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Sub-Saharan Africa Report

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ANGOLA

BRIEFS

MPLA MILITARY CONVOY ATTACKED--Free Land of Angola, 6 Oct (KUP)--A war communique issued by the UNITA operations office in Jamba yesterday stated that after a UNITA attack against an MPLA military convoy, the enemy left in the field a BTR PB 60, 4 fuel trucks, 5 vehicles loaded with foodstuffs, and 13 others loaded with war material. That occurred 3 days ago and up to now UNITA forces are still picking up the material left by the enemy in the battlefield. [Text] [(Clan-destine) KUP in French to Southern and Central Africa 0605 GMT 6 Oct 86 MB] /7358

56 ANGOLANS, 2 SOVIETS KILLED--Lisbon, 10 Oct (AFP)--Guerrillas of the National Union for the total Independence of Angola (UNITA) killed 56 government troops and two Soviet soldiers in fighting in the southeast of the country last week, the rebel group said in a statement released here on Friday. The statement said the fighting took place near the Chaminga river in Kuando Kubango province, the scene of much recent fighting between UNITA and the government forces. It said the government forces, which have been pressing an offensive against UNITA's main bases in the far south-east of the province, had fallen back towards the town of Kuito Kuanavale after two hours of fighting. UNITA, which said its forces had suffered three dead in the fighting, claimed that it had for the first time deployed a new "anti-tank unit". The rebel group is supported both by the United States and South Africa. [Text] [Paris AFP in English 1203 GMT 10 Oct 86 AU] /7358

60 REBELS REPORTEDLY KILLED--The Angolan Government claims its troops have killed or captured nearly 60 UNITA rebels in recent fighting in three provinces. The official Angolan news agency ANGOP says troops captured 19 guerrillas and killed 39 in operations against the rebel group. Citing military sources in Launda, ANGOP says government forces have also seized about 20 light and heavy weapons and large quantities of ammunition. No mention was made of casualties among the army, which is backed by an estimated 35,000 Cuban soldiers. South Africa has often been accused of supporting the rebel movement UNITA which has fought the Marxist government since the country gained independence in 1975. Rebels recently gained limited mercy aid from Washington. [Text] [Umtata Capital Radio in English 0700 GMT 10 Oct 86 MB] /7358

39 UNITA KILLED, 19 CAPTURED--FAPLA combatants killed 39 UNITA puppets in the pay of the Pretoria racist regime in Moxico, Lunda, and Cuando Cubango provinces in the 3d, 5th, and 6th military regions, according to military sources. In the operations, FAPLA soldiers captured another 19 bandits and seized large quantities of war materiel. Our combatants also released 62 civilians from the bandit's yoke. [Text] [Luanda Domestic Service in Portuguese 0500 GMT 9 Oct 86 MB] /7358

GDR PACKAGE OF CORPORATE GRANTS--Launda, 12 Oct (ANGOP/PANA)--Grants worth about \$100 million will be given to Angola by 14 GDR enterprises participating in the third Launda international fair. This was revealed by Mr Werner Forster, commercial attache of the GDR embassy in Angola. Mr Forster, speaking at a press conference, said that a portion of this amount will be in the form of a loan. He also announced that projects for the development of communications in Uige Province, in northwestern Angola, and the reconstruction of a water dam in Launda Province in collaboration with GDR enterprises are currently being studied. Commenting on relations between Angola and GDR enterprises, Mr Forster said that at the last Leipzig autumn fair in the GDR last September the two sides signed an agreement providing for the supply of trucks to Angola's abamat enterprises. Moreover, the GDR commercial attache stressed that his country is interested in buying wood, coffee, oil, diamonds, and cocoa from Angola. To this end a contract will be signed with the Angolan enterprise Panga-Panga for supplies rosewood plywood from northern Cabinda Province. [Text] [Dakar PANA in French 1241 GMT 12 Oct 86 MB] /7358

CSO: 3400/176

SOUTH AFRICA REVEALED AIDING RENAMO

Paris THE INDIAN OCEAN NEWSLETTER in English 27 Sep 86 p 6

[Text] A South African helicopter transporting men with military packs was again seen landing on 12 September at Guegue, near the Ressano Garcia border post 90 kilometres north-west of Maputo, a spokesman for the Mozambican armed forces said on 19 September. Members of the "Buffalo Battalion," the South African army's 32nd battalion, were also said to have been sighted in Zambezia province, where fighting between government troops and Renamo rebels has intensified in recent weeks. According to Maputo 620 rebels were killed and 15 guerrilla bases destroyed between January and August this year in that region.

For its part Renamo said from Lisbon that 519 Mozambican soldiers and 59 Zimbabweans were killed between 10 and 15 September in the southern provinces of Maputo, Gaza, Inhambane and Sofala. The Renamo communique said the rebel movement would not allow the operation of the Beira corridor to Zimbabwe and would not permit "foreign investment" in the region. The Beira corridor is the principal route enabling Zimbabwe and Zambia to export and import without having to pass by way of South Africa.

I.O.N.--The continuing South African military aid to Renamo, while angering the Mozambicans, does not imperil the Nkomati good neighbour agreement signed between Maputo and Pretoria in March 1984. The Mozambican authorities still believe that the principal utility of the pact is that it protects the country from South African raids like those directed against Botswana, Zambia and Zimbabwe earlier this year. It also allows Maputo to concentrate all its forces on the war against Renamo.

/9274

CSO: 3400/180

BRIEFS

DUTCH OFFICIALS FOR BEIRA PORT--The efficiency of operations at Beira port is expected to improve following the recent secondment of experienced officials from the Port of Amsterdam Authority. A fully qualified harbour-master and six other dock officers are expected to arrive at Beira next week, and will remain for an extended period as part of Dutch government assistance to the Mozambique Ports and Railway Authority. [Text] [Harare THE FINANCIAL GAZETTE in English 26 Sep 86 p 1] /9274

ELECTRICITY TALKS WITH ZIMBABWE--A report detailing the present state of co-operation in the electricity sector between the Mutare region and Manica province in Mozambique, is scheduled to be discussed at a meeting in Norway, today, Friday. The report was compiled by a commission of experts who are working with the Beira Corridor Authority (BCA), a Harare spokesman of the Norwegian development agency, Norad, said this week. The Zimbabwe-Mozambique electricity supply cooperation in the central and southern border regions in a Sadcc energy project, involving the upgrading of existing transmission lines and substations in the region. The project, which will be implemented in two phases, is estimated to cost some US\$200,000, the Norad spokesman said. Phase 1 will increase the capacity of the Mutare substation from the current 15 MW to 40 MW, which is also the capacity of the existing transmission line between Zimbabwe and Mozambique. Phase 2 comprises a feasibility study on a new transmission line (60 MW) between the two countries. Said the Norad spokesman: "The meeting in Norway will discuss the project, and also find out exactly the present nature of the cooperation between the two countries. Norwegian involvement in the project and also within the whole context of the Beira Corridor Group will also be discussed." [Text] [Harare THE FINANCIAL GAZETTE in English 26 Sep 86 p 5] /9274

EEC FUND TO UPGRADE RAILWAY LINE--The Harare office of the EEC this week released three tenders issued by the Mozambique National Directorate for Ports and Railways. They are calling for various supplies for the rehabilitation work of the Nacala-Entrelagos railway line. Tender number 2471 invites the supply in two separate lots of steel for reinforcing concrete sleepers. Lot 1: 480,000 tie-bars in rail steel; and Lot 2: 340 tonnes of 6mm smooth steel, 1,700 tonnes of 6mm notched steel, and 680 tonnes of 12 x 12 mm bar steel. Tender number 2472 calls for the supply in one single lot of 330 tonnes of nitroglycerine-based explosive, 510,000 metres of detonating fuse, 87,000 high-intensity electric detonators and 262,1000 metres of firing wire

for blasting rock in order to provide ballast. Tender number 2473 is for the supply in five lots of rail fastening components. Some of the items required include 1,980,000 cam bolts and nuts, and 990,000 grooved sole plates. All the three tenders close on November 3, 1986. An EEC spokesman said that the project is not connected in any way with the present rehabilitation work being carried out in the Beira corridor. The project is part of Mozambique's national development programme which is being financed by the EEC. He said: "Supplies called for in tenders 2471 and 2473 are being manufactured in Zimbabwe and, I think, local companies stand a good chance of winning them." More information on the tenders is available from the EEC, telephone Harare 707120. [Text] [Harare THE FINANCIAL GAZETTE in English 3 Oct 86 p 9] /9274

DEBT RESCHEDULING TALKS RESUME--Representatives of seven western banks will meet IMF and Mozambican officials in Washington on 29 September to discuss the rescheduling of \$200 million of Mozambique's commercial debt. AED understands that agreement may be difficult to reach as Mozambique has apparently asked for all debt to be rescheduled over 12 years, with a four-year grace period, terms unacceptable to the banks. Agreement is also said to be unlikely before completion of negotiations between the IMF and Mozambique on a standby facility (AED 12:7:86). The bank advisory committee, which is headed by Paris-based Banque du 1'Union Europeenne, includes the US' Citibank, the UK's Standard Chartered Bank, France's Societe Generale and Portugal's Banco Pinto & Sotto Mayor. It has been involved in rescheduling negotiations with Mozambique for about two years (AED 2:11:86). Representatives of the seven banks met in London on 23 September to prepare for the forthcoming Washington meeting. Recent movement on debt rescheduling negotiations and talks with the IMF are largely attributed to the appointment of Eneas Corniche as governor of Banco de Mocambique (central bank). Portugal agreed to reschedule about \$170 million in bilateral debt under an agreement signed earlier this year. The agreement covers payments of interest and principal due on 30 June 1986 on debt contracted up to February 1984. Some 95 per cent of repayments will be made between 31 December 1990 and 30 June 1996 and 5 percent is due between 31 December 1986 and 31 December 1990. Agreement with Portugal was concluded in August 1985 as part of the \$200 million-250 million rescheduling of bilateral debt agreed by Paris Club (AED 17:8:86). Negotiations on a new Portuguese credit line are expected to begin in Mozambique in the first two weeks of October. The value of the credit line is expected to be higher than the \$25 million originally agreed. [Text] [London AED in English 27 Sep 86 p 16] /9274

FRANCE'S CCCE BACKS NACALA RAILWAY--France's Caisse Centrale de Cooperation Economique (CCCE) has announced a FF 165 million (\$24.7 million) loan for phase two rehabilitation and upgrading of the 615-kilometre railway line from Nacala to the Malawi border. Financing arrangements for the \$100 million second phase are not yet complete, but Canada is expected to provide \$22 million, the EEC \$23.7 million, Finland \$1 million and Italy \$2.2 million (AED 10:5:86, Southern Africa Monitor; 15:2:86, Southern Africa Monitor). In addition, Portugal is contributing \$40 million for phases one and two, the UK's Overseas Development Administration \$3 million in technical assistance and the Mozambican government \$15 million (AED 29:7:83). Phase two involves replacement of the 330-kilometre line between Nampula and Cuamba and minor improvements of the 77-kilometre

track between Cuamba and Entre Lagos on the Malawi border. The communications system will also be improved and a training programme implemented. A relatively small portion of the work on the Nampula to Cuamba section--financed by the EEC--will be put out to international tender (AED 5:7:86). Phase one, which involves upgrading the line between Nacala and Nampula, is nearing completion; 140 kilometres of the 192-kilometre stretch has been laid. Work is expected to end before the end of the year and phase two to begin almost immediately thereafter. Consultant for both phases of the project is France's Sofrerail. Work on phase one is being done by an international consortium consisting of Borie SAE and Dehe, both of France, and Somafel of Portugal. [Text] [London AED in English 27 Sep 86 p 16] /9274

ITALY'S INTERCONSULTING PROJECTS--Italy's Interconsulting consortium is to carry out two projects totalling L 17,300 million (\$12.3 million) for planning studies, technical assistance, supplies and management services in the districts of Homoine, inland of Inhambane and Manhica, north of Maputo. The projects come under the Fondo Aiuti Italiani (FAI) programme, administered by undersecretary of state Francesco Forte. Interconsulting consists of four members of the Lega delle Cooperative Cooptecnical, DAM, Italconscoop and Progint. The Homoine project, worth L 12,700 million (\$9 million) is for integrated rural development; that in Manhica, worth L 4,600 million (\$3.3 million), is for resettlement of farming families. [Text] [London AED in English 27 Sep 86 p 16] /9274

MAPUTO PORT TRAFFIC DECLINING--There has been another decline on the use of the port of Maputo--which is operating at a loss, the Mozambican weekly magazine TEMPO said. TEMPO said that in the first six months of this year Maputo port had handled 1,159,000 t of goods while during the same period last year it had handled 1,265,000 t. Before independence Maputo port handled 7,5 million t. TEMPO said the salaries of the port workers were now 50 percent government subsidised. [Text] [Johannesburg THE STAR in English 2 Oct 86 p 16] /9274

RENAMO'S JORGE CORREIA DISMISSED--The Lisbon-based spokesman of the Mozambique National Resistance movement (MNR), Mr Jorge Correia, has been dismissed from his post, sources close to the movement said. Mr Correia's dismissal was ordered by the MNR leader Mr Afonso Dhlakama, they added. Mr Correia's dismissal follows the sacking of the MNR's secretary general Mr Evo Fernandes. In the past the Mozambican Government had said there was no possibility of talks with the MNR because some of its leaders were not Mozambicans but Portuguese nationals. [Text] [Johannesburg THE STAR in English 25 Sep 86 p 6]

SECURITY TALKS WITH SEYCHELLES--Mozambique's minister for security, Sergio Vierira, began a four day visit to Seychelles on 24 September. His arrival in Victoria could be linked to the discovery of a plot against President France Albert Rene and the "resignation" of his defence minister Ogilvy Berlouis (see ION No 248). For the Mozambicans relations between Maputo and Victoria are said to be "excellent". Mozambique's ambassador to Tanzania and Seychelles, Francesco Madeira, a former head of his foreign ministry's Africa department, who is based in dar es Salaam, has just been posted to Harare. His successor has not yet been named. [Text] [Paris THE INDIAN OCEAN NEWS-letter in English 27 Sep 86 p 3] /9274

FRENCH LOANS--Under an agreement signed at the end of August France is to provide 265 million francs (39.5 million dollars) to Mozambique in two loans. One is a third economic recovery loan of 100 million francs to help increase production of cashews, sisal and cotton in Nampula, Cabo Delgado, Gaza and Maputo provinces by purchasing consumer goods for distribution to small peasant farmers of those regions. The second loan, of 165 million francs, is for partial funding of the complete renovation of the Nacala-Malawi railway line, which serves Nampula and Niassa provinces. The almost total suspension of rail services from Nacala to Lichinga, the capital of Niassa (one train every three months) because of the lack of maintenance and attacks by Renamo rebels, is at the root of the famine threatening 430,000 people in that province. The project, costing a total of 112 million dollars, is also being funded by Canada, Italy, Finland, the European Economic Community and private French and Portuguese loans. [Text] [Paris THE INDIAN OCEAN NEWSLETTER in English 27 Sep 86 p 7] /9274

INDIA OFFERS MILITARY TRAINING--Despite denials by Indian Prime Minister Rajiv Gandhi, New Delhi does indeed intend to supply military assistance to Zimbabwe and Mozambique, notably to help protect the Beira corridor. According to information obtained by THE INDIAN OCEAN NEWSLETTER the matter was discussed by Mr Gandhi and Mozambican president Samora Machel at the Non-Aligned movement summit in Harare and a bilateral agreement is being drawn up. India is not considering despatching troops but will take charge of training Zimbabwean and Mozambican by means of a team of military instructors. New Delhi's increasing influence in the region is also noticeable in the two-week visit to India just begun by Kebby Musokotwane, the prime minister of Zambia, whose president Kenneth Kaunda is the present leader of the Frontline states. In this context it is worth noting that the Non-Aligned summit put the Indian prime minister in charge of the new AFRICA (Action for Resisting Invasion, Colonialism and Apartheid) solidarity fund to help southern African states to cope with the results of economic sanctions against South Africa. [Text] [Paris THE INDIAN OCEAN NEWSLETTER in English 27 Sep 86 p 2] /9274

CSO: 3400/180

MINISTER ON CALM IN SOUTH, RETURNING WHITES

MB011000 Johannesburg SAPA in English 0926 GMT 1 Oct 86

[Text] Harare, 1 October, SAPA--Recent progress in unity talks between Mr Robert Mugabe's ruling ZANU (PF) Party and Mr Joshua Nkomo's ZAPU has greatly reduced dissident activity in the south and west of Zimbabwe, the minister of home affairs, Mr Enos Nkala, has revealed.

Mr Nkala told THE HERALD that security forces were achieving a high "kill rate" and incidents of violence had fallen until they were "hardly anything to bother us."

"They may be re-organising, but we are ready for them," Mr Nkala said.

"Joshua Nkomo has done a great deal. Almost every weekend he is in the bush with some of the members of his party's Central Committee. I think this is contributing to the relative peace that obtains in the affected areas," he stated in an interview published today.

Mr Nkala also revealed more details about the committee on which his ministry is represented which screens would-be returnees to Zimbabwe, most of whom are whites who left to go to South Africa.

Mr Nkala, who has sweeping powers under the state of emergency, said he was authorising ZAPU to hold meetings almost every weekend.

"They are busy in the bush telling people to prepare themselves for unity. They urge people to report dissidents and any anti-social elements.

"Really, I think from the point of view of this ministry I am very happy, because I look at what they say."

Unity talks between the two parties were now reported to be at an "advanced stage." If successful, they would lead to the introduction next year of a one party state, with the removal of the reserved white seats in parliament and the installation of Mr Mugabe as an executive president.

Several thousand people are believed to have been killed in the unrest which flared in Matabeleland after Mr Mugabe's post-independence "government of national unity" broke up in 1982.

Mr Nkomo was accused of plotting a coup when arms caches were discovered on ZAPU properties.

Mr Nkala said "vetting" of whites returning from South Africa had been going on for a long time.

A new committee would soon be formed consisting of representatives of several ministries and the Reserve Bank of Zimbabwe, which would insist that would-be returnees repatriated all the assets they had exported.

Some applicants had already "failed to make the grade."

"Those who went out felt that were unsafe. Now they are safe they should bring back the assets they took from this country.

"If they don't, then I don't think we need them," said Mr Nkala.

"Some of these returnees have farms, houses, and cash in blocked accounts which they get back."

Mr Nkala blamed returnees for pushing up the price of houses in Zimbabwe through extravagant bids with their newly-released funds.

"We will not accept those who want to come back and take away jobs from Zimbabweans, but if they are in the critical skills sphere there is no problem," he said.

Over 100,000 whites are believed to have emigrated to South Africa since the start of the bush war in 1977, many claiming South African passports by descent in order to enter the republic as "returning residents."

Under newly introduced legislation abolishing the right to dual citizenship, they will have automatically lost their Zimbabwean status, even if born in Zimbabwe, and have no right of residence. The position of those who retained Zimbabwean citizenship alone is not clear.

/12232

CSO: 3400/139

PAPER ASKS BOTSWANA NOT TO SUBVERT SANCTIONS

MB010935 Johannesburg SAPA in English 0901 GMT 1 Oct 86

[Text] Harare 1 October SAPA--Zimbabwe's semi-official daily newspaper THE HERALD has appealed to Botswana not to frustrate planned air sanctions against South Africa by allowing Gaborone to become a regional terminal.

The newspaper claimed that British Airways and the independent British Caledonian were "engaged in a bitter wrangle over which of them should get the licence to fly to Gaborone."

Caledonian at present flies to Lusaka, and BA flies to Durban and Johannesburg, stopping at Harare en route.

The HERALD says BA fears the loss of traffic worth R200 million, and is claiming it has to set up an "escape route" for South Africans with a right of residence in Britain.

An editorial expresses sympathy for Botswana's statement that it cannot impose sanctions itself on South Africa because of its vulnerable situation and membership of the South African customs union.

"But is Botswana's inability to impose sanctions also a means to be used to subvert sanctions which will be imposed by most of the international community? For that would be the effect of shifting flights from terminating at Lusaka, Johannesburg, Durban and Harare to Gaborone.

"The Botswana Government, we are sure, will not agree for the frontline state to be used so openly to subvert the sanctions," says the HERALD.

Making concessions to either of the British airlines would start a rush by other world airlines, and although this would boost Botswana economy it would be at the cost of the "South African liberation struggle," the editorial said.

"The effect of sanctions should be to bring down the apartheid system and not divide us."

/12232

CSO: 3400/139

NATION'S GOLD REFINING SWITCHED FROM RSA TO AUSTRALIA

Johannesburg THE CITIZEN in English 3 Oct 86 p 21

[Text]

HARARE. — Zimbabwe's first 600 kg shipment of gold for refining in Australia instead of South Africa was flown out to Perth a week ago, an official of the Reserve Bank of Zimbabwe has confirmed.

Zimbabwe's numerous small-scale mines produce about 15 tons of gold each year, making the metal the country's second largest foreign currency earner after tobacco.

Since the birth of the Zimbabwean industry 100 years ago, its amalgams have been sent to Rand Refineries, the largest plant of its kind in the world, which is capable of handling 700 tons a year.

Last month, the switch was made to Australia as a temporary arrangement to precede the establish-

ment of Zimbabwe's own refinery. The refinery will cost about R5 million and is to handle ore from the entire Central and East African preferential trade area.

The project is to receive extensive assistance from the Australian Government and gold mining industry.

The refinery, to be built in Harare's Msasa suburb next to the high security mint that produces the country's currency, is expected to be in operation in two years.

The Reserve Bank spokesman refused to disclose how much it would cost to refine Zimbabwean gold in Australia compared to South Africa.

Gold last year earned Zimbabwe about R350

million and further expansion is expected under Zimbabwe's socialist-style five year plan.

Marginally profitable "small workings" may be re-opened under government sponsorship as "workers' co-operatives" in a move to boost production of the ideal "high value-low bulk" foreign currency earner. Payability rates of all former workings are known to the government in secret Ministry of Mines files.

