their capital to create businesses which will increase national wealth and provide jobs for the swelling ranks of educated but unemployed."

Tawengwa, who is also executive mayor of Harare, said a national contract was needed "which demonstrably puts the national interest first for the general benefit of all rather than the selfish interests of a few".

Disappointed

He accused the government of failing to carry through structural adjustment, launched in 1990. "Disappointingly, eight years later and with unemployment of even greater proportions, we remain stuck at the starting gate with high and rising inflation, crippling interest rates, a volatile currency and a banking crisis which in the final count will have destroyed a significant chunk of the very wealth we are trying to create. Better an occasional mistake during a lot of activity than no mistake but no action."

Financial analysts welcomed Tawengwa's forthright remarks saying that they handed President Mugabe one of the strongest wake-up calls yet.

Rio itself has been going through a dismal patch, with a plunge in profit for its main product, gold.

The company is now pinning future hopes on coal, with a 6-million ton a year opencast mine being developed in the northwest of the country at Gokwe. This will be largely used to supply a proposed MW1 400 power station for national electricity producer Zesa due to come into operation in the next eight years. The cost of the two projects is $1,6bn.

Rio, part of Britain's RTZ group, is also looking seriously at diamonds and said it had found a kimberlite pipe which could rival the Venetia Mine. Gold production this year should be 2,3 tons, about the same as last year.

However the company is making no predictions about profit, saying that variables such as gold prices and exchange rates make forecasts too risky. Net profit for the year to the end of December was Z$57m.

AFRICA

Zimbabwe's infant film industry shows recovery

MD 28/5/98 (362)

Michael Hartnack

HARARE — Zimbabwe's infant film industry, weaned on SA anti-apartheid race politics, seems to be recovering from teething problems caused largely by local political interference.

New documentaries are on the stocks, and a new film set against the background of the Rwandan genocide is in the pipeline.

Last year saw the industry come to the point of collapse after a series of setbacks. The government-owned film laboratories went bankrupt as film makers shied off.

Militant ex-guerillas threatened to wreck production and screening of Flame — about a teenage girl's ordeal in Zimbabwe's independence bush war — claiming it "defamed the liberation struggle". Police also raided the set of German producer Christophe Schlingensieff after a local continuity girl, sacked for incompetence, told relatives in the Central Intelligence Organisation his movie was "pornographic".

Rushes were spirited off to Frankfurt in a diplomatic bag.

In December, after only three weeks' shooting, the US firm Chiascuro shelved production of the $4m film The Journey from the Jacarandas, starring Mehki Phifer and Anna Chancellor, Sophie Ward, and South Africans Nthati Moshesh of Kini & Adams fame and Martin le Maitre of the TV series Suburban Bliss.

"We sent the crew and actors away so we could arrange some more funding," said director Joel Phiri, who had his rushes of Flame temporarily seized by Zimbabwean censors. His latest film deals with a black sculptor's fight to preserve artistic integrity in a white dominated art world.

Zimbabwe's film industry cut its teeth in the 1980s with the Richard Chamberlain adventure movies King Solomon's Mines and Alan Quartermain, also starring Sharon Stone. Then followed a string of antiapartheid epics that included David Attenborough's Cry Freedom, about the friendship of newspaper editor Donald Woods and Steve Biko, and A Dry White Season starring Donald Sutherland.

Propaganda potential

Today it faces powerful competition from an allegedly "more welcoming" SA industry, with better facilities and less bureaucratic threat.

From the start President Robert Mugabe's government saw the propaganda potential and took the film industry under its wing, nationalising the former privately owned Central Film Laboratories (CFL) and taking shares in Cry Freedom.

In December CFL was declared bankrupt with debts of Z$11m.

It failed to attract a foreign bailout due to the nearness of SA facilities, industry sources said.

Simon Bright, MD of Zimbabwe Media, who collaborated with Phiri on Flame, says CFL facilities and skills, particularly for 16mm work, are sadly missed.

"But I do not think the people who are working on ideas in Zimbabwe are by any means dead," Bright said.

A $2m budget film, The Captain, set against the background of Rwanda's recent civil strife, hopes to attract Sutherland back to Zimbabwe.