Security of gold shipments in Zimbabwe was tightened up at mid-year when a R250 000 shipment from Bulawayo was intercepted by thieves using an "inside man".

Some of the gold has yet to be recovered from Switzerland, to which part of the haul was smuggled. — Sapa.

/12379

CSO: 3400/136

MINISTER URGES INDUSTRY TO SUPPORT TRAINING PROGRAMS

Harare THE HERALD in English 3 Oct 86 p 11

[Text]

INDUSTRY was yesterday urged by the Minister of Labour, Manpower Planning and Social Welfare, Dr Frederick Shava, to support institutional training programmes designed to give technical trainees experience at places of employment.

And the country's technical colleges were urged not only to train people to master the present technology, but to take the lead in the development of new technologies. Cde Shava was speaking at Harare Polytechnic's prize-giving ceremony yesterday.

About 170 prizes were given to the most outstanding students in the various Polytechnic training courses.

These include library science, civil engineering, mechanical engineering, automotiva engineering, applied sciences, printing and graphic arts, business and secretarial studies, computer studies and mass communications.

Cde Shava is confident that many companies would support the proposed institutional training programmes and accept trainees so that they could receive their (companies') experience.

"The major incentive is that, while the trainee is receiving such experience, costs will be shared between the company and the Government, with the company paying nothing towards the allowance of the trainee during the initial phases of such training."

The minister said details will be worked out by the ministry to help those companies offering their

facilities to training schemes. Such a scheme, however, was not aimed at abolishing apprenticeship and other forms of on-the-job training.

On the development of new technologies, Cde Shava said: "This is a challenge I am making to the seven technical colleges in Zimbabwe."

He added: "I would like to see the competition in technological innovation that has started already here at the Harare Polytechnic continued and intensified."

The Government was looking at technical colleges to train thousands of school-leavers coming out of secondary education. Without skills, such pupils were not easily employable, whether in the formal employment sector or on their own.

They had to have skills and the major source of these were the technical colleges.

To facilitate flexibility in recruitment and scheduling of courses, arrangements would be made to enable technical colleges to remain open throughout the year. This would mean a review of the conditions of service of lecturers and instructors.

The ministry hoped to introduce such a condition by January next year, said Cde Shava.

The minister said that provisions had been made to examine trainees locally in all courses run through private colleges. Regulations to this effect would soon be gazetted in time for changes to be introduced next year.

Tuition to local students from such countries as South Africa would be discontinued, he said.

/9274

CSO: 3400/177

ZIMBABWE

MINISTER CRITICIZES BANKS FOR LACK OF RURAL INVESTMENT

MB131154 Harare Domestic Service in English 1115 GMT 13 Oct 86

[Text] The Minister of Cooperative Development, Comrade Maurice Nyagumbo, has said the government is committed to promoting the savings and credit movement in the country. He was speaking at the opening of the 5-day seminar on rural savings and credit schemes in Harare today. Comrade Nyagumbo said the government plans to legalize the rural savings clubs as well as establish a special bank for cooperative organizations. He said the government plans to train cooperative members in savings and credit management and disclosed that there are about 5,000 savings clubs and credit unions throughout the country.

The minister criticized the country's financial institutions for showing no commitment to the rural areas. He noted that the institutions are reluctant to invest in rural areas while acting like parasites on the peasant masses. Comrade Nyagumbo disclosed that rural people had a much larger savings capacity than previously realized, adding that by the end of 1984 they had earned about 115 million dollars by selling their cash crops.

He thanked the international labor organization and the United Nations Development officials and members of cooperatives.

/7051

CSO: 3400/196

MERCHANT BANK ISSUES REPORT ON ECONOMY

MB101146 Johannesburg SAPA in English 1138 GMT 10 Oct 86

[Text] Harare, 10 October SAPA--Britain ranked as Zimbabwe's largest export market last year, outstripping South Africa for the first time in many years.

But the weakness of the rand, made South Africa the cheapest source of Zimbabwe's raw materials and other imported requirements, the latest quarterly review of the RAL Merchant Bank of Zimbabwe said, according to ZIANA, the semi-official news agency.

The volume of Zimbabwean trade with Southern African development coordination (SADCC) countries was believed to be rising, the review said.

The bank calculated Zimbabwe's lower income urban families spend about 55 percent of their cash on food.

The current rate of inflation for both lower and higher income urban families averaged 19.6 percent.

Expenditure on food, rents, mortgage bond repayments, fuel, electricity and vehicle expenses had risen appreciably, it said, and there were indications these rises had been at the expense of the sale of durable consumer goods, and savings.

The review forecast the rapid rate increases in the second quarter of this year would continue into the third quarter and the dollars rate of decline could become more pronounced, further adding to inflation.

On foreign trade, it said Zimbabwe's exports, including gold sales, went up by 23.5 percent in money terms last year compared to 1984.

But as the value of the local dollar weakened appreciably, the real value of exports was thought to have improved by about 7 percent.

Shortage of foreign currency and falling consumer demand were the major factors affecting production in the manufacturing industry.

In the period ending in June this year, output for all manufacturing groups was assessed to have grown by 6.7 percent.

In the agricultural section, maize deliveries were expected to have reached their peak late last month.

Given the disappointing exports and local expectations, stocks were likely to reach 2.5 million tons by March, said the report.

/12232

CSO: 3400/139

BRIEFS

RSA SANCTIONS THREAT DISMISSED--The minister of land, agriculture and rural settlement, Comrade Moven Mahachi, has dismissed South Africa's threat to stop the flow of imported and exported grains to and from neighboring countries. Comrade Mahachi told the BC before leaving for a SADCC agriculture ministers' meeting in Swaziland that Zimbabwe's 40,000 tons of imported wheat passing through South Africa will have alternative routes should South Africa carry out its threats. Although the minister does not know exactly how much wheat passes through South Africa to Zambia, he said Zambia would not suffer much if the threat was carried. Comrade Mahachi noted that in fact Zimbabwe exports maize to South Africa, while the other SADCC countries, except Lesotho and Swaziland, had no grain passing through the racist country. Zimbabwe this year sold 360,000 tons of white maize to South Africa itself is a primarily yellow maize grower. [sentence as received] Comrade Mahachi also pointed out that, should it become necessary Zimbabwe's surplus maize could be donated to its SADCC neighbors after consultations. [Text] [Harare Domestic Service in English 1115 GMT 3 Oct 86 MB] /12232

EXTERNAL RADIO SERVICE PLANNED--The Zimbabwe Government is planning to establish an external radio service to address crucial questions in southern Africa. The Minister of Information, Posts, and Telecommunications, Comrade Nathan Shamuyarira, who was speaking on the weekly television program, The Nation, last night, said that the government is seeking setting up finances to this effect. Comrade Shamuyarira agreed that there are insufficient internal resources, and this has prompted the government to negotiate with local companies to produce cheap radios and televisions. He said Mozambique has managed to establish a cheap radio set, which can be carried on bicycles and helps to disseminate information to the people. Comrade Shamuyarira said the Bulawayo-based Supersonic Radio Company has been approached by the government to produce cheap radios and produced a sample which [?words indistinct]. [Text] [Harare Domestic Service in English 0500 GMT 13 Oct MB] /7051

MAIZE CROP SURPLUS--HARARE--Zimbabwe is trying desperately to cut its maize production because of a huge surplus. Excluding next year's intake it amounts to two years' domestic consumption. A price disincentive scheme has been employed by the government in trying to halve the coming season's production. Farmers will be paid R240 a ton for up to 50 percent of their output last season. For the balance they will get only R134 a ton. Agriculture minister Moven Mahachi said stocks were reaching unmanageable proportions. [Text] [Johannesburg THE STAR in English 20 Oct 86 p 13] /12379

LAND IN MOZAMBIQUE ATTRACTS FARMERS--Zimbabwean farmers have expressed interest in extending their operations to the central Mozambican province of Manica, bordering Zimbabwe, says the Mozambican weekly TEMPO. The weekly said the Zimbabweans were interested in farming barley and virginia tobacco in the rich Zonue area in Manica. They had proposed the creation of mixed companies under which the Mozambican Government would hold a 50 percent interest in the farming companies, it added. The Mozambican Government is now studying the proposals. [Text] [Johannesburg THE STAR in English 2 Oct 86 p 17] /12379

CSO: 3400/136

HEUNIS CONSIDERS REESTABLISHING PROVINCIAL LEGISLATURE

MB091215 Johannesburg SAPA in English 1210 GMT 9 Oct 86

[Text] Durban 9 October SAPA--Careful thought would be given to the re-introduction of a provincial legislature if it fitted into the unfolding pattern of constitutional development, the Minister of Constitutional Development and Planning, Mr Chris Heunis, said today. Speaking in Durban at the first administrators' conference on the new executive committee provincial system, he said he had been accused of undermining the democratic foundation of second-tier government when elected provincial councils were abolished earlier this year.

"I said at the time I presided over the demise of those councils with a heavy heart--and in spite of the derogatory comments this elicited, it was true. If it had been politically acceptable and appropriate at that stage for the government, I would have gladly accepted the introduction of a more representative provincial legislature. Such a step, however, has and still has, to be considered in the light of the wider programme of reform and constitutional development in the country, and in that context, the timing was not opportune," Mr Heunis said. "Should the re-introduction of a provincial legislature fit into the unfolding pattern of constitutional development, the government will give careful thought to such a step."

Although there was now no legislative watchdog at second-tier level, the provincial authorities were not off the hook when it came to public accountability and political answerability. These two fundamental principles of sound public administration were catered for in a "unique manner" in the Provincial Government Act passed earlier this year. Proclamations by administrators in terms of their increased executive powers had to be published for comment first and also had to be approved by a parliamentary standing committee for each province.

Mr Heunis described the new provincial system as "an experiment in power-sharing and devolution" that could not, in the interests of everyone's future, be allowed to fail. The executive committees were the first governing bodies in the republic which consisted of representatives of white, coloured, Indian, and black inhabitants of each province. "How these bodies function will be a clear indication whether power-sharing can actually work." If they worked successfully, "it will be an added stimulus for broadening the basis of participation in other government structures," Mr Heunis told delegates.

The process of devolution of powers from central government to the provinces had already begun, with functions of, among other laws, the Group Areas Act and the Black Local Authorities Act being transferred with effect from 1 October. A considerable further number of functions would be transferred from his department within the next few months, of which the training of personnel and provision of information to local authorities was one of the most important. A number of problems had been encountered in setting up this training system in terms of the Local Authorities Act of 1985, and a special effort was being made by his department to be able to transfer a functioning system to provinces on 1 April next year.

"When the devolution of all these functions is completed, probably by January next year, the size of my department will have been reduced from about 1,700 approved posts to about 327," Mr Heunis said. The devolution of his department's functions to provinces was only a start and it was expected those of other government departments would start soon as well. This would lead to smaller general central government departments with mainly policy-making and coordinating functions, while implementation would be carried out at lower government levels.

/12913

CSO: 3400/162

SOUTH AFRICA

CP LEADER THREATENS 'RESISTANCE' OVER BLACK POWER

MB101103 Johannesburg SAPA in English 1046 GMT 10 Oct 86

[Text] East London 10 October SAPA--Dr Andries Treurnicht last night warned the state president he would prepare a resistance movement among his own people if Mr P.W. Botha brought blacks into parliament.

"We warn him: Don't do it," the CP [Conservative Party] leader told a meeting in the East Long city hall.

Dr Treurnicht's speech to more than 200 people honed in on a possible general election and a defence of his party's stand on separate states for the communities in South Africa.

On the election, Dr Treurnicht said: "The state president will study the political situation and, if it is good for the NP [National Party], he may call an election. Before he calls an election, he will want to talk to black leaders who are now setting conditions for participation in his national statutory council. These include the release of (Nelson) Mandela and scrapping the group areas act and other apartheid laws," Dr Treurnicht said.

Defending apartheid, which he defined as separateness, he said it was practiced in Europe where the borders of states were drawn on these lines while Israel would fight to the death to protect its borders for the same reason.

Dr Treurnicht said if blacks were taken into the highest echelons of government it would mean domination because there were 166 MPs now for five million whites, 80 for three million coloureds, 40 for nearly 1 million Indians.

There would have to be 530 MPs for the 16 million blacks outside the national states and the selfgoverning areas.

"Work this out and it is easy to see there will be a black president. Bringing blacks in would be a revolutionary move and I don't think the state president realises the implications. We must resist this with all the strength possible."

/12913

CSO: 3400/162

STATE STRUCTURE INFLUENCED BY SECURITY FORCES' 'SHADOW STRUCTURE'

Network Detailed

Johannesburg THE WEEKLY MAIL in English 3-8 Oct 86 pp 12

[Text]

THE prime characteristic of the National Security Management System is its facelessness. From top to bottom, it is an elaborate set of structures and committees whose members and activities are seldom known.

At the top, is the State Security Council (SSC), one of four cabinet committees but the only one enshrined in law.

It is chaired by the State President and its members are the most senior Cabinet Minister, the ministers of Defence, Foreign Affairs, Justice and Police, any other Ministers who may be co-opted, the heads of the Police and Defence Force, the secretaries for Foreign Affairs, Justice and Security Intelligence and any other heads of departments who may be co-opted.

It meets fortnightly.

The next level is the working committee of the SSC, composed of heads of most of the government departments and other cabinet committees. It does most of the preparatory work for the SSC, making recommendations to it.

It also meets fortnightly, the day before the SSC meets.

The secretariat of the State Security Council, based in a discreet, unmarked and highly secure building in Pretoria, is the full-time staff of the SSC. It coordinates the security system, passes on cabinet security decisions and coordinates and evaluates the work of all the country's intelligence systems.

It has four branches: strategy, national intelligence interpretation, strategic communications and administration. At its head is the secretary, Lt-General PW van der Westhuizen.

The next level is a set of inter-departmental committees, made up of representatives of all government departments. When the secretariat wants to develop a strategy for a particular problem, it delegates the matter to the relevant committee.

The titles of the 13 committees give some insight into what the SSC is dealing with: Manpower, Security Forces, Civil Defence, Transport, Security, National Supplies and Resources, Government Funding, National Economy, Telecommunication and Electrical Power Supply, Science and Technology, Community Services, Culture and Political Affairs.

Attempting to ascertain why the SSC should be looking at political affairs, the Progressive Federal Party was given this explanation in parliament: "The political committee provides advice to the secretariat of the SSC on matters pertaining to national security arising from international, interstate and internal political developments. The term 'political' has the same meaning as in political science and has no bearing on party political activities."

The next level are the Joint Management Centres (JMCs). Officials said this week there were 11 such JMCs, but a list of 12 was given in parliament in May. They are based in (with the chairmen's names and affiliations in brackets): Durban (Brig JH Pretorius, SADF); Kimberley (Brig JH de Beer, SADF); Pretoria (Brig JPM Möller, SADF); Port Elizabeth (Brig CP vd Westhuizen, SADF); Bloemfontein (Brig WC Meyer, SADF); Outdshoorn (Brig C van Rooyen, SADF); Walvis Bay (Cmdt M van der Riet, SADF); Johannesburg (Brig GHP Murphy, SADF); Cape Town (Brig CA Swart, SAP); Potchefstroom (Brig JJ Bisschoff, SADF); Pietersburg (Maj Gen C Lloyd, SADF); Nelspruit (Maj Gen WHJF Paetzold, SADF).

There were previously four separate JMCs to coordinate policy towards neighbouring states. According to SSC officials, however, these have "petered out" and no longer exist.

There are 60 sub-JMCs. They are based in Newcastle, Vryheid, Pietermaritzburg, Kokstad, Greytown, Durban South, Port Shepstone, De Aar, Kimberley, Upington, Pretoria Central, Moot, Port Elizabeth, Uitenhage, Cradock, Queenstown, Bloemfontein, Kroonstad, Ladybrand, Graaff-Reinet, Middleburg, Johannesburg, West Rand,

Cape Town, Vredendal, Stellenbosch, Saldanha, Potchefstroom, Rustenburg, Letaba, Soutpansberg, Nelspruit, Ermelo, Dundee, Eshowe, Ladysmith, Durban North, Durban Central, Durban West, Vryburg, Kuruman, Pretoria North, Grahamstown, East London, Aliwal North, Welkom, Bethlehem, Southern OFS, Beaufort-West, Oudtshoorn, Soweto, East Rand, Worcester, Paarl, Springbok, Lichtenburg, Klerksdorp, Waterberg, Middleburg, Standerton.

There are 448 mini-JMCs in the following towns: Utrecht, Dundee, Dannhauser, Paulpietersburg, Eshowe, Melmoth, Empangeni, Plessislaer, Howick, Ladysmith, Bergville, Newcastle, Glencoe, Vryheid, Magudu, Nyoni, Mubatuba, Pietermaritzburg, Camperdown, Richmond, Estcourt, Matatiele, Kokstad, Ixopo, Greytown, Stanger, KwaMashu, Westville, Chatsworth, Isipingo, Wentworth, Port Shepstone, Harding, Kimberley, Herbert, De Aar, Britstown, Hopetown, Witdraai, Kakamas, Groblershoop, Stella, Kruman, Sishen, Laudium, Verwoerdburg, Eersterus, Silvertown, Brits, Akasia, Atteridgeville, Port Elizabeth, Uitenhage, Humansdorp, Kareedouw, Grahamstown, Bathurst, Kenton/Boesman, Adelaide, Somersot East, Komga, King William's Town, Queenstown, Indwe, Tarkastad, Barclay East, Lady Grey, Ogie, Winburg, Brandfort, Hertzogville, Bloemfontein, Welkom, Henneman, Theunissen, Bultfontein, Himeville, Kranskop, Wartburg, Durban North, Verulam, Mayville, Pinetown, Umlazi, Amamzimtoti, Scottburg, Margate, Barkly West, Vaalhart, Philipstown, Prieska, Upington, Keimoes, Pofadder, Vryburg, Pomfret, Griekwastad, Pretoria City, Mamelodi, Bronkhorstspuit, Soshanguve, Schoemansville, Pretoria North, Port Elizabeth North, Kirkwood, Jeffreys Bay, Koega, Alexandria, Fort Beaufort, Cradock, Bedford, East London, Stutterheim, Cathcart, Dordrecht, Sterkstroom, Aliwal North, Elliot, Maclear, Jamestown, Boshof, Dealesville, Excelsior, Botshabelo, Virginia, Ventersburg, Odendaalsrus, Hoopstad, Viljoenskroon, Bothaville, Heilbron, Steynsrus, Koppies, Vrededorp, Clarens, Harrismith, Frankfort, Tweeling, Vrede, Reitz, Clocolaan, Paul Roux, Ficksburg, Ladybrand, Tweespruit, Zastron, Petrusburg, Bethulie, Koffiefontein, Trompsburg, Redersburg, Fauresmith, Rouxville, Aberdeen, Jansenville, Murraysburg, Steytlerville, Beaufort West, Fraserburg,

Prins Albert, Victoria West, Burgersdorp, Hanover, Middleburg (Cape), Noupoort, Steynsburg, Albertinia, De Rust, Great Brak River, Joubertina, Ladismith, Oudtshoorn, Riversdal, Uniondale, Soweto East, Krugersdorp, Springs, Benoni, Germiston, Soweto West, Cape Town, Athlone, Worcester, Wesselsbron, Parys, Lindley, Kroonstad, Edenville, Bethelhem, Kestell, Warden, Villiers, Cornelia, Meme, Marquart, Senekal, Fouriesburg, Rosendal, Hobhouse, We pener, Jagersfontein, Jacobsdal, Philippolis, Luckhoff, Edenburg, Dewetsdorp, Springfontein, Smithfield, Graaff-Reinet, Klipplaat, Pearson, Willowmore, Carnarvon, Laingsburg, Sutherland, Williston, Colesburg, Hofmeyr, Molteno, Richmond, Venterstad, Calitzdorp, George, Heidelberg (Cape), Knysna, Mossel Bay, Plettenberg Bay, Stilbaai, Roodepoort, Vaal Triangle, Brakpan, Heidelberg, Kempton Park (TV), Wynberg, Bellville, Ceres, Robertson, Touwsrivier, Wolseley, Prince Alfred Hamlet, De Doorns, Barrydale, McGregor, Brandvlei, Clanwilliam, Klawer, Loeriesfontein, Middelpoort, Nuwenus, Vredendal, Malmesbury, Moorreesburg, Franschoek, Klipmuis, Porterville, Redelinghuys, Philadelphia, Springbok, Port Nolloth, Hondeklipbaai, Kamieskroon, Steinkopf, Stellenbosch, Strand, Stanford, Gansbaai, Napier, Caledon, Riviersonderend, Greyton, Saldanha, Hopefield, St Helena Bay, Potchefstroom, Klerksdorp, Harbeesfontein, Lichtenburg, Schweizer-Reneke, Onosdal, Bloemhof, Zeerust, Koster, Phalaborwa, Tzaneen, Messina, Warmbad, Naboomspruit, Thabazimbi, Barberton, Nelspruit, Loskop, Swellendam, Rawsonville, Tulbagh, Montagu, Ashton, Bonnievale, Calvinia, Citrusdal, Doringbaai, Lambert's Bay, Lutzville, Nieuwoudville, Van Rhynsdorp, Atlantis, Piketberg, Paarl, Groot Drakenstein, Wellington, Eendekuil, Darling, Riebeeck West, Alexander Bay, Kleinsee, Garies, Nababeib, Vioolsdrif, Somersot West, Kleinmond, Hermanus, Elim, Bredasdorp, Grabouw, Genadendal, Villiersdorp, Vredenburg, Laaipeik, Langebaan, Gatsrand, Noordvaal, Wolmaransstad, Delareyville, Christians, Coligny, Rustenburg, Marico, Pietersburg, Louis Trichardt, Nylstroom, Potgietersrus, Ellisras, Lydenburg, Onderbek, Middelburg (TV), Secunda, Standerton, Wakkerstroom, Ermelo, Belfast, Bethal, Volksrust, Piet Retief, Carolina.

National Security Management System in Action

Johannesburg THE WEEKLY MAIL in English 3-8 Oct 86 p 13

[Article by Moira Levy]

[Text]

COMMUNITY organisations in the Cape Flats townships of Bonteheuwel and Bishop Lavis, only recently aware of the existence of a Joint Management Centre (JMC) in their area, regard it with some scepticism and a good deal of suspicion.