Bright is currently working on a six-part documentary Tides of Gold on African east coast trade from the time of Ptolemy and Pliny.

"There was a mini-Southern African Development Community which ran rather well," he says, noting archaeological evidence of links between Congo's Shaba province, Zimbabwe, SA and Mozambique's Swahili-speaking middlemen.

Letters of commitment have come from the UK's Channel Four, the Dutch TV channel VPRO and M-Net, which has pledged 20% of the $1,2m budget.

The cash-strapped Zimbabwe government's failure to bail out or find a private buyer for CFL was a major setback but overall filming costs remain lower than in SA or Kenya.

Industry sources say that a revival could hinge on restoring confidence, an end to raids on sets, seizure of rushes, demands to "doctor" scripts.

ZIMBABWE (362)

FM 29/6/98

A COLD, THEN PNEUMONIA

Tobacco price slide bodes ill

With their extravagant lifestyles, tobacco farmers get little sympathy from the Zimbabwean-in-the-street. But business and bankers know that when the tobacco industry catches a cold, the entire economy can expect a bout of pneumonia.

After boycotting the Harare tobacco auction floors for a week in protest against low prices, Zimbabwe tobacco growers have resumed deliveries confident that "prices will stabilise now that growers will be sending better styles to the floors". Sales continued last week at low levels, but at significantly higher prices, pushing above the US150c/kg level for the first time this year.

Growers have been stunned by the steep fall in leaf prices, which at 129c/kg so far this season are 36% lower than in 1997.

The Zimbabwe Tobacco Association (ZTA), which represents the farmers, believes that on current trends the price will average only 150c/kg for the season, compared with 235c/kg last year.

Buyers doubt that it will be quite that bad. They expect prices to firm as the better-quality leaf comes to the floors. Over the year as a whole, an average price of around 160c/kg is highly probable. To reach that level, prices must average 166c/kg for the rest of the sales — 30% more than the current average.

Growers warn that a price of 165c/kg will be well below their breakeven price, which they put at 180c/kg — though much depends on the exchange rate.

The tobacco crisis will have knock-on effects across the economy

The tobacco crisis will have knock-on effects. Grower incomes will fall by an estimated US$100m — at current exchange rates Z$1,8bn or 1,5% of GDP. This will hit consumer spending and employment as growers cut back plantings and some farmers are forced out of business. The crisis is adding to pressures on the banking system as several banks have substantial exposures to growers.

In addition, the Zimbabwe dollar has come under renewed pressure.

Growers claim that the merchants are exploiting the situation at the expense of farmers — buying cheap and taking the margin for themselves. The buying side of the industry is highly concentrated, dominated by the US-based Universal group, which reported buys well over 40% of the Zimbabwe crop. A handful of other buyers, including the UK's BAT, account for another 45%.

Buyers deny exploitation or market manipulation. They point to the severity of the downturn in southeast Asia, the 13% rise in tobacco production last year, and the massive health settlements being paid by US cigarette companies.

What's not clear is whether the downturn is just another cyclical blip or an important stage of the long-term decline in the industry. Zimbabwe tobacco farmers will have to decide whether it is time to make long-term diversification plans, or hope that once the Asian crisis blows over, prices will return to economic levels.

Special Correspondent

Zimbabwe mines yoked by costly bureaucracy

BD 09/6/98 (362)

Michael Hartnack

HARARE — Zimbabwe's hard pressed miners, only slightly less distressed than tobacco farmers, are demanding the removal of state selling monopolies to relieve the industry of what they see as unnecessary extra costs.

They want an end to Reserve Bank monopoly on dealing in gold, breached by the issue of 20 special permits to militant black empowerment campaigner Roger Boka and other emergent indigenous dealers and the equally controversial Zimbabwe Minerals Marketing Corporation.

Despite facilities granted by President Robert Mugabe's government, Boka's United Merchant Bank failed last month with liabilities of more than Z$2bn.

Retiring Zimbabwe Chamber of Mines CE Derek Bain said miners saw the corporation's monopoly on base mineral exports, dating from moves to nationalise mines soon after 1980 independence, as "a major tax".

Mining consultant John Hollaway asked at the chamber's recent annual meeting at Nyanga whether mines had to live with the corporation another year. "Its presence has deterred numerous investors, inhibited buyers and drained money from needed shafts and mills into another layer of bureaucracy. Why not give over its policing function to a couple of clerks from the Reserve Bank, and let the mines get on with selling their own products?"

When the marketing corporation was established, Mugabe alleged that mining groups were repatriating to Zimbabwe only a fraction of the profits earned from foreign sales. This was furiously denied — but 18 years later, the corporation remains with its luxurious multistory headquarters and its large staff.

Miners allege they have lost foreign clients because sales may be made only through the cumbersome bureaucracy. Anglo Zimbabwe is now seeking permission to market its own output as a condition of going ahead with its giant Unki platinum group minerals project near Shurugwe.

Hollaway said that the reserve bank's gold monopoly was "itself an anomaly in the gold business now". All neighbouring states, except SA, let individuals hold and sell gold. If the Zimbabwe dollar was "really free", it should not be necessary to restrict gold trade.

Fossicking

"The real problem now is tax evasion. The cash involved in the thriving illegal transactions is not taxed," said Holloway, referring to the estimated 10% of Zimbabwe's 20 ton annual output smuggled out of the country.

Bain said he believed that while 55 000 formal sector miners earned a minimum wage of Z$1 000 a month, up to 200 000 might be involved in informal sector gold panning and fossicking in disused shafts, often in extremely dangerous conditions, without any controls on hours or on employment of women and children.

The formal sector last year earned Z$8bn, but Hollaway said it was "struggling through its worst period ever". Between August and November, 3 000 jobs were lost, bringing the workforce to less than one in 200 compared with 68 000 among 7,6-million in 1981, nearly one in 100.

There had been shutdowns at many long established gold shafts and at the only diamond mine, River Ranch, near Beitbridge.

Chamber president John Nixon, CE of Rio Tinto Zimbabwe, said the decline in the Zimbabwe dollar's value since November "provided breathing space for the industry. However, with some cost items rising by more than 50%, the respite has been short lived".

Bain said interest rates of 35%-40% and customs duty of 5%-25% on essential capital imports were among miners' major headaches.

So were electricity tariffs equivalent to $0,03/kWh that constituted 13%-17% of the average mine's overheads.

Miners were additionally burdened with a plethora of levies besides company tax of 37,5% — a 5% "development levy", 3% for the National Social Security Authority (although they have their own established pension fund), 1% for the Zimbabwe Development Fund, 1% for manpower development, 2,6% for worker compensation and smaller tolls for imports and the standards' association.

Yet, said Bain, the mines department was now seriously underfunded as a result of budget cutbacks, lacking engineers, metallurgists and other specialists.

He is afraid that pending wage negotiations could lead to unrest as workers lodge claims for compensation for inflation, estimated by most economists to be running at 30% and likely to peak at 40% by the end of the year.

Members of the Without Land Movement in Brazil brandish machetes and sticks on the back of a truck which they hijacked to steal the food it was carrying. Thousands of farmers suffering from a drought affecting most of Brazil have been invading private properties and looting passing trucks carrying food. Picture: AP

Mugabe bonanza good for breweries

BD 29/5/98 (362)

Martin Rushmere

HARARE — President Robert Mugabe's Z$5bn handout to former guerrillas in Zimbabwe, may have had a bad general impact on the economy, but it has boosted the leading blue chip company on the country's stock exchange.

Brewer and consumer group Delta Corporation recorded a 48% increase in net profit for the year to end March.

Effectively 30%-owned by SA Breweries, Delta brought in its shareholders Z$807m in after tax.

Turnover of Z$8,3bn was 36% up on the previous year.

"Beer volumes shot up in the last quarter of the year because the former guerrillas were buying it by the truckload," said one Harare analyst who asked not to be named.

"We found out that sales were up 30% in January and February, solely because of the payout. Tales of hastily bought new trucks rolling up at breweries and loading as many crates as possible are legion. It was feared that Harare's main brewery would run out.