They are particularly angered by a recent directive, known to have been issued by the House of Representative's Department of Education and Culture, that requires the principals of all secondary schools in the area to attend some JMC meetings.

The principals have been told to draw up lists of what they identify as the chief grievances at the schools.

Local teacher and advice office worker, Mark Abrams, said the people being co-opted onto the JMC committees were in no way part of the area's grassroots organisations.

"They are not talking to the people in the street. If they want to find out what

the people's needs are they should be talking to the people's organisations."

He is particularly sceptical about the participation in the JMC of the Labour Party member of parliament, Patrick McKenzie. He said McKenzie got an 11-12 percent poll in the elections for the tricameral parliament two years ago, and that in 1982 he had been asked to resign as head of the civic association because of his links with the management committee.

The JMC has also drawn local industry

into its security network. Local businesses or factories sympathetic to the idea have been divided into six zones, with one company in each responsible for canvassing the support of other companies in the area and encouraging them to join the scheme.

The scheme was described as a "liaison link" between the South African Police stationed in Bishop Lavis and industry in the area.

Pritchards Security Service is the pivot of the scheme. According to its operations manager, Jonathan Deal, the company was chosen because of its centrality and "because we are a security company and have the manpower resources and staff to operate this sort of scheme".

While reluctant to talk to the press, Deal said that radio links had been established between his firm and other companies in the area. Pritchards is in turn linked by radio to the local police station.

Deal said the idea was to "co-ordinate the resources in the area, human, financial and technical, into one effective unit that can react to any form of emergency".

The scheme involves training staff in emergency procedures such as first aid and pistol shooting. It is "recommended" that all levels of staff participate. For example, Deal said, "tea girls" and receptionists should learn first aid because they are likely to be at the scene of any emergency.

Pistol shooting classes usually attract the "upper levels (of staff) ... people who have got a weapon but don't have the facilities and knowledge to use it properly."

Deal said the scheme was in no way designed specifically for unrest situations. There is "a fine line" between civil unrest and other types of emergency, he said.

Deal liaises closely with Bishop Lavis police station commander Major FG Kotze who initiated the link-up between local industry and the police.

Kotze, the head of the JMC in the Bishop Lavis-Bonteheuwel area, insists there is "nothing political" about the scheme.

He said the hierarchy of JMCs, which extends all the way to cabinet level, enables the grievance of the community to be channelled to the highest authority.

Information was gathered at the local level, he said, "and if we cannot solve the problems we pass it on to a higher authority to see what they can do to help the poor communities."

"We give instructions to our committees to go out and talk to the people and find out what makes them unhappy. In the past it was said that problems never reached the

top. Now with this system we can hear what people are saying on the ground."

The information is passed up the hierarchy to the municipalities, the divisional council, and if necessary the cabinet.

Kotze is enthusiastic about the network. "The whole society should praise the State President. He has brought them something good. It is no longer necessary for people to take the wrong way or to become radical."

"Now they can come and talk to the authorities. They can say 'I am unhappy about the street lighting or the pavements'. But it is up to the people on the ground. They must do their job. If they co-operate

and use the right channels things will change and be better."

There are JMCs in Athlone, Mitchells Plain and Bellville in the Western Cape, Kotze said. Represented on the committees are members of all state departments, management committees, the divisional council, as well as rate payers and personnel from the army and "local commanders".

Kotze is also a member of a separate working committee, linked to the JMC, where representatives of the Department of Education and Culture meet with principals, teachers, parents and students to discuss problems in the schools.

"We go to the principals and teachers, the parents and the students to ask them what is wrong in society."

The JMC is known to be considering building a new school, a day hospital, improved sporting facilities, pavements and introducing street lighting.

According to a number of activists who came out of hiding to talk to Weekly Mail, the authorities are paying special attention to Bonteheuwel.

They believe the state is using a mixture of repression and reform to curb the militancy of the area.

Bonteheuwel, a seriously overcrowded and poverty-stricken area, originally built in the Sixties to accommodate coloureds moved from District Six and the white suburbs, has a reputation as a particularly politicised and militant area.

The activists are cynical about the committees that they know are operating in their area.

"We don't reject these things. These are demands that the community has been campaigning about for several years. But we know we are getting these things through our struggle, and the committees should not be getting the credit."

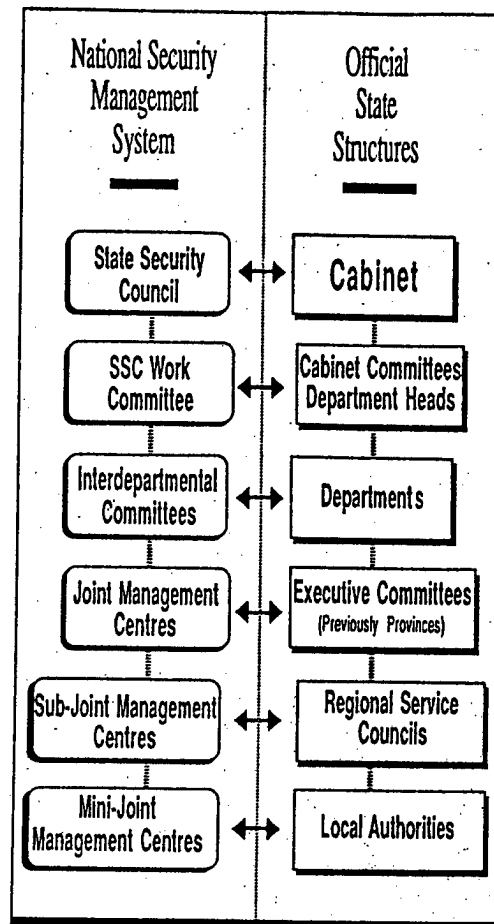
Speaking for the first time about the early weeks under State of Emergency conditions, they painted a picture of a community virtually under siege, their lives disrupted by the constant presence of security police and reaction unit patrols.

Refusing to give their names for fear of reprisals, the three students and a lawyer said that in the first few weeks after the State of Emergency was declared, up to 200 school pupils wandered the streets "homeless, like animals", afraid to go to school because of the heavy security presence and afraid to go home in case they were picked up.

Residents in the Steenberg-Retreat-Lavendar Hill area in Cape Town have also rejected the work of what appears to be a local JMC.

They were angered when a meeting called by the city engineer's department last month to investigate upgrading sporting facilities, was addressed by the station commander of the local police station.

Three quarters of the audience walked out before the end.



How the Security Forces exert influence: the security network, left, forms a shadow structure alongside the normal state structure, right, plugging in at every level.

/9274

CSO: 3400/173

MINISTER SAYS GOVERNMENT EXAMINING EQUAL EDUCATION

MB132018 Johannesburg SAPA in English 2014 GMT 13 Oct 86

[Text] Pretoria October 13 SAPA--The government had not yet taken any firm decision about how it intended to attain its stated goal of equal provision of education for all population groups, the Minister of National Education, Mr F.W. de Klerk, said in Pretoria tonight. He said in a statement it had been announced that a subsidy formula was being finalised to enable the government to move towards the goal of equal education on an "orderly" and "non-disruptive" basis.

Mr De Klerk's statement was in reaction to news reports which he said created the "impression that the government is in a process of making massive cutbacks in some departments of education, which might have a destabilising effect on the provision of education." He said that when the formula was finalised, particulars would be made known to all interested parties. Finalisation would be preceded by a proper negotiation with the organised teaching professions. Mr De Klerk pointed out that during the past session of parliament, he announced the negotiation of a 10-year plan "which should result in a marked and even spectacular progress towards the goal of equality in education. However, I specifically excluded the possibility of attaining full equality in the provision of education within 10 years time," Mr De Klerk said.

He said figures in recent press reports were incorrect in many respects. "What is correct, and there is no secret about it, is that there are inherent differences in the expenditure per pupil in white, Indian, coloured and black education as a result of various historical and other factors. The two most important of these relate to the average qualification level of teachers and the teacher-pupil ratio that differ substantially from one department to the other. This cannot be changed in the short-term, irrespective of the availability of funds."

Mr De Klerk said it was also correct that a "certain degree of rationalisation would be required of those departments that found themselves in a favourable position. "However, my predecessor and I have repeatedly stated that the move towards equality in the provision of education and the rationalisation flowing therefrom will not negatively affect the educational standards that have already been attained in any department."

Mr De Klerk said the only definite decision taken related to the projected financial provision for the next financial year. [as received] "The rationalisation required in this regard is of a mild nature and should not be disruptive in any sense of the word. In the medium and longer term, the main source of funds for the improvement of black and coloured education will be additional funds that will be made available by the government. Any calculations as to large percentages which may be cut from the present level of provision of any departments must be regarded as speculative mathematical projections on which no decision has been taken by the government."

Mr De Klerk said the final test for future financial decisions about education would be whether "existing standards can at least be maintained by any department of which rationalisation may be required." He added he could not comment on Indian education as "the determination of priorities was in the framework of available funds exclusively resting with the Ministers Council in the House of Delegates."

/7051

CSO: 3400/200

EDUCATION MINISTER ON INEQUITIES IN SPENDING

MB140757 Johannesburg Domestic Service in English 0500 GMT 14 Oct 86

[Text] The Minister of National Education, Mr F. W. de Klerk, says the maintenance of existing education standards will be the final test for any future decisions on financing education. Reacting in a statement issued in Pretoria to reports implying that the government was cutting back drastically on financing certain education departments, Mr De Klerk said that no firm decisions had been taken by the government as to how it was to implement its proposed intention of providing equal education opportunities for all population groups. The only announcement which had been made was that a subsidy formula was being determined by negotiation with members of all interested bodies.

Mr De Klerk said that it could not be denied that there were inherent differences in expenditure per pupil in the education of members of various population groups as a result of historical and other factors. These differences could not be removed overnight regardless of any availability of money. He had already excluded the possibility that full equality could be achieved within the next 10 years. The minister said that it was a just assumption that a certain degree of rationalization would be demanded of those education departments which found themselves in more favorable positions. He said that the government had repeatedly declared that in its striving for equality and the rationalization that would accompany this goal there would be no negative effect on existing standards of any education department. Mr De Klerk said that in the middle and long term the main source of finance for the improvement of black and colored education would be the addition of funds made available by the government.

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CSO: 3400/200

GOVERNMENT TO INVESTIGATE JUVENILE IMPRISONMENT

MB131045 Johannesburg SAPA in English 0911 GMT 13 Oct 86

[Text] Robben Island October 13 SAPA--A high-level government investigation was to be undertaken into the welfare and conditions of imprisonment of juveniles in South Africa's jails, the Minister of Justice, Mr Kobie Coetsee, said today. Speaking at a medal parade on Robben Island, he said the investigation would also look at alternatives to imprisonment for young people.

"I want to say clearly that we do not want to see juveniles in our prisons. But you must remember the prisons service is on the receiving end. Those people who are sent to it with a legal warrant must be accommodated."

Mr Coetsee said he would prefer problem children to be entrusted to the care of their parents or, if this could not be done, to be placed in reformatories. "But we cannot wish away the reality of juvenile criminality, and if parents cannot control the child and reform school does not have the desired effect, what alternatives remain?"

In addition, the community had the fullest right to protection, and it was the state's responsibility to ensure that order was maintained so that its citizens could live in security.

"With the juveniles in our care as a reality, the question is rightly being asked whether existing facilities and services with relation to the handling and care of these young people are adequate, and whether they need to be extended. To get answers to these questions I have asked the Commissioner of Prisons to do a high-level investigation in consultation with the Department's of National Health and Population Development, Law and Order and Justice, into the welfare and conditions of imprisonment of juveniles in our jails. Alternatives to imprisonment will also be examined."

The responsibility for combating crime did not lie only with the state. Criminals, young and old, came from the community. "Therefore, I want to address myself to the community and its various institutions. Real and constructive involvement with the youth can plainly be of the preventative nature. Opportunities must be created for better and for meaningful ways of spending free time and so on."

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CSO: 3400/200

SOUTH AFRICA

BRIEFS

BILL PUBLISHED--A bill to pave the way for a uniform local government electoral system for all races has been published in Cape Town. According to a memorandum with the Local Bodies Franchise Amendment Bill of 1987, the election of members of white, colored, and Indian local government bodies is governed by different ordinances and regulations in each province. Voting rights for these racial groups are governed by the Local Government Bodies Franchise Act of 1984 and for blacks by the Black Local Authorities Act of 1982. According to the memorandum, the Council for the Coordination of Local Government Affairs has identified the need for a uniform electoral system for the local government bodies in South Africa in respect of all population groups. Before making the electoral bill applicable to blacks as well, it will be necessary to amend the Local Government Bodies Franchise Act of 1984 to provide for the granting of voting rights to blacks. [Text] [Johannesburg Domestic Service in English 1100 GMT 8 Oct 86 MB] /12913

HAILS MONITORING OF UDF--Pretoria 9 October SAPA--The Conservative Party spokesman for law and order, Mr Louis Theunissen, said today it was time the activities of organisations such as the UDF [United Democratic Front] be monitored. He said there were many organisations in South Africa that were promoting a revolution in the country, adding that they were nothing but Marxist-inspired puppets. [Text] [Johannesburg SAPA in English 0917 GMT 9 Oct 86 MB] /12913

CSO: 3400/162

SOUTH AFRICA

ANC STATEMENT CONDEMNS RSA AGGRESSION AGAINST MOZAMBIQUE

MB141153 Harare Voice of Namibia in English 1900 GMT 14 Oct 86

[Text] The African National Congress of South Africa, has vehemently condemned the intensified aggression of the Pretoria regime against Mozambique, which was announced by apartheid Minister of Defense Magnus Malan.

A statement issued by the ANC secretary general, Comrade Alfred Nzo, said it was clear that, through the new measure of aggression and destabilization, the regime hoped to overthrow the government of Mozambique and install its own puppets in power. The fabrication of the Pretoria regime about units of Umkhonto we Sizwe [Spear of the Nation], the military wing of ANC, operating from Mozambique was only a thinly disguised excuse by a regime which has itself never ceased its support for the Mozambican National Resistance Movement rebels.

Comrade Nzo pointed out that this new situation emphasized the urgent need for the international community to impose comprehensive and economic sanctions against the aggressive and criminal Pretoria regime, which has now declared an all-out war against the (?southern African) state. He once again called on the Security Council to impose comprehensive and mandatory sanctions against the apartheid republic.

The ANC's secretary general saluted COSATU [Congress of South African Trade Unions] and the National Union of Mineworkers for their decision to act in defense of the Mozambican workers and people. He called on all democratic movements in the country and all people to unite behind [word indistinct] in the interest of all the people of the region of southern Africa.

The ANC also reaffirmed their solidarity with Frelimo, the government and people of Mozambique until apartheid is dismantled.

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CSO: 3400/198

ARTICLE PROFILES UDF'S ALBERTINA SISULA

Johannesburg FRONTLINE in English Sep-Oct 86 p 23

[Article by Patrick Laurence]

[Text]

Mrs Albertina Sisulu could hardly have been more forthright or, tragically, correct. "The situation in Soweto is very bad," she said. "All hell is going to break loose." She was speaking only hours before at least 20 people were killed by police gunfire in Soweto on August 26.

Children played outside in the dusty scrapyard opposite Soweto's Regina Mundi Cathedral as Mrs Sisulu, aged 68, answered questions unflinchingly in the tiny consulting room in the clinic run by Dr Abu-baker Asvat.

Women sat patiently in the cramped waiting room, knowing that Mrs Sisulu had a role to fulfil and a duty to discharge as a president of the United Democratic Front. Paradoxically, Dr Asvat is a prominent member of the rival Azanian People's Organisation. It was one of those anomalies South Africans have learned to live with.

It became apparent during the interview that two persona co-exist in Mrs Sisulu's psyche. Depending on the question, a warm grandmotherly figure or her stern political alter ego replied.

Her eyes lit up when she spoke of her husband, children and grandchildren, even though South Africa's political strife has impinged heavily upon their lives.

Her husband, Mr Walter Sisulu, is serving a life sentence for sabotage. Two of her five children are living in exile. A third, Mr Zwelakhe Sisulu, editor of New Nation, has been detained several times. Her adopted son, Jongumzi, is serving a five-year jail sentence for treason.

The only trace of bitterness when she spoke of them was a gentle irony.

But when she talked of political issues per se she was uncompromisingly tough. The state of emergency was a cover for "legalised killing of black people," she said. Necklacing, however, was "retaliation" against government agents and vigilantes paid to "loot the houses of activists", she contended.

Of the Inkatha president, Chief Mangosuthu Buthelezi, she said: "He uses illiterate people who still believe in the wars of Shaka. But that is coming to an end. Even in Natal there are places where he won't put a foot down. In the hostels of Clermont . . . We are getting closer."

Mrs Sisulu's toughness, however, was not that of a theorist. Her political soul was forged in fires of South Africa's grim political struggle.

She came to Johannesburg from Transkei to train as a nurse in 1940. Four years later she married Walter Sisulu, a founding member of the African National Congress Youth League, which was to change the ANC from a movement pleading for a better deal to one which launched the Defiance Campaign of 1952 and which eventually, after its banning in 1960, embarked on guerilla war.

Her husband, who was general secretary of the ANC, was jailed for life in 1964 and Mrs Sisulu started nearly 20 years of twilight existence as a restricted person.

For most of that time she was house-arrested from 6 pm to 6 am. Even before that, in 1963, she was detained for 90 days by security police. When her banning order was allowed to expire in 1983, she

was again detained after attending a funeral at which she allegedly sang ANC songs, distributed ANC pamphlets, displayed an ANC flag and draped it across the coffin. She was held in solitary confinement for seven months.

Mrs Sisulu was later charged and convicted of furthering the aims of the ANC. She was sentenced to jail for four years in 1983. Mrs Sisulu was, however, granted leave to appeal and allowed free on bail of R1 000. Last year she was one of the 16 UDF leaders charged and acquitted of treason in Maritzburg.

As she spoke of the situation in Soweto in Dr Asvat's clinic the appeal against her conviction for furthering the aims of the ANC was still pending. A four-year jail sentence hung over her head. But she was not cowed.

The decision to post soldiers on guard duty at most Soweto high schools rankled. "The government does not want our children to be educated," she said. "The soldiers are even in the classrooms. Who can concentrate on learning when soldiers are pointing guns?" Mrs Sisulu charged that soldiers at Matseki High School, near her home in Orlando, had entered classrooms to indoctrinate the pupils. "Who was the first man who came to South Africa?" they allegedly asked students, going on to answer their own question: "Vasco da Gama! And where was your Mandela and your Tambo?"

But, in spite of her foreboding sense of mounting tension and imminent violence in Soweto, Mrs Sisulu remained confident that the outcome would be favourable to her cause. "With me the future is bright," she said. "While the government thinks killing our children has made us afraid, it has united us and made us more determined. It will take time to win. But it won't take more than five years."

But before victory she had to attend to the patients in the waiting room.

After working as a nurse for the Johannesburg health department for 37 years, Mrs Sisulu, grandmother and politician, was still a dedicated professional.

"You've taken too much of my time," she said, making shooing signs. "I've got patients to see." □

/9274

CSO: 3400/17

UDF OFFICIAL COMMENTS ON STRENGTH OF DEMOCRATIC MOVEMENT

Johannesburg FRONTLINE in English Sep-Oct 86 p 43

[Article by Murphy Morobe]

[Text]

THE democratic movement has not been crushed. While widespread detentions — over 70% of which are UDF affiliates — have hit some areas hard, many activists foresaw the emergency and took the necessary precautions. They have been able to avoid detention and remain active, even if covertly. Our organisations are stronger and deeper than before and are thus better able to replace activists detained, killed or forced into exile.

While the army and police continue terrorising local populations, they have not gone unchallenged. Increasingly, the people are fighting back.

The State hoped that with the elimination of the democratic movement, dummy bodies could be revived and propped up. Yet councillors continue to resign and numerous local authorities have been taken over by white officials.

Most significant, however, is the victory of the kwaNdebele people. In the face of tremendous repression they literally laid down their lives to defeat Pretoria's schemes. The UDF salutes the courage and determination of our people in this area.

It is true that the stringent curbs on the Press, bannings of meetings and other harsh emergency regulations have made it difficult to mobilise and organise on the legal terrain. Yet our people's capacity for united action has not been broken.

● The emergency has not undermined the growing unity between trade unions and the rest of the democratic movement — a unity which the State finds very threatening. Shortly after the declaration of the

emergency, numerous retail workers went on strike against it and in protest against the detention of their leaders. The June 16th stayaway went ahead as planned. More recently there was a successful stayaway in Uitenhage.

● The information black-out has not resulted in an acceptance by the majority of the people of the misinformation fed to us by the Bureau for Information. In fact, in kwaNdebele the government's propaganda about "black-on-black" violence has backfired.

Despite the bureau's claims that the conflict was a result of faction fighting among blacks, the Imbokotho have been exposed as death squads operating to eliminate opponents of apartheid. The conflict was clearly between those people collaborating with apartheid and the majority of people fighting against it.

It is in communities which do not directly experience what is going on in our townships and villages, that the media black-out has to some extent enabled the State to pull the wool over people's eyes.

● The regime has failed to retain control of the townships and prevent the growth of people's power. Despite the bans on meetings, people have devised ways to meet — right under the noses of the troops and Casspirs. Street committees are being set up for the first time in places like Soweto. The rent boycotts have not been crushed, in fact they have spread. People have had no alternative but to defend themselves against rent evictions and seizure of their furniture.

School students have successfully used a variety of tactics to resist attempts to break the development of people's power

in their schools through the occupation of their schools and the introduction of the "dompas".

They have refused to register, burnt their ID cards, embarked on limited boycotts, occupied the schools but refused to attend classes and have used the classrooms to teach people's education.

● The State hoped to crush the ANC and defeat the armed struggle. If anything the opposite has occurred. The armed struggle has intensified and the ANC's plan to move from armed propaganda to people's war has become a growing reality with increasing incidents of armed conflict between the people and the security forces not only on the borders but in the townships.

● Disputes and divisions among the rulers reached a new intensity prior to the declaration of the emergency. By declaring an emergency, the State hoped to win back support from the right wing by showing it was capable of controlling the African majority and by showing that it refuses to bow to international pressure it hoped to win the support of the liberal and business community by proving that the restoration of "law and order" is a pre-condition for continued and successful reform initiatives.

With the exception of the right wing it has failed. At least eight influential businessmen have come out against the emergency and demanded the release of Nelson Mandela and the unbanning of the ANC. Repression of a very wide range of organisations, the restrictions on the media and the handling of the sanctions issue and the courts have alienated the very people whose support the government aimed to win. □

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CSO: 3400/17

SOWETO SAID FACING FINANCIAL CRISIS

Johannesburg THE NEW NATION in English 25 Sep-8 Oct 86 p 1

[Text]

SOUTH Africa's biggest black township, Soweto, is bankrupt -- and has been since July this year.

This is the latest in a series of developments indicating a deepening crisis unprecedented in the township's history.

The Soweto Council has accumulated losses amounting to R24-million from rents alone.

The government has already poured in R17-million -- a five-year loan to bail the council out.

The crisis in both finance and administration comes just four months after the rent boycott started.

Its initial reserve of R20-million has been completely depleted.

The country's Minister of Law and Order, Louis le Grange, secretly visited the sprawling township which has been thrown into total disarray by the rent boycott.

The visit was confirmed to THE NEW NATION. Le Grange's office, however, described it simply as a "goodwill" visit that had nothing to do with the state of the township, or the recent claims of gross irresponsibility on the part of the council police.

Soweto's council police have, in recent months, built up a notorious reputation among residents following the recent moves to evict rent boycotters. Recent events in Soweto point to confusion in ruling circles, with claims that the council has lost control over the township and its police.

In another development it has been claimed that the township's controversial director of housing, Del Kevan was gagged by the council authorities. And yesterday her house was bombed by unknown assailants.

The imminent bankruptcy of other townships could not be far off.

The government has already allocated a staggering R271-million to black townships in the last two years, according to the Department of Constitutional Development.

Of this total, R151-million, which is twice last year's allocation, was pumped in during this financial year. A further ad hoc allocation of R45-million was made recently.

The Lekoa Council, which is also technically bankrupt, was bailed out with R10-million by the Department of Public Finance.

Despite these fears the Department of Constitutional Development okayed the deployment of 17 000 council police around the country, a clear symptom of the deepening crisis. There has been an open admission that the country's police force is being stretched.

At least 16 000 council police still have to be trained. The first batch are currently undergoing training in near Koeberg in the Cape.

Rents are being boycotted in about 53 townships with a total population of 4.5-million. Soweto alone needs more than 2 500 council police.

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CSO: 3400/17

VISTA UNIVERSITY CHANGES EXAM FORMAT; OTHER CHANGES

Johannesburg THE NEW NATION in English 25 Sep-8 Oct 86 p 2

[Text]

VISTA University is to introduce a new system of examinations in 1987, following complaints from students which led to the closure of three campuses nationwide.

Campuses which have been closed are in Port Elizabeth, Soweto and Bloemfontein.

Since the inception of Vista in 1983, students have challenged the combination of the semester and full-year exam mark system used to determine their results.

Although there were other grievances, Students' Representatives Councils (SRC) chose the exam system as the main rallying point.

Frequent class disruptions finally led to the closure of the three campuses.

The new programme, scheduled for next year, was revealed by Rector Prof C F Crouse to the NEW NATION.

He said it would be a computerised system which would create various alternative ways of examining students.

For example, a pupil who has completed the syllabus earlier than fellow-colleagues and feels ready to sit for the exam, could write immediately.

Vista would still use the same material on a different approach to examine students who would be ready at a later stage.

Another change involves adopting a method similar to the University of South Africa (Unisa) by providing study materials to students.

The material will give students an opportunity to continue with their studies at home even during possible school disruptions.

Prof Crouse pointed out that it was unfortunate that problems at township schools usually

spilled over to the Vista campuses.

The rector added that the Vista Council is scheduled to meet this week to discuss and finalise the new programme.

A press conference will be held next week for a formal announcement.

Prof Crouse reiterated previous statements that about 78 per cent of the total campus population will be able to continue their education next year.

He said the figure tallied with the 'varsity's normal annual pass-rate.

Earlier on, the Soweto Vista Interim SRC had issued a statement saying it realised the inefficiency and incompetence of the authorities in dealing with reasonable demands.

The closure of the campus, the SRC said,

was politically motivated and had little academic reasoning.

"We deplore this form of action by the authorities and call upon them to review their position and re-open the university immediately for meaningful learning to take place. We also call on them to re-admit all students unconditionally," said the SRC.

The Azanian Students Organisation (Azaso) also added their voice of protest, saying it did not solve the problems but complicated and worsened them.

"We firmly believe the students' demand was genuine and justified. We support the action taken by students in exposing the unreasonable system of writing exams at Vista. As students, they have an inalienable right to stand up against academic irregularities affecting them," added Azaso.

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CSO: 3400/17

TRANSKEI'S MATANZIMA'S REGIME DESCRIBED AS BRUTAL

Johannesburg THE NEW NATION in English 25 Sep-8 Oct 86 p 6

[Text]

A h Daliwonga, the crowd roared when Kaizer Daliwonga Matanzima entered Umtata Stadium on the evening of October 26, 1976, to accept the independence of the bantustan of Transkei from South Africa.

The entire country was still smarting from the events of June 16, and that roar had a lot to do with tradition -- acknowledging the presence of a member of the royal family -- and the uncertainty which confronted everyone.

It was not approval of what KD Matanzima was about to do.

That was 10 years ago. And today, for many people in the territory it's been 10 years too long.

This week elections were held for the third parliament of Transkei since independence, and the results are predictable. Matanzima's Transkei National Independence Party (TNIP), will take all the seats in the 150-seat parliament.

In fact, only 75 of the seats were contested -- the remaining 75 being seats allocated by the homeland's president to traditional chiefs.

In the past couple of years the official

opposition party, the Democratic Progressive Party (DPP), has had a sole member in parliament, and that was largely because almost all DPP members who contested seats against the TNIP in 1981 were rounded up and held under security legislation. All were duly released after the elections.

Exasperated by Matanzima's antics, many DPP supporters called a boycott of the past elections -- convinced that any election against Matanzima in Transkei is unwinnable.

This territory Transkei abounds with paradoxes and contradictions, none as dramatic as the fact that it has within the same family of Mthirara given to the country two leaders who are least alike -- Nelson Mandela, revered and feared, and on the other side of the political spectrum his nephew KD Matanzima, who has come to typify the classic homeland leader.

In the 24 years that Matanzima has been head of Transkei, first as head of the tribal authority and later as Prime Minister and President, he has been unwaveringly brutal in dealing with opponents -- real or imagined.

Detention without

trial, banning and banishment are some of the methods he has used in ensuring complete control.

Although now retired as president in favour of Chief Tutor Ndamase, who was installed in February, it is KD who holds the reigns of power and who is the law.

Observers have noted, not uncynically, that the more he retreats from public office, the greater control he exercises on all instruments of government.

The past 10 years of "independence" have done little to move Transkei away from being a mere labour reservoir for South Africa. So that the fundamental philosophy of grand apartheid is still intact — homelands will never be allowed to compete for capital or labour with "white areas".

Far from even attempting to be self-sufficient, her economic dependence on South Africa is now so complete that it receives the largest grant of all the homelands from the government.

Last year R1 500 million was paid by the South African government in grants to the

four independent homelands. Of that R616 million went to Transkei, R353 million to Bophuthatswana, R333 million to Ciskei and R160 million to Venda. Experts believe these Transkei figures will grow steadily.

Transkei's major export is still labour, mainly to South Africa's mines.

At least 35% of the 141 000 miners employed in South Africa from the TBVC areas are from Transkei.

Within Transkei itself, the civil service is the biggest employer. The use of some of the money in this department is astonishing.

Last year a select committee found that the chief of the Defence Force, who had been suspended from duty, was mistakenly paid his full salary of R34 000 a year.

The committee also found that the Police Department had overstepped its budget by R400 000 — on salaries to former Rhodesian policemen employed by Transkei. The committee found that many of those claiming to have had police experience had never in fact been policemen.

Overspending by the government was put at R16 million. From time to time some wild schemes are thought up in a desperate effort to make the territory economically viable. The latest fantasy is exporting water to the Middle East.

If the homeland's government is frivolous in handling money, it is less frivolous when it comes to human rights.

Last year when Transkei security forces killed a young university student, Bathandwa Ndodo, Matanzima absolved the police from blame — declaring the young student a communist who was responsible for a bomb blast in Umtata.

The media and the church have not escaped the wrath of KD's fury.

The Daily Dispatch news-paper was banned for a period after it had published a report that was unpalatable to Matanzima.

The newspaper was unbanned after the editor had apologised to him.

Similarly, when the Methodist Church of South Africa refused to recognise the homeland, Matanzima was quick to ban the church in the territory and to support the establishment of the Methodist Church of Transkei.

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CSO: 3400/170

IAS MAKES PROGRESS IN ORGANIZING UNEMPLOYED

Johannesburg THE NEW NATION in English 25 Sep-8 Oct 86 p 16

[Text]

THE plan to organise unemployed workers has swung into top gear with yet another group, the Industrial Aid Society, announcing significant progress in unionising the millions of jobless.

It has already initiated three co-operatives for unemployed workers in parts of the Transvaal. According to the IAS chairman, Ellison Mohlabe, the co-ops will soon be handed over to the Congress of SA Trade Unions which has resolved to organise the country's millions of jobless into a single national union.

The Industrial Aid Society which, started off as an advice office, has been at the forefront of organising the unemployed since 1983.

With recent surveys estimating unemployment at close to a staggering six million, organising those out of work will not be an easy task. And it certainly is not one that can be ignored by the independent labour movement.

There are already two other projects in progress which are geared towards building a single unemployed workers union, the Amalova Association on the East Rand being one of them.

The Sarmcol co-op in Howick, Natal, organised by dismissed Metal and Allied Workers Union members, is the other.

The three IAS co-ops were set up when it became apparent that the society's activity, which centred around advising workers on basic rights, was self limiting in its organisational potential.

The co-op project proceeded to become one of the IAS's most important in recent years with organising activity being concentrated in the Eastern Transvaal areas of Brits, Nigel, Lebowa and Tzaneen.

Bulk buying schemes, small scale vegetable farming, brick casting and sewing are some of the activities workers have been organised around.

The society's attempts at organising the unemployed represents a clear shift away from its initial role in assisting in the formation of trade unions of employed workers.

Having laid the basis for the formation of the Mawu in the Transvaal, the IAS began concentrating on workers who fell outside the scope of trade unions.

This shift in policy goes back almost four years following the formation of the UIF ad hoc Committee which proposed changes to the Unemployment Insurance Fund.

It has also responded to the growing unemployment problem by encouraging greater commitment from the independent trade union movement to organise the millions of jobless.

In addition the IAS set up industrial aid centres in both the Vaal and Pretoria areas to deal specifically with basic worker rights.

IAS analysis shows that the majority of workers needing advice are from peripheral industries that are either too small to organise or from sectors where trade unions are still absent.

Although it remains outside the Cosatu stable, the IAS says it perceives the federation as representing a non-sectarian position -- a strategy, it says, best served the interests of the working class.

The IAS is based on the third floor of the Camperdown building on the corner of Polly and Kerk streets, Johannesburg, telephone number 23-8467/79.

UDF TREASURER VOWS TO GO UNDERGROUND IF BANNED

MB091934 London BBC World Service in English 1515 GMT 9 Oct 86

[Interview with UDF treasurer Ashar Cachalia by Julian Borja on the line to Johannesburg from the "Focus on Africa" program; date not given]

[Text] The South African Government has finally published an order declaring the United Democratic Front, the UDF, to be what is termed an affected organization. The UDF is the country's leading antiapartheid organization and was founded 3 years ago to campaign against the new constitution, which excludes blacks from power sharing. Ashar Cachalia is treasurer of the UDF. On the line to Johannesburg, Julian Borja asked him what effect the order will have on the movement.

[Begin recording] [Cachalia] Well, the legal implications are that firstly the United Democratic Front itself will henceforth not be able to receive or raise any moneys from outside of the Republic of South Africa. And secondly that the moneys presently in possession of the United Democratic Front, which we have raised from abroad, cannot be used.

[Borja] How badly will this hit you? How much of your funds do you raise abroad?

[Cachalia] Well, since the declaration of the first emergency the UDF has been subjected to such severe repression in the form of trials, bannings, and detentions that the UDF's capacity to raise funds internally has obviously been very severely affected. Since the first emergency, therefore, the UDF has raised a very substantial proportion of its funds abroad.

[Borja] What kind of percentage are we talking about? Fifty percent? Seventy percent?

[Cachalia] Well, we are talking about over 50 percent of the funds of the UDF have been raised abroad.

[Borja] Do you think this is the first step toward the ban of your organization?

[Cachalia] We feel that if the government does not achieve its purpose of rendering the UDF inoperative, the next step will be to ban it. So, we fear that that is certainly a distinct possibility.

[Borja] What would you do if you were banned? Would you all go home or would you continue to organize underground?

[Cachalia] In a sense that decision does not lie solely within the hands of the United Democratic Front. We are very clear. If the government bans the organization, that is not, certainly, is not going to stop our people from continuing to organize against racism, against white domination, and in fact to continue waging the struggle on all fronts.

[Borja] So you would go underground?

[Cachalia] Or, certainly. We will do everything in our power to remain alive.

[Borja] Why do you think the South African Government has chosen this moment to place restrictions on you?

[Cachalia] Well, certainly after the international community has adopted sanctions we feel that the government now feels that it has now carte blanche. The international community has rejected it. It now might as well go ahead and do whatever is necessary to destroy its opposition. So, in a sense this is perhaps a message to the international community from the South African Government: that they are not prepared to accept the reasonable and legitimate demands that the people of South Africa and the international community are making upon it.
[end recording]

/7358

CSO: 3400/156

UCCP LEADER MOKOENA ON GOALS, FINANCIAL BACKING

MB101640 London BBC World Service in English 1515 GMT 10 Oct 86

[From the "Focus on Africa" program]

[Text] At the beginning of the week a new political party was started in South Africa, calling itself the United Christian Conciliation Party, the UCCP. Among the policies of the UCCP are a firm opposition to sanctions and support for the government's ban on the outlawed ANC until it renounces violence. This last policy is, perhaps, not entirely surprising as many of the members of the party are councillors and mayors who have been forced to leave the areas they represent by township radicals. The joint presidents of the UCCP are Bishop Isaac Mokoena, representing black independent church groups, and Tamasanqa Linda, a black major from the eastern Cape. They are both in Britain at the moment seeking funds and support for the party, and Tim Judo asked Bishop Mokoena why they had felt it necessary to form a new party:

[Mokoena] Well, people in South Africa have become very tired of what is happening, and we felt there was a need for the moderate black people to have some platform from where they can speak on behalf of their own people. We will be able to carry the message across, representing the sentiments of the moderate blacks in South Africa.

[Judo] What is this basic message?

[Mokoena] The basic message is to inform the people that the violence that has taken grip of our townships must come to an end, and people should be given the opportunity to be able to voice their feelings. We must be an alternative voice which can speak to the government of South Africa and say this is what we want and this is what we do not want.

[Judo] Some people have said that since very many of your positions are similar to the government, that the government of South Africa is behind it. How do you answer these charges?

[Mokoena] Well, we have no connection whatsoever with the Government of South Africa.

[Judo] Where are you getting support from and funds?

[Mokoena] Up to now since the launching of the UCCP the founding members have agreed to contribute some money out of their own as individuals, and what we are going to do is each and every person who enlists as a member of the UCCP will be expected to contribute a registration or a membership fee and apart from that there would be nothing wrong in us seeking international financial support from organizations, financial people within South Africa and even in Europe and the United States of America.

[Judo] How can you organize in the townships if many of your founder councillors, etc., can't live in the townships because they are so unpopular?

[Mokoena] Well, we are not concerned with their unpopularity because that is a created situation. We want the situation to go back to normalization and we want to discourage the rioting, the looting and the killing of people, and, therefore, I mean to say these people are unpopular is what the radicals are doing [sentence as received].

/7051

CSO: 3400/198

MALNUTRITION NOTED AMONG CHILDREN IN KHAYELITSHA

Cape Town CAPE TIMES in English 22 Sep 86 p 7

[Article by Andrew Donaldson]

[Text]

ALMOST half of the pre-school children at Khayelitsha's Site C site-and-service squatter camp are nutritionally stunted and suffering from chronic malnutrition, a survey has found.

The nutrition survey was conducted over three weeks in March by Dr C T Hugo-Hamman and Professor M A Kibel, of the University of Cape Town's Child Care Unit and the Red Cross War Memorial Children's Hospital, and Dr D Yach, of the Medical Research Council's Institute of Biostatistics.

And the situation was likely to have deteriorated substantially in view of the devastation of Crossroads in June, which left an estimated 60 000 homeless, Dr Hugo-Hamman said yesterday.

The survey also found that there were relatively low levels of acute malnutrition, with 14 percent of children underweight by weight for age and only one percent underweight by weight for height, he said.

"Percentages can be misleading. These one percent of children are at risk of death from malnutrition-relat-

ed disorders and in a community with an estimated size of 60 000, this would amount to about 100 children."

It was also "alarming" that only 42 percent of children had an available immunization and health-record card.

"This is clear evidence that the growth of these children is not being monitored and raises serious doubts about the efficacy of immunization programmes," he said.

There was a need for continued nutritional surveillance by authorities to identify children with severe acute malnutrition and the State should be made to relieve the burden of privately funded organizations like the Cape Nutrition Education Project's Nutrition Clinic at Khayelitsha.

"Secondly, there is as ever a need to promote health and prevent disease," he said. The plethora of health authorities in the Cape Peninsula was a "serious constraint" in achieving this.

"Finally one cannot but express pessimism about the possible success of any intervention in the absence of major structural political and economic reforms."

/9274

CSO: 3400/170

DE KLERK DISCUSSES EDUCATION, OTHER DOMESTIC ISSUES

Cape Town *LEADERSHIP* in English Vol 5 86 No 4 pp 27, 28, 30, 32, 33

[Interview with Minister of National Education F. W. de Klerk, by Hugh Murray; date and place not given]

[Text]

F W de Klerk, Minister of National Education, Chairman of the Ministers' Council, and leader of the National Party in the Transvaal is a stickler for protocol.

He will not comment on any matter which may be the province of another minister. Nor does he take kindly to speculation that he is P W Botha's heir apparent. There is a disarming orthodoxy about this stance. But is it genuine?

The De Klerk contingent in Parliament, who are adamant that the 50-year-old minister is the front-runner for a move to Die Tuynhuys, maintain it is. It is difficult to disagree, particularly when one examines his track record.

Son of the legendary Jan de Klerk, for many years President of the Senate, and younger brother of Willem de Klerk, editor of *Rapport*, "F W" has seldom put a foot wrong – in government terms of course!

He will not be drawn into casual gossip about his colleagues. Indeed, there is an air of gravity about him which immediately discourages the pursuit of anything casual at all. He has the demeanour of a traditional Nationalist leader.

The business community has blown hot and cold on him. At one point he was its undisputed favourite. Then, as he adopted a more conservative line, confidence waned. There seems to be a resurgence of businessmen's interest in him at present, though this may be the result of a general private sector belief that he will take over from President Botha.

To *Leadership* editor Hugh Murray, who interviewed him for this edition, De Klerk remains an enigma. But, Murray concludes, it is perhaps white nationalism in 1986, rather than the man himself that remains obscure – a puzzle.

Murray: You are playing major roles in particularly complex and sensitive areas of our society. How do you see your position?

De Klerk: I have a dual responsibility in my capacity as a minister.

On the one hand, I am Minister of National Education which is a general affairs department portfolio in the cabinet. Then I am chairman of the Ministers' Council in the House of Assembly and also Minister of the Budget in the House of Assembly. Regarding National Education, obviously I am dealing with one of the most sensitive issues in the South African debate. The Department of National Education is a new department which was formed when the three-chamber parliament came into being. Until then – apart from the black education departments of the national states – we had an education department for black education, we had one for coloured education and one for Indian education. There wasn't one department catering for all population groups and formulating and co-ordinating general policy. The new Department of National Education was established following the De Lange report which suggested that there should be one department for education.

In the constitution, education is clearly defined as an own affair with the exception of certain facets, namely: norms and standards of financing for education; norms and standards for syllabi and for certification of academic standards; registration of all teachers and such issues as remuneration and conditions of service of all teachers. These matters are prescribed, in constitutional terms, as general affairs and that is the area of my responsibility in education. It is my task to ensure that government's commitment to equal provision of education is carried out. We are making headway in the fields of the norms, and standards for financing. I have announced that I am now negotiating a 10-year plan which will not achieve full equality in the provision of education, but which, I am sure, will make dramatic breakthroughs on the road to achieving that goal. It cannot be attained overnight. I know that people use against us the inequality in education. They quote figures that we spend so much per child in white education and only so much in black education. The problem however, is complex. The underlying cause for the so-called

inequality, is, firstly, that the average standard of qualification of the teachers in black education is too low. Before we can obtain equal provision, we will have to upgrade the qualifications of teachers in black education and there are various programmes being implemented in this regard. Secondly, there is the teacher/pupil ratio which is very low in the case of white education but very high in black education. To rectify that you need to train more teachers, build more schools and establish the financial formulae to achieve an equal balance.

Are you going to be able to achieve your objectives in relation to the boycotts of classes and the often violent anti-government political activity in the schools? How can you function in a highly politicised environment where pupils, for example, are unilaterally re-naming schools "Nelson Mandela High" or "Walter Sisulu Primary"?