"Recipients of Mugabe's generosity were also buying dozens of suits and lounge suites, largely from stores owned by Delta," said the analyst. "It has been Christmas twice over."

With market capitalisation of almost Z$9bn, Delta accounts for 20% of the total market capitalisation on the Zimbabwe exchange. Its fortunes to a considerable extent dictate those of all the other companies.

Beverages, ranging from the Lion and Castle range to the Coke franchise, are the biggest earners. Income from these rose 48%. Beverages accounted for 42% of total operating income, followed by retail at 30%.

The stock market welcomed the results, expecting that they would boost the share's flagging performance.

Brokers said that these excellent results had been expected for some weeks. However, the share price has fallen to a low of just over Z$10.

This decline was largely attributed to uncertainty over 28-million shares held by government's fuel buying company, Noczim, which has been seeking ways of plugging its losses because of currency depreciation.

This uncertainty ended last week when the corporation offloaded them at Z$10,50 each.

"Now that's over, maybe some realistic assessment will return to Delta's price," one broker said. "A price-to-earnings ratio of 18 for the biggest company on the exchange is ludicrous, even in this time of gloom and doom."

Delta itself is cautious about the year ahead. It said it expected "further real growth in earnings and dividends". However, unlike other companies reporting their results recently, it shrank from attacking President Robert Mugabe or the government.

"It will be incumbent upon all players in the economy to ensure that the country goes forward from here and that all policies are designed to restore confidence and create investment and employment" is about as far as it will go in its comment.

Competitiveness Report

Zimbabwe has lessons to learn from Africa

BD 29/5/98 (362)

Tony Hawkins

HARARE — Nearly four months after its publication, controversy has broken out over the first Africa Competitiveness Report, compiled by the Harvard Institute for International Development.

The Zimbabwe government and state-owned media have criticised the report because it ranked Zimbabwe, which President Robert Mugabe says is the strongest economy in the region, in 20th place out of the 23 African nations that were assessed.

Inevitably, competitiveness reports generate controversy especially on the part of those who feel they have been treated unfairly.

Highly reputable economists have questioned the validity of the process, arguing that it is enterprises — not countries — that are competitive. As an industry is competitive because it is made up of efficient firms, so a country's competitiveness arises at firm, rather than national, level.

It is extraordinarily difficult for firms to become globally competitive in an uncompetitive economy. If the telephones do not work, the tax burden is intolerable, the infrastructure a shambles and state intervention unpredictable and far reaching, companies are unlikely to be competitive internationally.

Competitiveness is a two-dimensional concept as dependent on appropriate economic policies at national level, an efficient and well-maintained infrastructure and an educated and motivated workforce, as it is upon competent entrepreneurial managers in the private sector.

Most, if not all, African economies fall short at both levels; infrastructure is inadequate, economic policy often inappropriate and skills scarce. The private sector is undeveloped, driven by a handful of multinationals and a large, small scale, quasi-informal sector. The middle, comprising small-to-medium scale indigenous firms, is missing.

Africa's most competitive firms tend to be subsidiaries of multinationals, or national firms networking with global players through alliance agreements or joint ventures.

This means that while the rankings in the report substantially reflect conditions at national level they are also a measure of the extent to which individual countries have attracted the global players as foreign investors or alliance partners.

SA aside, without a global presence, the chances of African countries developing globally competitive businesses are slim.

One reason is market size. Firms dominating their domestic markets such as Zimbabwe's Delta Corporation enjoy a degree of market power that is inimical to competitiveness. It is very difficult to become competitive where there is no competition.

The danger is that firms enjoy "protected prosperity" that cannot be translated into the global market.

Profit and earnings numbers might be extremely impressive, although how much of this reflects a monopoly or near-monopoly status rather than competitiveness is seldom obvious.

More than that, how much of the success is the result of leveraging global brand names, like Coca Cola, or drawing on the ties, expertise and technology of an associate or parent company? Some would argue that it is Coca Cola and SA Breweries that account for much of the competitiveness of Delta Corporation.

Two lessons flow from this. One is that governments should learn from the report rather than seek to discredit it.