Minister Gerrit Viljoen, who is in charge of black education, would be the best person to reply to those questions. May I say, in general: Yes, I believe education is one of the most important things in the life of any family. Parents take a particular interest in the education of their children. If we can visibly prove that we are making headway in the improvement of standards – and I believe we will be able to do so – then I think that responsible parents, who obviously form the vast majority of all parents, will realise that something is happening. If, however, propaganda succeeds in making them believe that nothing is really happening, that our commitment to equal provision for education is just empty talk, then obviously we won't make headway. We are doing everything in our power to prevent this and I sincerely believe that the positive things which are happening and which will happen, will help to restore equanimity.

If one really analyses the figures, you find that, yes, what you said about unrest does pertain in certain limited areas. However, the vast majority of schools in all education departments are running smoothly. We have normal attendance figures and things are going well in most areas.

If there is a distorted picture about what is happening, isn't this because the Press and other interested parties are largely forbidden to enter certain areas under the State of Emergency regulations?

You need that type of regulation because

many people, acting under different guises, are involved in causing unrest. Then too, Press and other media reporting, wittingly or unwittingly, has been found to contribute towards prolonging the unrest situation. Obviously we would like everything to be restored to normality as soon as possible, but I don't think that the wrong perceptions are due to a lack of reporting. I think the wrong perceptions are due inter alia, to reporting before the emergency situation. The impression was created that because there was trouble in, say, 10 to 20 or 30 schools, the same pattern was developing at all schools. That is just not true. The overwhelming majority of schools in all departments – also in the black education department where unrest is obviously the most serious – are operating satisfactorily and education is, generally speaking, going ahead on a normal basis.

Has the State of Emergency in fact had the effect of calming things down at the schools?

In general, yes, with some exceptions. As has happened in all other fields of the unrest situation, the State of Emergency has also had a beneficial effect on what is happening in education. However, I must emphasise that we are making progress in the provision of equal education. We have now accepted legislation in Parliament to establish a certification board to ensure that there will be one certificate issued by one certification board for all school-leavers. We have accepted the same principle for technikons. In other words, we are making headway with equal provision. In future anybody offering a particular certificate – let's say a matriculation certificate – will know that this certificate is equal in value to any other certificate of any other pupil having matriculated in any other department, and a prospective employer will know that this certificate represents an evaluated standard which is equal to one standard attained in all education departments.

A number of white schools have voted to be open to all races, although regulations prohibit mixed government schools. Is this policy being reviewed?

Firstly, our policy with regard to own education – in other words, provision of education on a population group basis – is firmly based on educational principles. It is not for political convenience that we adopt this approach. The proof of that lies in the

fact that we also provide white children with education on the basis of the recognition of the multi-cultural character of the whites in South Africa. There are Afrikaans schools and there are English schools and in certain provinces, like Transvaal, an Afrikaans child won't be admitted to an English medium school unless you can prove the child is more proficient in English than in Afrikaans. The opposite is also true: We believe that it is best for a child to go to a school which is an extension of his environment, his family life, his cultural life.

As long as the National Party has a say, we will favour and stand by the basic approach of own education in government schools. But, and that is the second point, we have adopted a new policy. We realised that there are exceptions where special circumstances are present and, secondly, we realised that some people feel very strongly about the

issue. Consequently we have adopted a positive approach towards the subsidisation of private schools. The new subsidy formula basically boils down to the fact that we subsidise a private school with the same amount per pupil

that we directly expend per pupil in government schools.

Thus, there is an alternative for people who feel strongly about integrated education. And if entrepreneurs, if any members of our community, feel very strongly about doing something in that regard, they can channel their energies, their funds, their support to make this alternative available. Admission to such schools is furthermore not based on a permit any longer. A large degree of autonomy is afforded to private schools with regard to their admission policy. I think the white community is fairly divided on this question and on such matters as mixed English-Afrikaans, or parallel-medium schools. But nevertheless, there still exists a wonderful spirit of co-operation among English and Afrikaans speaking whites, notwithstanding cultural differences. We are one of the few countries in the world where bilingualism is a success, where both cultural groups regard their knowledge of the other language as an asset and where we have moved away from hatred, from the one group looking down upon the other. And notwithstanding the white education system in which English and Afrikaans speaking pupils generally go to different schools, I think that the white communities are co-operating admirably. I'm

all in favour of interaction between youngsters. They need to get to know each other, and it applies across the board.

Does the same apply to black and white children?

Yes, but the interaction needn't be in the same classroom or on the same school bench where you are being taught maths and science and geography.

So how must children interact if not in classrooms?

You meet in certain youth organisations, extra-mural sport, and so on. I think that interaction can and must be expanded. But, in the final analysis, education is there to educate the child, and not to attain political goals. If one starts misusing education for ulterior motives, however commendable the ulterior motives may be, then it is the education of the child that suffers.

Hasn't the government been accused over so many years of doing that, of abusing the educational system, or misusing the educational system to entrench the ideology of separate development, or apartheid?

It is true that that accusation is made and that it is the argument that is being advanced against our present education system. But it is not true that it is government's motivation. I don't want to repeat myself, but what we are doing in education rests on sound educational principles.

The same philosophy is being applied elsewhere. I know that there are differences and the comparisons are odious. But still, if one looks at the system in Belgium one finds proof that in a bilingual country where there are only two groups, it was found necessary to divide management of schools. They also have the own affairs concept in which schools are divided and managed on a cultural basis, and it is a success.

So you believe implicitly that in terms of the new constitution, the concept of own affairs is working well?

It's working well, and finding its feet. In education it was easy to attain this in the sense that the constitution is fairly explicit, and we have had the benefit of the De Lange report and the government's white paper.

In certain other disciplines, the principles have been worked out, but work

still has to be done when you come to the nitty gritty of dividing functions between own affairs, and general affairs. This process is taking place with regard to municipal government, health services and a number of other areas which have been identified as own affairs. But basically, the own affairs concept is working well. One of the main reasons is that there is a proper balance built into the situation, a balance between what is an own affair and full autonomy with regard to that, and what is a general affair, coupled with co-ordinating functions.

A policy is emerging which ensures that there is cohesion and that you won't get one own affairs department running off in a direction which is totally counterproductive to a happy society and to good government.

The Assembly recently came to a virtual standstill when opposition parties protested that Parliament was becoming a farce because, for example, government refused to allow debate on unrest incidents in Soweto. As chairman of the Ministers' Council, what are your comments?

I think too much weight is being attached to what I would like to describe as an isolated incident in Parliament. There is general consensus that one of the advantages of the new tri-cameral system is the committee system. In our old Westminster system, the party with the majority could force through any legislation without the opposition party having much say. A Bill was put on the table, it was debated, it was voted through and apart from recording the objections and speeches, opposition parties didn't have a real opportunity to influence the final formulation of the Bill. Now everything is referred to a select committee and all parliamentarians feel they are really doing a worthwhile job in formulating legislation. Secondly, debate is still on a very high level. Things are going well and the incident you referred to is the result of what I would like to call growing-pains in the whole system.

With the new committee system it is extremely difficult to maintain a balance between the debating of Bills in Parliament and the production of Bills by standing committees. You don't really have any control on how long standing committees will sit on a Bill, with the result that the flow of Bills is sometimes interrupted. This is exactly what has happened now. There was also a problem, to a certain extent, with the input of Bills. All this resulted in our projection of the flow of Bills not materialising. But the fact that Parliament adjourned

sooner than it would have done, doesn't mean that Parliament comes to a standstill. The Bills which we would have preferred to finalise during this session will be discussed in the committees and will hopefully be ready for Parliament early in the next session.

I also want to say that it is incorrect to say that the government refused to debate the Soweto issue. The opposition wasn't satisfied with the time which the speaker was originally prepared to afford. Government subsequently agreed to a longer debate because it by then had the opportunity to investigate the incidents. Really, Parliament isn't in such a crisis as is alleged. On the contrary, it is playing a far more significant and meaningful role than it did under the old Westminster system.

If the tri-cameral Parliament has worked so well, what prevents government from, at the very least, introducing a fourth chamber for blacks?

Moderate black leaders have rejected a fourth chamber, among them Chief Buthelezi of KwaZulu. In any case, a fourth chamber doesn't make sense because it doesn't recognise the multi-cultural composition of the black community. Who do you include in the fourth chamber? We have already established legislative assemblies for each and every black nation in South Africa, and the TBVC states are now independent with their own parliaments. We have also decided to create legislatures and executives for blacks outside the self-governing territories, for example, in such metropolitan areas as Soweto. Some of these relate to a geographical basis, some to an ethnic basis. The result will be a number of own political

bases for identifiable black groups and communities.

Now, against that background, a fourth chamber in Parliament doesn't make sense. What we need to do now is to negotiate and that is why we don't

prepare blueprints and put detailed plans on the table as to how blacks can participate in the legislative process and how they can participate at executive level. That is an issue which is being investigated with great urgency and which is part and parcel of the negotiation process.

What is government going to do to attract blacks to its proposed National Statutory

Council? Even moderates, like NAF-COC's Sam Motsueinyane, are increasingly responding to the more radical elements in black society. It seems that as time goes by, it will be increasingly difficult to draw blacks into a meaningful negotiating forum.

There is some substance to your perception. On the other hand, when the National Statutory Council Bill was published, there was widespread positive reaction, so widespread that the Bill couldn't be put through during the recent session of Parliament. The responsible minister has said he must now negotiate the issues that have arisen. He is on record as saying that intensive discussions are taking place. In other words, there is a lively debate taking place. The State President has also indicated that the composition and future role of the council is the subject of discussion with other leaders. There is strong evidence – and in my position I know it to be true – that the perception that the council proposal is faltering is incorrect. Unfortunately – and I am not referring to any individual – there is too much public posturing about this. If one analyses the proposed council, it is really what everybody asks for.

It offers the opportunity for structured negotiation about the constitutional future of South Africa and the opportunity to become part of the decision making process. Anybody approaching this in a negative way must bear the responsibility for letting an opportunity pass by.

People like Motsueinyane are saying they are tired of advising government on how blacks should be governed. They want a direct say in government. Can that advisory role in the National Statutory Council be converted into involvement in direct decision-making at the highest levels?

One of the objectives of the council is to negotiate how direct participation should be attained. There must be acceptance of our bone fides when we say we accept power sharing. We are now at a stage where that is no longer in question but I get the impression that not everybody believes us when we say we have accepted power sharing. What is now on the agenda is: How do we do it? We sincerely believe it must be done in a way which will prevent a power struggle and which will not put any particular group in a position to dominate another.

At the same time, people must realise there is a concerted effort in many quarters to ensure that the national council will not succeed. All responsible South Africans must

take note of this and must realise that they must make a choice on this. The national council, I think, offers a real opportunity to establish a negotiated system. Rejection of that opportunity, I think, plays into the hands of those who want to prevent peaceful solutions in South Africa.

Another perception is that government is in fact run by a small, tight group of people – a very limited number of ministers and a couple of very high-level officials. The perception is that they operate in much the same way as the Stuart kings, with a kind of inner cabinet, a sort of cabal. Is that a correct perception?

I really think it is a wrong perception. That sort of situation typically develops, for instance, under the Westminster system. But if you implement, as we are now doing, the principle of devolution of power, that in itself divides power. It creates new power bases where decisions are taken. The own affairs concept is also a form of division of power. It brings into being checks and balances. We are moving towards more checks and balances and less centralisation of decision-making and the more we succeed in doing so, the less true that perception will be.

The perception is that the type of cabal to which people refer enables the State President to implement anything he chooses and that the kind of devolutionary government you are describing is simply a matter of divide and rule.

Obviously, the State President has a lot of power. Mrs Thatcher has a lot of power. In most modern and developed states, the head of state is in an extremely powerful position. But style is also important and as a senior cabinet minister who has served in cabinet now for some eight years, I can testify that the style of the State President is highly democratic. He is a team man in the real sense of the word and he is not a dictator in any sense. His style, therefore, is another argument against that perception. What is more, the State President is going to great lengths to draw into the decision-making process energy and talent from outside government ranks. It is he who initiated the recomposition, for instance, of the economic advisory council with a private sector chairman. So I really think it is the wrong perception. We are trying to broaden democracy in various ways and we are honest when we say that.

As leader of the National Party in Transvaal, you have to deal, more than any other leader, with the reality of nationalist conservatism. Are you prepared to make concessions to Andries Treurnicht's Conservative Party in order to stay in power?

I think that any commentator who accuses the National Party of leaning over backwards, of trying to be as conservative as the Conservative Party, is either uninformed or he is making that accusation maliciously. I think that our track record since the rift in the National Party, since the formation of the Conservative Party is one of taking our people into our confidence, of fearlessly adapting our policies.

The acceptance by the National Party of the concept of power sharing, and the honest, open way in which this has been stated and re-stated, is clear proof that we have set our own course and that we are not looking over our right shoulder. I also think that the threat from the right is not as strong as it is made out to be. I am not underestimating it but the National Party in the Transvaal has no intention at the next general election of losing to the Conservative Party.

We believe that our policies afford the only workable alternative being offered in South Africa. The Conservatives, and the Herstigte Nasionale Party, tend to ignore the reality of interdependence between the various population groups. They tend to underplay the need for interaction and they deny the need for joint decision-making. They are chasing a dream – that it is possible to totally separate from each other, in the political sense of the word, the various population groups in South Africa. We say no, that is not possible. On the other hand, the Progressive Party underplays or ignores the reality of diversity in South Africa. And they are, likewise, chasing a dream – that it is possible to build from this diversity one harmonious whole in one common federal system in which ethnicity won't be much of a factor.

On the one hand, there is the diversity which must be accommodated in any system which you evolve. Security must be given to each group, otherwise groups won't take the risk of co-operating in one system with regard to joint decision-making. On the other hand, there is the need for joint decision-making because of the interdependent nature of the total population. We must marry these factors and create a system which will accommodate the diversity but simultaneously make it possible for leaders

of all groups to work together on the basis of joint decision-making with regard to everything that binds us. It doesn't mean we are leaning towards the Conservative Party simply because we recognise the existence of groups and the need for group security.

It seems blacks, from the most moderate to the most radical, are determined to accept nothing less than full participation in government at the highest level. You have a National Statutory Council working on a solution to black participation, but could not such an ideal ultimately find expression through the formation of a government of national unity?

The term "government of national unity" is usually used to depict a temporary situation which you create when a country is in crisis. People say, let's put aside our differences and work against the common enemy and we will resume our normal constitutional process once we are over this hill. That is what a government of national unity, in my view, really means. However, that is not what our opponents want. They want us to abdicate, to lose our legitimacy as a government.

They, and maybe even some of our friends, want to reduce the government to just another party sitting around the confer-

ence table together with the ANC under the chairmanship of someone else. That I can never accept.

My objection to the suggestion of a government of national unity, apart from the fact that the government is exercising power control which makes it unnecessary, is that such a step will bring its legitimacy into question. I therefore say it is unnecessary and unwise. As to the other part of the question: if you analyse the proposed National Statutory Council, it does meet, on an interim basis the requirements for the creation of more meaningful participation by blacks in decision-making. Built into the council proposals are firm steps towards joint decision-making.

But the people who participate in the council have to be satisfied that their contribution will be regarded sincerely and that their participation will in fact lead to meaningful involvement in government.

How can they be satisfied or convinced until they participate? As I said earlier, lively discussions are taking place on the issue of black participation. I don't want to prejudice negotiations and I am sure the government will make its position known when the time is right.

/9274

CSO: 3400/167

PROFESSOR REVIEWS NATION'S SECURITY LEGISLATION

Cape Town LEADERSHIP in English Vol 5 86 No 4 pp 49, 50, 51, 52, 53, 55

[Article by Tony Mathews]

[Text]

When the State President proclaimed an emergency on July 21, 1985 and again on June 12, 1986, he declared, as he was required to do by the Public Safety Act, that in his opinion the ordinary law of the land was inadequate to contain the unrest then raging across the country.

The words "ordinary law" in the State President's declaration are certainly required to endure an unaccustomed and grossly distorted meaning. The semantic strain which he put upon this language becomes evident as soon as one reviews the laws which he described as "ordinary" and simultaneously "inadequate" for maintaining order.

They include six permanent detention laws of which two authorise indefinite detention of subjects, one for preventative and the other for interrogational purposes. Neither of these two detention provisions is subject to effective safeguards and both go far beyond what is permitted in Israel and Northern Ireland, two countries with comparable security problems.

This year, an amendment to the Internal Security Act introduced a seventh detention law which can be made operative by the State President at any time and which has been carefully drawn so as to avoid the limited restraints which the courts have recently put upon the exercise of some detention powers. If all these detention provisions are "ordinary" laws which government finds inadequate for maintaining security, the mind boggles at the thought of what the ruling party must regard as exceptional powers that will pass the strenuous test of "adequacy" for its security mission in South Africa.

Of course, detention powers are only part of the story and the catalogue of laws which have become so unremarkable as to merit the adjectives "ordinary" and "inadequate", includes the power to ban organisations with no effective right vested in the victims of such action to appeal to the ordinary courts for relief. At present, over 30 organisations are banned and these include the principal vehicles of African nationalism – the African

National Congress and the Pan Africanist Congress.

The banning power also extends to meetings and processions and in respect of these the Minister of Law and Order has untrammelled power to control the right of assembly in both public and private places. For some seven years now, open-air meetings other than sports gatherings have been illegal unless cleared by prior permission from the authorities.

In addition, specific meetings are regularly banned by magistrates who have more limited powers to curtail the right of assembly in their districts. So-called ordinary law therefore gives government the power to determine whether, and if so, when and where, its opponents may meet or process. There is also permanent power to ban individuals and such an order imposes a kind of civil death upon persons who are subjected to it.

A banned person is confined to a magisterial district (and may even be "house arrested" if the minister so determines), prohibited from attending a wide range of gatherings of two or more persons, silenced by a ban on the quotation of all his or her speeches or utterances and subjected to many other pains and penalties. Though banning has recently been eclipsed by the extensive use of detention laws, it could be revived at any moment in the discretion of the minister.

To the preceding list of these "normal" laws, we have to add some very broad security crimes such as subversion, sabotage, furthering the aims of communism (as conceived in South Africa) and intimidation. Finally there are extensive powers to ban or censor publications or films and these powers are used regularly to control the political debate in South Africa.

The *corpus* of regular law which our government believes to be inadequate constitutes a security system that would gladden the hearts of many a dictator or autocrat and bring a gleam of admiration into the eyes of such men as Machiavelli, Ghengis Khan or Mussolini if they could be here to observe it.

The legislation just reviewed constitutes the core of the South African security system but is surrounded and re-inforced by several fearsome provisions in the general legislation governing the police and defence forces of the country. Defence legislation, for example, permits the State President, without declaring a national emergency, to employ members of the Force in operations to counter internal disorder or terrorism, and while so employed, these members enjoy legal immunity for actions performed in good faith in the course of operations.

The State President also has the power to stay legal proceedings arising out of actions which he deems to have been performed in good faith in the course of anti-terrorist operations. A trial of several servicemen on a charge of murdering a civilian in Namibia was recently stopped by order issued under the authority of the State President.

In addition to their normal powers of entry, search and seizure, the security forces have a special power to enter premises in which they suspect a meeting that may endanger internal security is being held, in order to conduct search and seize operations there, as well as to take other actions deemed necessary. The laws which authorise official intrusions into private property (in many instances without the need for a search warrant) remove the security which people in free societies normally associate with hearth and home. The Earl of Chatham's statement of the position under English law, while somewhat romanticised, expresses the substance of the citizen's rights in that country:

"The poorest man may in his cottage bid defiance to all the forces of the Crown. It may be frail – its roof may shake – the wind may blow through it – the storm may enter – but the King of England cannot enter – all his forces dare not cross the threshold of the ruined tenement."

These moving words describe vividly what many South Africans have either lost or never enjoyed. The true reality in this country has become the security policeman's late night knock, the township raid or the tear-gas cannister. And it is this reality, including all the detentions and bannings, prosecutions and jailings, that is described with terrifying casualness as the "ordinary law of the land".

The objective of the 1985 and 1986 emergencies was to increase, to add to and extend the powers contained within permanent legislation. The emergency regulations promulgated in 1985 enlarged them considerably but it was in 1986 that the legal draftsman went entirely overboard and produced a set of emergency regulations which substituted for the notion that justice must be seen to be done, a system of justice that has to be seen to be believed.

The grotesque excesses of the 1986 regulations, and of the actions taken under them, together make up one

of the reasons for the new court activism of the present year – an activism which has startled even civil rights lawyers with the spectacle of detainees being released from detention and regulations being struck down as invalid. Without wishing to detract in any way from the significance of the involvement of the court in the law-and-order arena of society, it may be said that if the judiciary had been unwilling to intervene now, it would have condemned itself permanently to a spectator role in the search of justice in South Africa.

There must be a feeling, even among lawyers who have preferred to remain uninvolved as a kind of breed of legal Pontius Pilates, that the country now stands on the brink of the final descent into lawlessness and anarchy. The regulations which have brought us to that point require brief examination before their nature and impact can be fully assessed.

As on the two previous occasions, the 1986 emergency regulations include a provision empowering the authorities to detain without trial. While there were no permanent detention laws on the statute book when the 1960 emergency was proclaimed, at the time of the 1985 and 1986 emergencies six such laws were in existence. There are two main reasons for adding to the existing laws for detention.

The first is to authorise arrest and detention by any member of the security forces as opposed to the higher-ranking officials who are normally required to take the decision. The second is to free detention from all procedural checks and safeguards.

In fact, when the court held last year that emergency detainees were entitled to a hearing prior to extension of their detention by the minister, the regulations were immediately amended to remove this fundamental right. The purpose then is to authorise detention without trial *en masse* and without restraints or controls.

In the 1960 emergency, over 11 000 persons were detained; in the 1985 emergency the figure was about 8 500 and the current emergency has so far resulted in approximately 10 000 detentions. The intervention of the courts in the administration of emergency detention should not be over-estimated.

Prior to the short-lived decision declaring the detention regulations invalid in August 1986, they had been able to order releases only when the actions of the authorities blatantly proclaimed their impropriety, as in the case of a nun who was detained after protesting about a security force assault on a township dweller. The working of the detention provision has restricted releases by order of court to an insignificant minority. And even if the Appellate Division upholds the *Tsenoli* ruling in Natal and declares the detention regulations invalid, a simple amendment is all that will be needed to revive the power to detain.

A specially sinister feature of detention in the present emergency is that it is a crime to disclose the name and

identity of a detainee without permission unless the authorities have themselves made the disclosure. This may be termed detention "by cloud and by night", surely a mark of the police state.

All three emergencies have incorporated measures to exonerate the police from *bona fide* but illegal actions taken in the course of their emergency duties. While in democratic societies such indemnities are often granted by Parliament *at the end of the emergency*, in South Africa the authorities have been freed from legal accountability in advance. Indemnities are objectionable measures even when granted after the event. Dicey, the great 19th century constitutional lawyer, wrote as follows of such provisions:

"Of all the laws which a Legislature can pass, an Act of Indemnity is the most likely to produce injustice. It is on the face of it a legalisation of legality: the hope of it encourages acts of vigour, but it also encourages violations of the law and of humanity. The tale of Flogging Fitzgerald in Ireland or the history of Governor Eyre in Jamaica, is sufficient to remind us of the deeds of lawlessness and cruelty which in a period of civil conflict may be inspired by recklessness or passion, and may be pardoned by the retrospective sympathy or partisanship of a terror-stricken or vindictive legislature."

The security forces in South Africa do not have to await legislation from a "terror-stricken or vindictive legislature". Parliament has encouraged them at the outset to take the actions they believe to be necessary and proffered the legal protection which in other societies *might* be granted after the event. This licence for official lawlessness has no place in a state that values the rule of law, humanity or democratic government.

The removal of legal accountability by the indemnity regulations has been accompanied in the 1986 emergency by measures which seek to free the security forces from public accountability as well. The regulations in question prohibit the making or use without permission of films and similar visual material, or of sound recordings, of unrest happenings or security force action to counter them; authorise the Minister of Law and Order to seize newspapers if he believes that they contain subversive material; authorise the same minister to ban publications and newspapers believed to contain subversive statements; and authorise the Commissioner of Police to make orders for, among other things, the control or prohibition of news or comment about security force actions or conduct.

In terms of this last measure, the commissioner has issued an order prohibiting newspapers from reporting on the activities of the security forces. The combined effect of all these provisions has been the abrupt termination of the right of the Press and the public to give and receive independent information about the emergency

and other law-and-order matters. Two newspapers, *The Weekly Mail* and the *Sowetan*, have already been the subjects of seizure orders and similar action against others could follow.

In fact, the regulations empower the minister to close down the entire Press in South Africa if he chooses to do so. The Press, so long cribbed and confined to enjoy freedom in any meaningful sense has now for the first time ceased to enjoy freedom in any meaningful sense. Most of the censorship regulations have been the subject of a legal challenge brought by several newspapers but they are still being enforced pending a judgment by the Natal court.

Yet another regulation authorises low-ranking members of the force to order persons to leave a particular place or to desist from specified conduct and, if such persons do not immediately obey, to use such force as the officer in question *believes* to be necessary to disperse those present or to terminate the prohibited conduct. Under regular law, a police officer who disperses a gathering must moderate the use of force according to the needs of the occasion and may only use lethal weapons in the special circumstances specified by the law.

Emergency law, on the other hand, provides no objective standard for the use of force since this will be determined by the opinion of the officer on the spot; and it provides no restraints on the use of lethal weapons. The security forces also have extended power under the emergency to enter premises and to search and seize without legal warrants. This sweeps away the minimal security of private homes provided by the regular law of the land.

Finally, the regulations enacted for the 1986 emergency authorises the Commissioner of Police to make rules and orders on a wide range of topics including any matter which he considers necessary or expedient for the termination of the emergency. Orders have been issued *inter alia* to impose curfews, to restrict movement, to control the behaviour of school children and to prevent meetings and processions, including the meetings of specified organisations.

Considered on their face, the 1986 emergency regulations have in effect put the country under security force rule. They certainly go beyond what is permitted by martial law under which the actions of the authorities are restrained by the doctrine of necessity. It is well established, moreover, that the courts may pronounce upon the legality of the use of martial law powers when military action has ended.

The emergency regulations, in several instances, substitute subjective opinion for the objective test of necessity and exempt the security forces from court control in the performance of their emergency duties. The regulations, it is true, do not establish military tribunals to try emergency crimes, but this is hardly necessary considering the breadth and vagueness of

security-law crimes in South Africa. They also do not, as in the Israeli occupied territories, authorise the destruction of houses as a reprisal for terrorist offences (though this is frequently done in effect through vigilante action). In general, the distinction between South African emergency government and military rule is hardly significant.

However, the emergency regulations are not necessarily to be taken at face value. Some of them, such as aspects of the definition of a subversive statement, have been struck down by the courts. The detention regulation was declared invalid by a full bench of the Natal court and then immediately revived by a contrary full bench judgment of the same division. An urgent hearing before the Appellate Division is likely to resolve this conflict soon but, even if the decision goes against the State, a simple verbal change (the substitution of "and" for "or") will cure the difficulty.

In an action brought by the proprietors of several newspapers, the regulations imposing rigid censorship of the media have been attacked as *ultra vires* (beyond the powers of the State President) and it is strongly likely that some of these regulations will fall due to their sweeping and indiscriminate wording; but even if they do, narrower prohibitions on the Press can be envisaged which will effectively silence independent reporting on the emergency while passing the legal test for validity. The special emergency regulations introduced for black schools, which include the right to arbitrarily reject applications for registration and to make arbitrary placements of scholars in classes or standards, have also been questioned before the courts but at the time of writing judgment was still being awaited.

Whatever the outcome of court hearings now taking place on an unprecedented scale, it is clear that a battle is being fought to preserve the tattered remnants of the rule of law and the public accountability of the security forces. The stories that have filtered through the tight net of censorship suggest that the removal of legal and public accountability has encouraged a new wave of official lawlessness and that terrible deeds are being done in the name of law and order. If the battle is lost, lawless power will finally be enthroned in our country with dire consequences for the peaceful resolution of political and social conflict.

The security authorities in South Africa have a truly mindless belief in the effectiveness of crude repression. The evidence, however, is overwhelmingly against that belief. The first repressive security measure introduced by the present government was the Suppression of Communism Act of 1950. In the year of its introduction, the political troubles consisted of a one-day strike and a protest meeting against apartheid laws. In the next three and half decades, security laws multiplied and became increasingly harsh until finally the security forces were equipped with the full armoury of the police state. With what results?

In the last few years there have been over 2 000 unrest deaths as well as enormous property destruction and massive and incalculable social damage to society. In 1986, with all our detention laws, bannings, shootings and beatings, we are infinitely worse off than we were in 1950 when government launched the country on the road to the coercive control of the then largely latent forces of black nationalism. From the vantage point of 1986, the Fifties were a paradise of peace and tranquillity and the years ahead look to becoming a battleground of ever-increasing strife, casualties and destruction. The repressive machinery of the Nationalist State has certainly not led us towards, nor will it lead us to, a stable social system or a life of peace and tranquillity.

The reasons for the failure of the security system are not hard to find. The laws which constitute it are a substitute for, rather than an aid to, reform through political bargaining and accommodation. These laws are in fact ranged behind the policies of apartheid and white privilege and they are used against all effective opponents of racial segregation and white control, whether or not their opposition is of a subversive nature.

The current emergency has confronted South Africans once again with the familiar round-up of those who are working peacefully against, or exposing the ugliness of, the present system. The detention net has been thrown wide and has brought in clergymen, journalists, social workers, trade unionists and teachers. Many of these hapless victims of "law and order", perhaps most of them, are engaged in peaceful activities to alleviate, expose or change apartheid. A security system that is so indiscriminate, that is ranged against the *political* interests of the majority of the population and that is so manifestly without a moral basis, is bound to make more enemies than it can eliminate and so arouse the bitter hatred of the greater part of the population.

No security system, the MacDonald Commission recently declared in Canada, can be effective without the broad confidence and trust of the people. Both in its design and the methods of its application, the South African security programme is fated to alienate that confidence and trust. The lawless behaviour of the security forces, as exemplified by the confirmation in the Cape Supreme Court of the interdict granted against them over involvement in vigilante burnings and killings in the Cape squatter camps, is fuelling deep hatred and resentment towards the law and its agents among the black people of South Africa.

The present emergency regulations may temporarily bring unrest under control but the methods being used are likely to ensure that each time it flares up anew, the crisis will be more severe. This has certainly been the pattern of the last 30 years and there are no signs of an impending change. Considered in this light, the struggle between those who wish to extend security power and official lawlessness and those who wish to contain it will soon determine whether brute force or the reason of the law will finally triumph.

One of the most important arenas of that struggle is the courts and their response to it will have an important bearing on the outcome. As the result of long neglect in the old Rhodesia, the reason of the law has finally been vanquished in Zimbabwe where just recently the government blatantly flouted five consecutive court orders for the release of a number of detainees. Its extinction has been signalled too by the Mugabe government announcement that it will not feel obliged to honour judgments against the security forces.

This is the destination towards which we are being led by the security policies of the ruling party in South Africa with no real prospect of eliminating on the way the terrible deeds of violence (such as car bombs or landmines) against innocent citizens of all races. The time to halt that process is now – tomorrow will be too late.

A security system that is so indiscriminate is bound to make more enemies than it can eliminate.

PROFESSOR BARRY DEAN ANALYZES NATION'S EXECUTIVE BRANCH

Cape Town LEADERSHIP in English Vol 5 86 No 4 pp 58, 59, 60, 62

[Article by Barry Dean]

[Text]

South Africa's executive has for some time possessed sufficient power to govern the Republic by administrative fiat – supporting the charge that a *de facto* constitutional dictatorship has emerged in this country.

Notwithstanding all the recent changes, however, the constitution still reflects democratic political values particularly in the white sector. The result is that the government is prepared to tolerate opposition – white, and to a very much more limited extent, black – at a level that most authoritarian governments would have abandoned a long time ago. It is these political values in the constitution – part and parcel of the Westminster system – which have become ingrained in Afrikaner political thinking and practice that have tempered the way in which power is being exercised in this country. This is what has prevented South Africa, until now, from sliding into absolute totalitarian or authoritarian government.

The Afrikaner largely achieved power by democratic and constitutional means and that experience influenced the way in which he has exercised power. Afrikaners themselves are constantly pointing out the paradox: if Afrikaners achieved power through the ballot box, why are they denying black people the opportunity of doing the same?

The move away from the Westminster model in the 1983 constitution has made it much more difficult to maintain these values. That was a move towards constitutional dictatorship . . . in a very subtle way. Discussion of those changes normally focuses on institutional changes – the tri-cameral legislature, the President's Council and the executive presidency. But the move away from Westminster is important in a much more fundamental sense – in the sense that it marked a movement away from the political values – the democratic values of the Westminster system.

The claim that the 1983 constitution has created a constitutional dictatorship can be based on the following four propositions:

□ The 1983 Republic of South Africa Constitution Act is built on a constitutional system which already vested vast powers in the executive arm of government. These powers are so wide that apart from the need to seek parliamentary authority to spend money annually they would permit the executive to conduct government largely without the co-operation of parliament.

The government can, for example, control commerce and industry, imports and exports, exchange control and the production and distribution of essential products. There are a series of acts of parliament which give government extensive powers to implement its economic policies without further parliamentary co-operation. When there was an oil crisis, government used the Petroleum Products Procurement Act to take substantial control of the petroleum industry. In terms of the Procurement of National Resources Act, war-time powers have been given to government to regulate economic activity or undertake such activity itself. And if government were prepared to act illegally in one respect only, viz, financial appropriation, it could run the country without recalling parliament at all.

□ Experience under the new constitution has shown that if the executive cannot obtain the free flow of legislation which it wants from parliament, it will resort to extra-parliamentary powers to govern the country. The growing use of the "royal prerogative" (common law powers which formed part of the law of South Africa when a monarchy, and which are now vested in the State President) and emergency powers under the Public Safety Act of 1953, are examples of this trend.

From a constitutional lawyer's point of view this is very interesting because it mirrors developments in

England in the 17th century where exactly the same tendency occurred. In the 17th century the Stuart kings made strenuous and ultimately unsuccessful attempts to rule without parliament.

An example of the side-lining of parliament is a situation tracked down by a UCT colleague in which the SA government tried to come to an accommodation with the Ciskei government to run part of the country in terms of a secret agreement. Strictly speaking such arrangements required parliamentary sanction. The circumstances surrounding the *Mgwali Raid* meant that the government attempted to circumvent parliament completely and run part of the country by proxy in terms of "international agreements". To do this, government had to argue on the basis of the ancient common law powers, the prerogative powers, of the crown – powers which date from the period before parliament became an essential organ of government and which today normally play little part in constitutional government. The prerogative is thus becoming one of the really important features of the new constitution because it is a way of dealing with situations outside parliament.

These powers were always "lying around" in the background to be retrieved when necessary. Similarly when government was trying to "normalise" sport, it issued a series of directives which effectively suspended the Group Areas Act in relation to sport activities in black townships. Whites could enter the townships to attend fixtures and their tickets would constitute a permit in terms of the Act. It was the equivalent of a power which was used by the Stuart kings – the power to suspend laws. James II used that power to protect his fellow Catholics. Its use was declared illegal by the English Bill of Rights. What we have is a situation in which government is literally stripping the constitution of the 18th century, and particularly the 19th century developments which democratised Britain and subjected government to the rule of law.

Because our constitution, like the English constitution, is evolutionary in character, if you strip away the later developments there in the central core is essentially the 17th century authoritarian government – providing government with powers which were used by 17th century kings.

□ The 1983 RSA Constitution Act has built on this system by giving the State President greater security of tenure and powers to manipulate the legislative process in a way which enables him to secure the legislation which he wants largely when he really wants it. The recent Public Safety and Internal Security Amending Acts are examples.

The State President now enjoys greater security of tenure *vis-a-vis* parliament than prime ministers under the 1961 constitution. The President can continue to govern without the support of the majority in parliament. Indeed, this will usually be the case. As the Rev

Alan Hendrikse recently pointed out, the Public Safety and Internal Security Amendment Acts were enacted against the wishes of the majority of the members of parliament. The president can in theory even continue to govern without the support of the majority in the white House of Assembly although this is unlikely to occur in practice because ultimately he must face indirect re-election by the white electorate. Between elections the President can be removed from office or be obliged to resign only if all three Houses agree.

Even the need to face re-election every five years has been attenuated by the extension of the life of the white House of Assembly.

□ The 1983 RSA Constitution Act does allow for participation by persons classified as "coloured" and "Indian" in the decision-making processes of central government but does so in a manner which ensures the continuance of white supremacy.

It does this by ensuring that there is no way in which popular support for "coloured" and "Indian" politicians can be translated into political power because the majority in the white House of Assembly ultimately controls the election and removal of the State President.

It ensures that in the event of determined opposition from coloureds and Indians within the parliamentary system, the whole system can revert to the 1961 constitution operated by the white House of Assembly by means of a series of "fail safe" provisions. There is no institutional basis on which the "coloured" and "Indian" parliamentarians can prevent or significantly delay legislation which government seeks – the recent emergency legislation and the use of the President's Council is again an example. Government will attempt to compromise but in the last resort will impose its will.

It ensures that the division between own and general affairs is a political matter decided by the State President subject to ultimate responsibility for his decisions to the majority in the white House of Assembly and electorate. It is the whites' perception of "own" affairs which is decisive.

The informal arrangements for the conduct of cabinet government in which the State Security Council appears to be emerging in practice as the central decision-making body in the executive arm of government are further evidence of this situation. In much the same way that Charles II used a "cabal" or "inner cabinet" to make important decisions, the present government has used the State Security Council. This ensures the retention of real policy-making power in the hands of an "inner" white cabinet.

Notwithstanding government protestation, it seems that the State Security Council is a major, if not decisive, influence on basic policy. Because the Cabinet has become a multi-racial body, it can no longer function as a central, effective, white decision-making body. While it may be true to say in formal terms, and the government

has certainly argued this, that the State Security Council is simply an advisory body, a committee of the cabinet, the operation of cabinet government is so fluid, so flexible, that it can result in a subsidiary committee taking basic policy decisions. And because of that committee's membership, those policy decisions are almost certainly going to be formally endorsed by the full cabinet.

And the consequences of this situation are twofold:

□ The parliamentary system established by the 1983 RSA Constitution Act cannot operate as the vehicle for fundamental change in South Africa. Such change will come about through extra-parliamentary action by both the authorities and their opponents.

This is the real significance of what has virtually amounted to a widespread popular uprising against government over the last 18 months in particular. Within this context the role of the military and police authorities is particularly significant. Their growing power is evidence of the creeping bureaucratisation of the South African constitution. This is evident at the highest level of government where the Cabinet's effective power is being wielded by a smaller group within that body, the State Security Council, which is not only white but includes senior civil servants who are undoubtedly major power-brokers in this country.

Their power reflects another problem in South Africa and a problem which the constitution faces: that is 38 years of uninterrupted rule by one political party. The Westminster system depends on competing parties that are likely to become governments. The whole system is distorted when one party remains in power for more than 30 years. We live in a *de facto* one-party State. One of the consequences of that fact is that it is very difficult for the civil service to maintain its tradition of neutrality. There is evidence which suggests that government policy is often determined by civil servants and not by Cabinet ministers.

This must inevitably lead to a shift in power away from the political to the administrative structures and that, again, is reflected in the State Security Council. The composition of that council reinforces the arguments about the extent of military influence on government. You have the State President who is a former Minister of Defence, the Minister of Defence is a former Chief of the Defence Force and the Chief of the Defence Force is there too. They all sit on that body. The proclamation of the State of Emergency is formal recognition of the policy-making function of the police. It is they who now decide policy in much of the country.

But the problem is much broader than this. When the *Komani* and *Rikhotso* decisions significantly improved the position of urban blacks, there was evidence that officials in the Department of Cooperation and Development were not implementing government decisions. The difficulty in getting legislation through to change influx control laws has been attributed partly to resis-

tance within the department. There are a number of reasons for this situation: one is simply bureaucratic inertia and the other is, even more critically, the fact that the abolition of influx control presents a threat to the jobs and workstyle of a large number of civil servants. If you have been administering influx control laws all your life, what do you do if they really go? Naturally you are going to fight tooth and nail to maintain them!

This means that the administration has become a major stumbling block to any reform process in South Africa. When you have been administering a system that has been moving in one direction for more than 30 years, it is very difficult for you to change. The administrators are a group with the greatest vested interest in the present system. One wonders how far this is linked with such overt political activity in the Herstigte Nasionale Party, Conservative Party and Afrikaner Weerstandsbeweging.

No effective constitutional mechanisms are available to deal with this problem. At the top level, the doctrine of cabinet responsibility has been considerably weakened by 30-odd years of *de facto* one-party rule. Our constitution does not provide any effective means of controlling the public service itself. To put it bluntly, the new constitution is a framework for administering the country and not reconciling conflicting political interests. Fundamental change will always take place outside parliament, not in it.

□ The 1983 RSA Constitution Act also reflects this tendency towards bureaucratisation in a number of ways.

The political power of coloured and Indian politicians within the system is not democratic but bureaucratic in character flowing from their position within the administrative system and the support which they enjoy from their white "superiors". The relationship is illustrated by the way in which cabinet government has been conducted under the new constitution.

Parliament's functions and value have become increasingly bureaucratic. It is useful to extract information, to get to the "man at the top" when all else fails and to make technical amendments to legislation. When it attempts to take political action, as with the recent emergency legislation, it is slapped down.

The changes in the system of provincial government which deprive it of its democratic character and convert it into a bureaucratic system – involving the devolution of power but subject to tight control from the centre – are part of this process. And the creation of regional services councils represents a similar development at local government level.

The bureaucratisation of the constitution in turn has at least four important implications:

□ It highlights the importance of the loyalty of the police, the military and the civil administration which has come under question in recent times;

□ It poses dangers for the free enterprise system to the values of which bureaucratic values are antipathetic; and

□ It raises important and difficult questions about the role of the judiciary because it represents a significant shift away from government in terms of democratic principles and the rule of law to government by administrative fiat.

The most dramatic example is, of course, the current State of Emergency, but the proposed legislation dealing with economic deregulation would be another. In a sense the judiciary encapsulates some of the most basic values of the Westminster system of government such as government by and under law, fairness, and rationality. The new constitution and the current political situation present the judges with a major challenge. Do they simply absolve themselves of all responsibility or do they play a positive role in formulating a democratic "reformist" base on which all of us can build?

If the constitution gets into serious trouble, the courts would, I think, be faced with a fundamental choice. They would have to decide whether to go with the State President by asserting the sovereignty of parliament, or to protect the rights of "coloureds" and "Indians" by adapting old concepts to give them greater political power within the system.

At another level the tendency to avoid parliament and to rule by administrative fiat has posed the courts with a challenge which threatens the whole basis for their authority. Over the last 18 months there have been a truly remarkable series of decisions dealing principally with security legislation in which courts have adopted an assertive attitude which a few years ago – or even two or three years ago – would have been unthinkable. One can only speculate on the reasons for this development.

One of the most striking reasons is certainly the emergence of public interest law firms. The other is, perhaps, the fundamental and growing concern (on the part of at least some judges) that the powers being assumed by government to deal with what is euphemistically called the "unrest" situation have gone so far and on for so long that they are striking at the very founda-

tions of the legal system and the administration of justice in the country. In other words, some judges are seeing the system which they administer, on which they depend for their legitimacy, as under immediate and direct threat.

There comes a stage when the ability of the executive authority to handle the situation effectively can be called into question. And right now there are indications that the courts are tending to say that their job is to protect the legal system. They might, if pushed, say that they are no longer there to protect government (which is largely what they have done in the past) but must protect the legal system.

In that situation the courts would also say that one of the ways in which they can deal with the State of Emergency is to attempt to do justice . . . because there must be grievances underlying the disruption. If the judiciary could meet those grievances, it might be their major contribution towards dealing with the emergency. In this case it would be more important for the judiciary to try to do justice than to give unqualified support to the forces of law and order.