In Zimbabwe's case, the numbers tell their own story. In the 1990s, gross domestic profit has grown at 2% annually, compared with 2,7% for sub-Saharan Africa as whole and real living standards have fallen.

People are about 9% poorer than they were when the Economic Structural Adjustment Programme was launched nearly eight years ago. Inflation has averaged 26,5% a year — 29% in sub-Saharan Africa — and is set to get a good deal worse before it gets better.

Among its peers in the Southern African Development Community Zimbabwe is a below-par reformer. Since the early 1980s its exports have grown more slowly than the markets where they are sold. It has lost market share, implying that its exports are not competitive.

The second lesson is that foreign direct investment is crucial to the development of globally competitive businesses in Africa.

Unless the Zimbabwe government changes both its attitude and its policies, it will have to rely on local capital, local skills and local technology and the reality is that these are not world class. — Reuter.

□ *Hawkins is the professor of Business Studies at the University of Zimbabwe and he helped compile the African Competitiveness Report. His opinions do not represent the views of Reuter.*

dents clash during a protest in Harare against government courruption Picture: REUTER

Police charge student protest

ARG 30/5/98

(362)

'Mugabe must go,' say demonstrators

Harare

Zimbabwe riot police fired teargas and clubbed students in central Harare yesterday to break up an anti-corruption protest against President Robert Mugabe.

A senior police officer said the police had broken up the demonstration because the students were "looking violent and threatening peace".

"Their behaviour was threatening and we used minimum force to preserve peace," he said.

Witnesses said armed police charged into 2 000 college students, firing a volley of teargas, as the protesters marched into Harare's main shopping mall from the country's parliament.

The students dispersed, running around the crowded city during the lunch break with police in hot pursuit. Witnesses said the police also clubbed a number of bystanders and merchants.

Zimbabwe's financial markets largely ignored the protest.

The students began demonstrating on Thursday, demanding higher grants and an end to alleged corruption in Mr Mugabe's 18-year-old government, saying they could drive him out of power in the same way as Indonesia's President Suharto was forced to resign by a student-led campaign this month.

The government had deployed more than 200 police armed with rifles, shotguns, teargas, batons and shields around parliament yesterday with instructions to prevent the protest from turning violent.

The number of protesting students doubled yesterday. They cheered and danced wildly to slogans and songs denouncing Zimbabwe's 74-year-old ruler as an incompetent and insensitive administrator.

They repeatedly chanted "Suharto, Mugabe, Indonesia, Zimbabwe", but made no attempt to enter the parliament building, which is closed with MPs away at an economic conference in Zimbabwe's prime tourist resort town of Victoria Falls.

The government has not commented on the protest, but the state media blacked out Thursday's demonstration. There was also no mention of the demonstration by the government-controlled radio and television services yesterday.

Learnmore Jongwe, the president of the Zimbabwe students' union, said there were striking similarities between Mr Suharto and Mr Mugabe.

"Ours is as stubborn and arrogant, and is trying to cheat on demands for reform," he told reporters. "He must go because he is the problem."

The Zimbabwean leader faces an economic crisis which, political analysts say, can be traced to a political patronage system that Mr Mugabe has run over the years.

Mr Mugabe's critics charge he has wrecked a once-buoyant economy by directing resources in a system aimed at sustaining his rule.

But Mr Mugabe has blamed intermittent droughts for crippling the agricultural-based economy and also denies he is running a corrupt administration favouring his cronies, especially in awarding government contracts.

He says, at 74, he feels young and competent and there is no question of his quitting office before the end of his current six-year term, in the year 2002.

Protesters said yesterday that Mr Mugabe was being urged to stay on in power by his 32-year-old wife Grace, a charge the president has dismissed in the past.

One student placard read: "Go and rest old man and young wife."

Mr Mugabe – in power since independence from Britain in 1980 – has faced a wave of violent protests over the past six months, which political analysts see as a vote of no confidence in him.

There have been protests over taxes, food prices, war veteran payouts, corruption and student grants.

The worst protests were in January when at least six people were killed during food riots which Mr Mugabe crushed only after deploying troops with armoured vehicles. – Reuters

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