It might well be that the courts are signalling here, in their own peculiar fashion, a concern that most South Africans would have expressed over the last few years: is government fully in control? Should we fully support the executive in what it is doing or should we mark out a more independent line for ourselves?

In representing a fundamental shift away from democratic government it may foreshadow the form of government which is likely to emerge in the medium and long term under black majority rule in South Africa.

If such a government is likely to be based on a socialist model of the Soviet or east European variety, it too is likely to be bureaucratic in character operating behind a democratic facade. We may be witnessing an organic adaptation of our system of government to make it suitable for a future ("democratic") South Africa.

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RELEASED DETAINEES DESCRIBE EXPERIENCE IN PRISON

First Hand Accounts

MB111005 Johannesburg THE WEEKLY MAIL in English 9-16 Oct 86 p 12

["The View from Behind Bars; Two First-Hand Accounts of What Really Happens to Emergency Prisoners, as Told to Jo-Ann Bekker by Recently Released Detainees Eric Linda and Mike Loewe"]

[Excerpts] Eric Linda and a friend were stopped at a roadblock outside Port Elizabeth's New Brighton township on June 13, the Emergency's second day.

Linda was never told why he was arrested and held for 20 days at the huge Algoa Park police station on the road to Uitenhage, nor why his detention order was renewed and he was transferred to St Albans prison for a further 75 days.

He said the police seemed most interested in recruiting him. "During my interrogation sessions, the security police offered me a starting salary of R500 to bring them information. I was also asked to set up an interview with an activist they wanted, so they could catch him. I told them I wasn't interested, there was too high a risk involved. They said they had many activists working for them."

At Algoa Park, Linda said, detainees' staple diet was sweet black coffee and bread. Occasionally they received samp and beans. His bedding consisted of two thin mats to sleep on and three blankets. "It was terribly cold," Linda said. "No sun shone into the cell and I developed a bad cough."

At St Albans prison, about four kilometres from North End jail where Loewe was imprisoned, Linda said he was held with 37 detainees of all ages in a cell built for 26 people. "Our sleeping mats were riddled with bed-bugs and fleas," he said, "and our diets consisted of bread, which was usually stale, cold porridge and coffee."

Linda said the detainees elected representatives to convey their grievances to the prison authorities. "We asked for those under 16 to be released, for better food and for an end to degrading strip-searches of detainees." Linda said the representations had little effect initially.

"Things came to a head one day, I think it was the first Saturday in August. A skirmish broke out between detainees and the prison officials. It began because we were only given cold samp for lunch that day.

Linda said the prison warders brought in Alsatian dogs. "But by that time most detainees had decided to sit down in protest. The warders, using the dogs, herded most in the courtyard into single isolation cells."

He said a prison task force later strip-searched all in the cells, even those who had watched the tussle from windows. Then the officials removed the detainees' representatives from the cells.

The following day, Linda said, a new section of the prison, which received no sun, was opened up. He said the officials had placed those they called troublemakers in the new section, although when challenged, the prison authorities said they had opened the new section because of overcrowding.

"I was also put in the new section," Linda said. "After three weeks, when the quality of food had still not improved and the warders were continuing their hostile behaviour, my section began a hunger strike on September 3. The authorities made us sign a form headed 'Notice: Dangers of Hunger Strikes.'"

We only saw a doctor on the fifth day. He was surprised and angry about seeing us only five days after we had begun refusing food.

"People began to collapse very often after this. Some were taken to hospital and a few were then released. Inside the cell we stopped everything, even laughing.. We sat there like mummies. By day 10 there were only 14 of us left still on the strike, but we managed to comfort each other and were strong."

Linda said they called off the strike when the authorities agreed to put them back in the old section with the other detainees, and to add eggs, cheese and milk to their diet.

"I lost seven to eight pounds during the fast," Linda said. "I still suffer from headaches and sleeping on thin mattresses for so long has given me backache."

Linda who with his brother supports his family of eight, has returned to freelance journalism.

Mike Loewe was listening to a lawyer explain the rights of the individual under the three-day-old emergency regulations when security police marched into the suburban church housing a meeting called by the Black Sash, Progressive Federal Party and End Conscription Campaign to discuss the emergency.

Apartheid is still deeply ingrained in the prison system, according to Loewe. During processing, whites were grouped against one wall, blacks against another. Loewe and Linda caught a glimpse of each other from their respective rows; it was the only time their paths would cross for three months.

Loewe was taken to North End prison, an old and drab grey building, and spent his first night in detention in solitary confinement. It was to be the first of many.

The following day, a botanist and a conscientious objector who had been arrested with him were brought to share his cell. But three nights later he was placed in an isolation cell. "It was known as the bomb, because people 'bombed out' (were placed under severe stress) there. It was just big enough to contain two thin mats which served as a bed, and a tin for a toilet."

After three days he was fetched by the security police, who said they wanted him to write an eight-page autobiographical statement. "I said I had nothing to hide but I wanted time to think about it and asked to be put back with my friends. This was granted," Loewe said. "But at the end of the next week the police returned and the prison authorities had told them I had written nothing. One policeman became very angry and warned me I would stay in jail 'until you rot'.

"Two weeks later, it was early in July, prison officials told me to 'kry jou goed' (pack my stuff) and two security policeman took me to Louis le Grange Square, Port Elizabeth's newly-built police headquarters.

"I was locked in a brick cell which was painted orange. A bare light bulb burned 24 hours a day. It was too dim to read by but bright enough to make it difficult to go to sleep. I was allowed only infrequent showers. No outside exercise as the door leading on to an adjacent courtyard remained locked. The mattress was damp and the blankets were hairy."

"Most of the time I was given 'black food' which was samp and gravy with an occasional postage stamp-sized piece of tripe. An example of 'white food' would be crumbed chicken, rice and three types of vegetables."

"But it was the prisoners' singing which kept me alive," Loewe added. "They sang about suffering, about war and about freedom. They also did military exercises all the time. The police took to telling me they'd received reports from the townships that the 'emergency was working', but the moment they left the militant youths would begin singing and marching again.)"

After more than two weeks in solitary confinement, Loewe said he felt the police would keep him there forever. "I thought of three ways to get out: I thought firstly of suicide because they suggested it to me quite frequently; I thought of injuring myself seriously, and I thought of going on a hunger strike."

He chose the third option. After steadily cutting down on his consumption, he began refusing all meals.

At the end of the third day he suffered a severe asthma attack. Although he banged a shoe against the cell door to alert the police, he received his pills only late that night.

The next day a concerned district surgeon who had tried to dissuade him from embarking on the fast examined him and rushed him to hospital. He was discharged after 10 days and after a last night in isolation, was placed in a cell with four white detainees from Grahamstown and Port Elizabeth.

Throughout his detention, Loewe said, he repeatedly complained to prison officials, the police and district surgeons about the conditions in prison and the police cell in which he was held. He was never visited by a judge.

During his 83 days in detention, Loewe's freelance news agency came to a standstill. Now a restriction order banning him from disseminating news or contributing to publications means he cannot return to his profession. "No journalist should feel at ease when we can be silenced with such broad restrictions," he commented. He is contemplating legal action.

Police Issue Statement on Charges

MB111022 Johannesburg THE WEEKLY MAIL in English 9-16 Oct 86 p 12

[Text] The South African police public relations division in Pretoria gave the following response to the allegations of Port Elizabeth state of emergency detainees Eric Linda and Mike Loewe.

"We do not comment on the detention of individuals. Generally speaking, however, we would like to make the following comments:

"All persons detained in terms of the emergency regulations are given a balanced diet and sufficient blankets.

"Should a detainee require medical attention, this is arranged without delay.

"Talk of a police state in South Africa where the ratio is only 1.6 per 1,000 of the population is not worthy of comment.

"Those in police detention are visited by a variety of officials such as judges, magistrates and senior police officials, besides the normal visit every hour. There is, therefore, ample opportunity to complain about conditions, food, etc. If instead of lodging complaints with officials, ex-detainees choose to complain to the media, one can only come to the conclusion that the allegations are made solely for propaganda purposes.

"If any person is of the opinion that there is legal cause for complaint, affidavits can be made available to the police through any of a number of channels. The allegations will then be investigated."

Prison Services React

MB111025 Johannesburg THE WEEKLY MAIL in English 9-16 Oct 86 p 13

[Text] Asked to comment on the allegations made by Mike Loewe and Eric Linda about detention conditions, the chief liaison officer of SA Prisons Services said the following:

"The SA Prisons Service has repeatedly demonstrated its commitment to high standard physical treatment of all entrusted to its care.

"This is also the approach adhered to at the St Albans Prison. It is emphasized that medical treatment, general hygiene and nutrition have the highest possible priority.

"Sufficient cleaning materials and disinfectant are regularly provided. Bedding is washed, exposed to air and disinfected as often as necessary.

"As far as the quality of food is concerned, the diet scale has been compiled by dieticians and satisfies the minimum standards of the World Health Organization with regard to nutritional value. Apart from the prisons service's own measures in this regard, quantitative and qualitative control over the preparation and provision of food is exercised by the medical officers serving the different prisons.

"If it sometimes happens that the food is cold, it is due to the detainees failing to be ready at serving time.

"It is clear that the detainee's account of the so-called skirmish between members (of SA Prisons Service) and detainees is biased and also coloured by his own subjective experience of the situation.

"Discipline and order must, for obvious reasons, be maintained at all times, especially in the confined space of a prison. For the necessary perspective, it should also be pointed out that the detainees threw eating utensils at the members and that two members were also injured during an attack with sharpened objects. In order to restore order, two dogs and their handlers were brought in.

"The allegation that detainees were forced to eat is far-fetched and devoid of all truth. Detainees and prisoners are not forced to sign any forms/documents.

"Detainees or prisoners who refuse to eat, are provided with three meals per day, and are treated strictly in accordance with the internationally accepted guidelines pertaining to the handling of those persons as is set out in the Tokyo Declaration.

"All prisoners/detainees are daily given the opportunity to lodge their complaints/requests with the head of the prison. These complaints and/or requests are noted in a register and dealt with promptly, after which the outcome and steps taken are also recorded."

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CSO: 3400/195

DETAINEE TELLS OF SOLITARY CONFINEMENT, BEATINGS

MB130606 Johannesburg THE SUNDAY STAR in English 12 Oct 86 p 2

["My 108 Days of Hell: Detainee Tells Her Story and Alleges Police Brutality--by Jon Qwelane]

[Text] It's hell in there and they beat up people, including children as young as seven years old.

So says industrial sociologist Miss Sally Sealey, one of the longest-held detainees of the current State of Emergency, as she tries to adjust to life this side of the iron bars and the dark, cold and forbidding walls of prison.

Pretty, petite Miss Sealey (23) spent 108 days at the Leeuhof Prison near Sebokeng township in the Vaal, having been spirited away from her De Deur home to jail three days after the declaration of Emergency.

"I spent all that time in solitary confinement. They took me to the Vereeniging police station for questioning three days after my detention, and after that it was back to the prison cells for more solitary confinement. All in all I was interrogated on 12 separate occasions at Vereeniging Police Station.

"It was at the police station where I saw four little boys who could be six or seven years old--they were definitely under 10 years old--emerging from a room where they had been beaten by members of the security police," says Miss Sealey, an honours graduate in industrial sociology employed at the University of the Witwatersrand library.

She says: "I felt terrible at what I saw and heard. A white policeman said to me: 'You uncivilised bitch, I hope you are very proud of yourself. It is all your fault that these children are getting a hiding'."

She says she asked one of the black policemen in the station why the children were being beaten and he said it was only a "hiding" before they were sent back to their parents.

This was not the only incident which Miss Sealey witnessed at the police station.

On another occasion it was a black youth who was being beaten. I saw a black member of the security police punching him in the region of the kidneys, after a lengthy interrogation behind closed doors.

"The youth was taken into a room and interrogated at length. I heard the sounds of blows and groaning coming from the room. When the youth eventually emerged he fell down, clearly in great pain. While he was lying against the wall in the corridor, a black security policeman kicked him in his side and made him stand up," says Miss Sealey.

After six weeks of detention--"I was bored with exercises and staring into space"--a Security Branch policeman lent her some novels.

"But police kept refusing when I wanted to consult my lawyer. I was allowed to see her only three weeks before my release.

"Even the Government Gazette empowering them to detain you is supposed to be handed to you when you are being taken away, but in my case they gave me a copy shortly before I was let out," says Miss Sealey, who says she has not yet adjusted to life outside prison.

"But I am glad to be out of prison, though things are bad outside with the Emergency. I mean what has changed?"

At the time of her detention, her passport and identity documents were seized and on her release, she says, the police refused to hand them over but said she must collect them at a later date.

"I won't go back there for them. I will ask my lawyers to get the documents for me," she says, adding that she has not been cowed by her incarceration.

Miss Sealey is planning to take up the case of child detainees with groups and lawyers concerned with human rights and the welfare of detainees.

She says where she was held there were a number of girls under 16 years.

The SAP Directorate for Public Relations, commenting on the allegations of assault at the Vereeniging police station, says it is not the policy of the police to assault people or to condone any assault by any of its members.

"When people fail to submit affidavits (to the SAP) for investigation and instead choose to approach the media... it creates the suspicion that it is done for propaganda purposes."

But Miss Sealey says that after being detained for 108 days, in her particular circumstances, she has little confidence in the police and their willingness to properly investigate matters of this nature.

The Bureau for Information says it does not comment on cases such as the alleged assaults at the Vaal police station "as it is the prerogative of the Minister of Law and Order."

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CSO: 3400/195

HEUNIS SEEN AS NEXT STATE PRESIDENT

Cape Town THE WEEKEND ARGUS in English 4 Oct 86 p 12

[Commentary by John MacLennan]

[Text] **S**TATE President Jan Christiaan Heunis. Roll it around, savour the sound. His chances for succession to the country's top political job in the not too distant future have been enhanced dramatically.

By stepping down as Cape leader when he did not need to, Mr PW Botha has set the kingmakers to work, and he is seen by the party to have given Mr Heunis his personal blessing, and a chance to groom himself for the competition.

President Botha said he was giving up the job because of his excessive workload, and made it clear he had no intention of stepping down as national leader. But, it is widely speculated that he will do so after the voters' rolls have been brought up to date, and the next elections, possibly next year.

In taking over as Cape leader, Mr Heunis is also following the identical route to ultimate power taken by such venerated Afrikaner political greats as Dr DF Malan and Dr TE Donges.

The leadership stakes now involve only three other candidates: Mr FW de Klerk (Transvaal leader, and Minister of National Education), Mr Pik Botha (Minister of Foreign Affairs) and Dr Gerrit Viljoen (Minister of Education and Training).

Party sources concede Mr de Klerk has a real chance of becoming President, but say he faces enormous difficulties because the party is besieged in the Transvaal. This could give him a loser's image because it is his job to stem the right wing advance.

Mr Pik Botha is seen as a "magnificent" Foreign Minister, but a non-starter in the presidential race because he just does not have enough support. In any event, he failed in the previous tussle, and nothing has happened to improve his chances since then.

Dr Viljoen has a reputation as a formidable strategist and thinker, but he does not possess the dynamic charisma Afrikaners seek in political leaders. However, he could well emerge as a compromise President if there is a deadlock.

THE main reason why Mr Heunis — dubbed Minister for Everything by some of his colleagues — has a good chance of winning is that his present portfolio of Constitutional Development and Planning is tremendously important.

His department is now involved in attempting to create a new constitutional dispensation which will secure a fair and peaceful future for all South Africans. In this respect, he is thus, after President Botha, the single most important politician in the country.

The problem is that nobody understands Mr Heunis. Reporters wince when he stands up to make a speech because he delivers it at an impossibly fast rate, and

what he says raises more questions than the answers it provides.

He also uses wide and fine-sounding generalisations which leave people no wiser than they were before he stood up to speak. His supporters say this is only to be expected because nobody understands the new constitutional structures which are being created. He has to be vague because he is involved in a juggling act and cannot disclose what is going on, and — anyway — Minister Heunis is

making at least a good deal of it up as he goes along.

Mr Heunis clearly enjoys his new job of Cape Leader and would welcome the call to the presidency. At the party's Cape Congress, in East London this week, he was bonhomie itself, and he exuded the confidence that came from knowing he was a capable and popular choice.

You felt he believed he was the man for the job, and that his time had arrived.

/12828
CSO: 3400/206

CAPE TOWN'S TRAIN COACHES CONTINUE DESEGREGATION PROCESS

Cape Town CAPE TIMES in English 6 Oct 86 p 1

[Article by Peter Dennehy]

[Text]

ANOTHER 460 former "whites-only" carriages on the Cape Town suburban lines will be opened to all races this week.

This brings the total number of mixed coaches in the local system to 3 000. But 1 400 coaches still remain racially segregated.

The SATS regional manager, Mr Bertie Heckroodt, said yesterday that non-racial carriages had been increasingly accepted by Cape Town's white train commuters over the past year.

"All that we have done this week is to reduce the number of whites-only carriages from three to two on each of the 220 eight-carriage southern suburbs line trains a day, and from five to four on each of the 240 eleven-carriage Bellville lines trains a day," he said.

The change was the result of a pat-

tern that had been established over the year, Mr Heckroodt said.

"As time went on, more and more people sat in the non-racial section. The changeover took place more readily on the Simon's Town line, while the Bellville line pattern has remained fairly stable," he said.

Hundreds of train-apartheid signs will now be sent to the scrapyard, and "may end up on somebody's bonfire".

Those which remain would be screwed down because people sometimes turned around the "slip-out" boards, which had "whites only" on one side; the other side was painted brown, which indicated the carriage could be used by all races.

Whites-only coaches had been laid on because of specific requests, and Mr Hendrik Schoeman, the Minister of Transport, had said any other group could also request exclusive carriages. This had not happened, Mr Heckroodt said.

/12828

CSO: 3400/206

GOVERNMENT IMPOSES CLAMPDOWN ON EXPORT-IMPORT INFORMATION

Johannesburg THE CITIZEN in English 11 Oct 86 p 3

[Article by Brian Stuart]

[Text]

TO PROTECT South Africa's international trade, the government has imposed a clampdown on information about goods entering or leaving the country.

The decision not to disclose details of cross-border trade, exports or imports, has the full support of opposition parties in Parliament.

At this stage, there are no restrictions on the media reporting the arrival or departure of ships, aircraft or trains, an SA Transport Services spokesman told The Citizen yesterday.

The news clampdown merely meant that government departments, such as SATS, Finance and Trade Industry, would not disclose details of imports and exports.

In view of sanctions, it was not in the national interest to provide figures relating to South Africa's trade with other countries.

"At ministerial level we will not supply information about goods crossing

our borders or moving through our harbours.

"The same will apply to airways, and we will not disclose passenger and freight figures in future," said the spokesman.

Protect

Mr Harry Schwarz, MP for Yeoville and Progressive Federal Party spokesman on finance, said South Africa had to protect herself in the face of an economic war.

"If you have people seeking to impose sanctions and you are trying to overcome those sanctions, then you cannot supply information that will assist those waging an economic war against you," said Mr Schwarz.

"Our whole economic life is dependent on our international trade. About 60 percent of our Gross National Product is related to import and export.

"It is not surprising for the government to take action to protect this vital trade."

Consent

Mr Schwarz said in terms of existing legislation, information about South Africa's industrial activities could not be communicated abroad without the consent of the Minister of Trade and Industry. This could be used to protect information about trade.

Mr Kent Durr, Deputy

Minister of Trade and Industry, said the government should not overreact in imposing controls. But it was appropriate to withhold certain information because of legitimate requests from importers and exporters.

The Conservative Party and the New Republic Party also supported the move.

They said it was vital to protect South Africa's trade against boycotts and sanctions.

It was also necessary to protect those who supplied goods to South Africa or bought South African products in spite of sanctions.

"You cannot conduct an effective sanctions-busting business if you are going to disclose this sort of information," The Citizen was told.

The Minister of Agricultural Economics, Mr Greyling Wentzel, and the South African Agricultural Union, indicated earlier that information about the import and export of agricultural products would also not be disclosed in future. This is to protect South Africa's substantial sale of fruit overseas and this country's periodic purchase of wheat.

The same will apply to the Department of Environment Affairs and Tourism under Mr John Wiley.

BUSINESS FOR SECURITY COMPANIES BOOMING AS CRIME RATE SOARS

Port Elizabeth WEEKEND POST in English 4 Oct 86 p 3

[Article by Shirley Pressly]

[Text]

BUSINESS for security companies is booming as the crime rate soars.

Mr Ken Blignaut, of Superior Security Guards and Security Services, who has been in the security business for 25 years, said the past year had been his busiest.

Business had increased between 25% to 30%.

The number of security alarm calls to which he had responded had increased by 40%, indicating a similar increase in burglaries.

Mr Blignaut said security firms had mushroomed in the past few years.

His security control centre was manned around the clock. Alarms which sounded were first investigated by a patrol from his firm before the police were called.

The control room has direct lines to the Fire Department and to the radio room at Louis le Grange Square.

Sharp Security's Mr Peter Sharman, chairman of the Port Elizabeth branch of the SA National

Security Employers Association, ascribed the increased volume of business to the need for legal, professional security.

Rising unemployment was one of the reasons for the high crime rate.

His firm provided guards, dogs and electronic security systems

Some buildings were equipped with computerised instruments which dialled through every hour to the control inspectorate.

Mr Phil Halkier, of Alert Security Guards, said business was steady. He had not noticed a dramatic increase in burglaries and said they had not reached epidemic proportions.

Mr Bob O'Neill, a senior patrolman for Sekurit Electronics, said the increase in installation of house alarms ran at about 20%.

His employer, Mr Ken Victor, had noticed a new trend in burglaries while the township curfew was in operation.

Burglaries during the curfew took place between 5.30am and 7am, not between 10pm and 4am as had been the practice before

the state of emergency was declared.

Mr O'Neill said his firm monitored 24 hours a day in the control room and sent out armed mobile patrols to investigate if an alarm sounded.

Mr Elmar Joubert, of Select Security — which provides guards and dogs to commerce and industry — said security firms were hard hit by increased costs, particularly wages.

A disturbing trend by commerce and industry was to drop insurance because of increased premiums and to rely solely on security alarms.

Others had dropped security services altogether.

NEW METHODS TO CURB SOIL EROSION USED IN EASTERN CAPE

Port Elizabeth WEEKEND POST in English 4 Oct 86 p 4

[Article by Jenny Cullum]

[Text]

A NEW method of curbing soil erosion in pineapple lands in the Eastern Cape almost eliminates top-soil loss and could lead to huge savings in the lucrative industry, which earns R88 million annually in exports.

Results of tests so far have been "spectacular", according to Mr Noel Kieck, head of Technical Support Services in the Eastern Cape region of the Department of Agriculture and Water Supply.

By covering the ridge furrows between new pineapple plantings with a mulch of old pineapple plants, called "plok", soil loss was cut from 61.4 tons per hectare to between 1.1 tons and 2 tons per hectare, over a six month period.

A minimum tillage system, combined with the ground cover of mulch, also cuts erosion — as well as cultivation and production costs.

The research tests showed an average cut in erosion of between 96% and 98%. This means an estimated financial saving to the farmer of R144 per hectare annually and a saving of R650 per hectare over the four-and-a-half year life of pineapple plants.

One major producer with nine million plants has adopted the system and has already registered substantial savings.

The research has been led by Mr Kieck and Mr Brian Denyer, senior industrial technician (soil conservation) at the Bathurst Research Station.

Some tests taken over a shorter rainy period have shown that 67 times more soil was lost on bare ground than on ground covered with "plok".

Pineapple lands are especially vulnerable to scouring out of top soil through water run-off because pineapples are cultivated on steep slopes, in erodible soils, and on ridges which are kept bare of all vegetation for up to three years.

The pineapple plant itself provides virtually no ground cover for the first 18 months.

Research has shown that it is inexpensive for the "plok" — which was previously burnt or ploughed in — to be cut and packed into the ridge canals. About 40 tons of plok per hectare is sufficient for a good mulch.

The pineapple industry in the Eastern Cape produces 200 000 tons of cayennes annually, or 85% of the country's crop.

Growers are spread over 22 000 hectares in the East London and Komga areas, and 9 000 hectares in the Bathurst area.

"Top-soil is the farmer's capital and it is essential for him to protect it. This research we are doing is practical conservation work for problems in the field and farmers are showing great interest in it," said Mr Kieck.

"We have shown that by using this system, soil erosion can be reduced to virtually nothing. Results have been most impressive and the benefit reaped by the pineapple industry as a whole should be great."

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CSO: 3400/205

FINANCE MINISTER DENIES CRITICISM OF BUSINESSMEN

MB091638 Johannesburg SAPA in English 1453 GMT 9 Oct 86

[Text] Pretoria, 9 Oct, SAPA--The minister of finance, Mr Barend du Plessis, has issued a statement from Munich, released from Pretoria, in which he says, inter alia, that:

--It is untrue that the FINANCIAL MAIL (FM) formally interviewed him in Washington and that;

--A report on the matter in the latest issue of the FM contains "a series of untruths."

The FM's report, which quoted the minister as criticising certain South African businessmen for their alleged support of American pressure on Pretoria to change some of its policies, was prominently featured in the South African press today.

In Johannesburg, BUSINESS DAY said: "A new storm is brewing between finance minister, Barend du Plessis, and the business community after he reportedly threatened certain top businessmen because of their anti-apartheid activities..."

The minister's statement begins: "It is untrue that the FINANCIAL MAIL recently had a formal press interview with me in Washington from which they now purport to quote. The report also contains a series of other untruths. I, therefore, dissociate myself from the content and the spirit of the report, and reject it."

The October 10 issue of the FINANCIAL MAIL said "special delegations of (South African) businessmen, including a major corporations team, gave American politicians the clear impression that pressures on Pretoria would be welcome in some parts of (our) country."

The FM then quoted Mr du Plessis as having told their Washington correspondent: "We know who these people are. We hear their voices on the BBC and see their pictures with Oliver Tambo in London and Lusaka. And we know what to do with them when the time comes," he was said to have added--according to the FM: "with no attempt to hide the menace in his voice."

The minister was then reported to have been asked who the dissenting voices were, and to have replied: "You know them better than I do...certain bankers, some of the mines and most of those Johannesburg merchants. We shall give them an opportunity to come out into the open and state their case. We will make them put their case to their colleagues in a great forum. Then, when they can't persuade the others to follow them, why should we listen to them at all?"

The minister's rejection of the FM report also says: "Another untrue statement in the (FM) report involves Minister Pik Botha. The truth is that Minister Botha fully informed me about the circumstances surrounding the U.S. senators (and) that I, in the light of all the facts, supported his actions, that I informed the South African delegation attending the IMF's annual meeting, and that they have, upon further enquiry, denied having discussed the issue with the FM's correspondent in Washington after the vote (on SA sanctions) in the (U.S.) Senate."

Mr du Plessis' statement ends: "During the past two years I have become accustomed to this kind of treatment and personal attacks on me by the FM. I only react now because other persons are directly and unfairly being implicated by the report."

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CSO: 3400/165

SOUTH AFRICA

MERCEDES-BENZ TO SUBSIDIZE EMPLOYEE HOUSING

MB170708 Johannesburg SAPA in English 2320 GMT 16 Oct 86

[Text] East London, 16 Oct, SAPA--Mercedes-Benz has committed R4 million to the social upliftment of its employees in the fields of housing and education.

The chairman of the management board of the company, Mr Jurgen Chrempp, announced at Umhlanga Rocks his company was committed to a social programme for a better quality of life of all population groups, specifically in housing and education. Mr Chrempp said his company was looking at ways to improve the lot of its staff in East London and was consulting the urban foundation. At present the company was working to improve housing subsidy schemes. Assistance would be given on a non-racial basis but was aimed primarily at blacks and coloureds. The main emphasis at present would be on improving education with housing improvements coming later.

The mayor of East London, Mrs Elsabe Kemp, congratulated the company on what she called a fine gesture.

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CSO: 3400/221

SOUTH AFRICA

TRAINING PROGRAM FOR UNEMPLOYED TO BE EXTENDED

MB150533 Johannesburg SAPA in English 0518 GMT 15 Oct 86

[Text] Pretoria, Oct, SAPA--The government has given the green light for a five-year extension of the Department of Manpower's training programme for the unemployed.

The director-general of manpower, Dr Piet van der Merwe, speaking at a press conference in Pretoria yesterday said an estimated 420,000 unemployed people would be trained this year in 182 basic skills at 200 different places.

There is a 25 to 30 percent success rate in the placement of the trained unemployed immediately after completion of courses.

The government has made R885 million available for the 1985/86 financial year for training of unemployed persons and special work creation programmes.

An amount of R5 million has been earmarked for the current financial year for the training of the unemployed who enter the informal and small business sector as entrepreneurs.

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CSO: 3400/221

SOUTH AFRICA

ACADEMIC FORECASTS AGRICULTURAL TRADE UNIONS

MB141550 Johannesburg Domestic Service in English 1500 GMT 14 Oct 86

[Text] The director of the school of business leadership at Unisa [University of South Africa], Dr Nic Wiehahn, says certain sectors of South African agriculture will have to prepare for the establishment of trade unions. Speaking at a meeting of the Transvaal Agricultural Union's [TAU] labor committee in Pretoria, Dr Wiehahn said it was difficult to ascertain the extent to which trade unions had been established in agriculture, because of the size of the industry. He pointed out that good labor relations which demanded that farmers knew their workers well and understood them was a better alternative to the formation of trade unions. South African farm workers also did not have the necessary experience to organize themselves in trade unions at this stage. Meanwhile, it is reported that the labor committee of the TAU has decided at its meeting in Pretoria to formulate policy expressing itself against the formation of trade unions in the agricultural industry and emphasizing the importance of improved labor relations within the industry.

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CSO: 3400/221

BUSINESS ASKS FOR GOVERNMENT COOPERATION

Johannesburg BUSINESS DAY in English 30 Sep 86 p 3

[Article by Staphen Rogers]

[Text]

THE PRIVATE sector has made urgent representations to government to co-operate in the development of counter measures to combat the sanctions campaign.

In a document sent to the Minister of Trade and Industry last month by a committee comprised of leading members of the export community, government was urged to consult with the private sector on the sanctions issue.

The report estimated that a "compromise" sanctions package — including bans on exports of iron, steel, coal, uranium, and agricultural products — was likely to be introduced by the US, European Community and most Commonwealth countries before year end.

Furthermore, more punitive sanctions — which may affect all SA trade, financial transactions, shipping and aircraft movements — could be mandated under Chapter 7 of the United Nations Charter at the start of 1988.

The report suggested that recent estimates that multi-lateral sanctions may result in more than one-million jobs lost and reduced exports of R3,2bn may have seriously underestimated the eventual cost to the SA economy.

It was therefore prudent to act well before these developments to limit their likely effects. As a counter measure, an aggressive export marketing campaign was advocated.

Other measures advocated included diversifying exports into alternative markets.

The report also suggested using the dispute settlement and conciliation machinery of GATT to combat countries which use sanctions to gain a trade advantage. However, the effectiveness of that avenue may be limited if sanctions were declared under the UN charter.

INDUSTRIALISTS' MEETING REVEALS EKANDUSTRIA'S INCENTIVES BEST

Johannesburg BUSINESS DAY in English 1 Oct 86 p 5

[Article by Linda Ensor]

[Text]

HIGHER decentralisation incentives were offered for the deconcentration point Ekandustria, outside Bronkhorstspuit, than for any other such area in the PWV. This was told to a meeting of leading industrialists on the East Rand yesterday by KwaNdebele Development Corporation (KNDC) GM Philip Kotzenberg.

Great interest was expressed by the businessmen about whether production in Ekandustria was beset by labour unrest. Owner of one of the largest enterprises — Simon Wolman, of Plastop — reassured those present he had experienced few labour problems.

Incentives for Ekandustria include: wage rebates, ranging from R35-R80 per worker per month on a tax free basis for seven years; a rental rebate of 25%-45%, based on the decentralisation market-related rate for 10 years; an interest subsidy of between 25%-45%; key personnel housing subsidies; training grants; relocation grants and tender preferences.

While proposals have been made for industrial land in the central Witwatersrand and the East Rand to be either frozen or provided in limited supply to ensure that eco-

nomic growth is channelled to the fringe areas of the PWV, a plentiful supply of industrial land exists around Bronkhorstspuit.

Government owns extensive tracts of land in the district and Kotzenberg said the KNDC had applied for an extra 240ha of industrial land to be developed at an estimated cost of R12,5m. At present 240ha has been developed or is under construction and 109ha has been fully provided with infrastructure.

The Development Bank of Southern Africa, he said, had approved a KNDC application for a R18m loan for the construction of 30 more factory buildings, which would involve an investment by the private sector of R13m.

"Unfortunately, insufficient housing has been provided in the Ekangala residential area and the great majority of the employees are required to commute daily from the hinterland of KwaNdebele, which is an undesirable situation. Urgent attention is being given to this aspect," Kotzenberg said.

The present black population of 27 000 in Ekangala is expected to

reach 310 000 by the year 2 000 and the present white population of 6 800 is expected to increase to 60 000, a spokesman for the Bronkhorstspuit Town Council said.

The white property market in the town was flourishing, he said.

Kotzenberg said KwaNdebele was a "prime investment opportunity" because:

□ Ekandustria — its main development area — was situated 55km from Pretoria, 96km from Jan Smuts airport and 130km from the centre of Johannesburg, and therefore had all the advantages and services of economic agglomeration without the negative cost elements;

□ Its labour force was already largely "industrialised;"

□ The industrial infrastructure was comparable to the best in the PWV and was inexpensive in comparison to other major industrial areas.

Since its establishment in January 1984, 65 industries, with a total capital investment of R102m, had been established in the KwaNdebele part of Ekandustria. About 3 500 job opportunities had been created. The private sector had invested R45m.

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CSO: 3400/160

PAPER ON COLLAPSE, FUTURE OF PORT ELIZABETH CAR INDUSTRY

Johannesburg BUSINESS DAY in English 1 Oct 86 p 5

[Text]

AT A time when economic indicators increasingly are pointing toward recovery for SA, Port Elizabeth remains mired in the depression brought on by the collapse of its car industry.

Ford Motor Company shocked the city by shutting down its assembly plants at Struandale and Neave, retrenching more than 4 000 workers in the past 20 months.

General Motors has dismissed hundreds as well; and Volkswagen has thinned its staff by attrition.

In all, employment at the three car giants has been halved since 1983, to about 7 000.

Retailers in the North End and other areas are just now recovering from the second boycott of their stores by black consumers in a year and face a third within two months.

"Business is lousy," said the owner of a small clothing store on Main Street.

And politics and violence still dominate life in the townships. Rumours of another stayaway from black schools, to begin today, were circulating on Monday.

Port Elizabeth's depression, made deeper by SA's long-weakened economy, has touched nearly everyone.

Retailers have lost sales, and unemployment among whites has grown steadily. Many whites retrenched by local companies have left the area and estate agents report a 10% vacancy rate for the city's homes.

Diversified

But many say the worst is past for the city's business sector.

"There is no hiding the fact that Port Elizabeth is going through rough times, but it's also true that PE's residents are fond of making the situation sound worse than it is," said Chamber of Commerce secretary Tony Gilson.

Indeed, some of the small components manufacturers that once supplied Ford have diversified into new markets, and larger companies with country-wide customer bases say they have been less affected by the region's decline.

Gilson points out that the number of retail licenses have actually increased in the last two years — although most are for smaller stores.

It is Port Elizabeth's blacks who have been hit hardest — and longest.

Black unemployment stood at 53% in August, according to data compiled by Vista University professor Michiel Levin. Surprisingly, unemployment has improved slightly from a year ago, when it was measured at 56%.

But these figures do not include the 7 000 blacks who work for R4 a day on government relief programmes, as well as those who have given up looking for jobs. Joblessness actually may be closer to 70%, others say.

The resulting poverty is difficult to miss. Outside Zwide, a black township just north of the city's major industrial area, thousands of wood and aluminium shanties jam the plain where no proper homes have been built.

As many as 150 000 of the region's 450 000 blacks live in the slum, nick-

named "Soweto-by-the-Sea".

Experts believe the black unemployment rate may have improved recently because blacks have started to move from the area in the last six months to Transkei and Ciskei — both to find work and to escape the violence of the townships.

Exodus

Vista's Levin says the number of occupants per site in black areas has declined to 6,9 from 7,9 a year ago.

But the exodus is not expected to last much longer.

Roger Matlock, regional policy director of the Urban Foundation, expects the 4,5% historical growth rate in the black population around Port Elizabeth eventually will accelerate to between 6% and 8% annually, as drought-stricken farmers no longer bound by influx control regulations flock to the city in search of jobs that don't exist.

"Even if someone washes one car a week here, they're likely to get more income than they would in the wilds of Molteno," Matlock said.

Meanwhile, the Emthonjeni group training centre, 10km north of the city centre, will train 7 000 unemployed — mostly blacks and coloureds — this year, as drivers, mechanics and construction workers.

The special programme for the unemployed, financed by the Department of Manpower, originally was to last one year; it has been extended to five.

But deputy director Leon De Villiers estimates that only 30% of those trained will find jobs in the near future.

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CSO: 3400/160

RAND PRICE OF GOLD EXAMINED

Johannesburg BUSINESS DAY in English 2 Oct 86 p 5

[Article by David de Kock, MD Currency Risk Management]

[Text]

SOUTH AFRICA is the world's largest producer of gold — yet the metal is more expensive in this country than anywhere else.

This is a strange situation, but when you consider that bullion is priced internationally in US dollars and our currency is relatively undervalued versus the US dollar, then it is less strange.

Undoubtedly, the rand price of gold should carry considerably more importance in SA than the dollar price. This is not, however, the case in actual practice — we all have some inkling of the dollar price but few look at the rand price.

Fluctuations

The rand value of gold is more important because, as a producer nation, our production costs are incurred in rands, our revenues earned in rands, profits and taxes calculated in rands, etc.

Over the last two months we have consistently earned in excess of R900 per ounce and for much of the time were, in fact, earning close to R1 000 per ounce.

Prior to this the rand gold price tended to fluctuate between R650 and R900 per ounce. I must point out, however, that the R900 level is a fairly recent phenomenon, occurring for the first time in August 1985.

Reaction

In earlier times the rand gold price generally ranged between

R400 and R600 per ounce — i.e., a level high enough above the cost of production to ensure relatively handsome profits for most of the gold mining industry.

The most recent rise to more than R900 per ounce has some interesting aspects. For example, the gold price began to pick up in dollar terms in late July/early August. The rand did not, however, begin to appreciate against the US dollar until late August/early September.

The result of the delayed reaction of the rand was that the rand gold price hit record levels around mid-August. The measured peak was R1 015 on August 13. Since then the rand gold price has been drifting down but still holding above R900 per ounce. This is significant, especially for gold mine investors and those involved with the vagaries of the rand/dollar exchange rate. It implies that the rand is keeping track with the dollar gold price. One could almost say that SA is back on the gold standard.

Established

If we look at the individual components of the rand gold price viz the dollar price and the rand/dollar exchange rate, it would seem that this trend will continue. The gold price is established in a bull phase, with the channel indicating support at \$420 per ounce and resistance at around \$450 per ounce. The three surges in the gold price since August have each out-performed

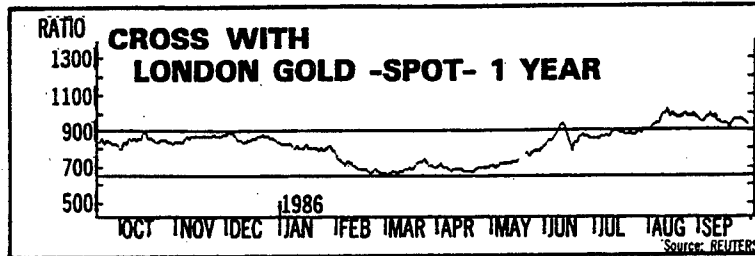
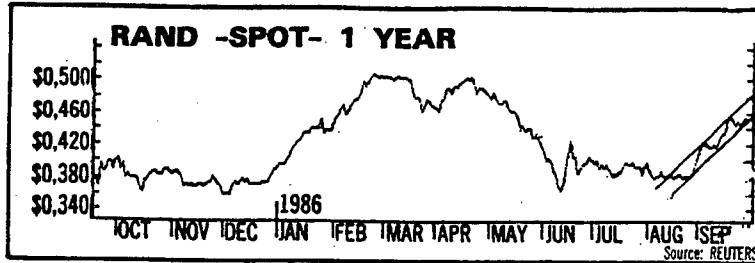
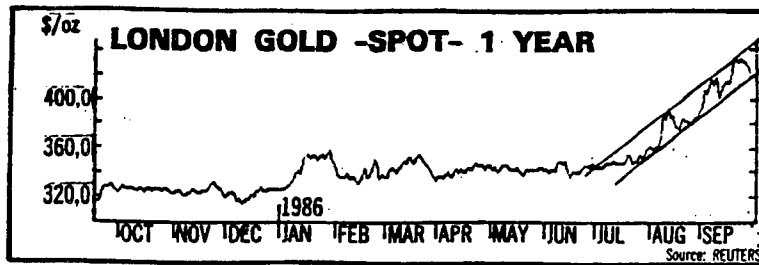
the last and the technical retracement has not gone below the previous peak.

This is a strong formation — in fact, a very strong formation and I wouldn't be at all surprised to see a massive upmove, possibly before 1987.

Of course, this technical analysis also has foundation in the fundamentals. Gold is traditionally seen as both a store of value and a store of wealth. From the store of value viewpoint we are already beginning to see signs of world inflation picking up but, more importantly from the wealth viewpoint, we have many problems, not the least of which are falling share prices and latent problems in the American banking system. Thus the fundamental potential of a rise in the gold price is also looking good.

The rand is not in a bull phase. It needs to breach the February highs before we could begin an argument for this. However, the trend is up, with support at US\$0.44 and resistance at US\$0.48. Compared with the support and resistance levels on gold this implies that the rand gold price maintains a level around R950 per ounce. In the circumstances we can look to the rand/dollar exchange rate continuing to track the gold price.

If, for some reason, gold breaks significantly out of the channel lines, what can we expect for the rand? I would submit that a down break would not see a significant fall in the rand, simply because — as stated — the rand is not in a bull



trend, it still has past catching up to do and it is not yet far enough from the lows to allow for large falls.

Thus if the gold price were to fall below \$420 we will, in all probability, see a decline in the rand price of gold to below the R900 level. Were we to experience an upside break on gold of fairly significant proportions, the rand — because it has not yet developed a bull phase — would probably lag somewhat.

This would especially be the case as we approached the February highs. In this scenario, the rand gold price will almost surely breach the August 13 high.

Thus once again it would appear that investors, importers and exporters alike need to keep a fairly close watch on the gold price. In fact, the dollar price is critical. A sharp rise implies a disproportionate surge in gold share prices and a less than proportionate rise in the rand.

A fall could imply a greater fall in share prices but not necessarily in the rand/dollar exchange rate.

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C\$0: 3400/160

LOW GRAIN PRICES, HIGH SURPLUS SEEN ADVANTAGEOUS IN SANCTIONS GAME

Johannesburg BUSINESS DAY in English 3 Oct 86 p 1

[Article by Linda Ensor and Gerald Reilly]

[Text]

SA COULD be using its advantageous buyer position in a glutted international grain market as a weapon in its anti-sanctions campaign.

The world's granaries are overflowing with surplus stocks, and observers say suppliers could be so eager to find a market that it may be difficult for them to agree not to sell to SA.

The US has surplus grain stocks to provide for its needs for more than a year. World grain production this year is expected to reach 1.4-billion tons.

Further momentum was given to the last-minute effort to sway the US Senate yesterday when SA Agricultural Union (SAAU) president Kobus Jooste telexed senators representing US farming states.

Agriculture Minister Greyling Wentzel supported Foreign Minister Pik Botha's threat to end SA's imports of US wheat if the US government applied sanctions against SA farm exports.

Simple economics would ensure that

sales went ahead, and any government trying to hinder that would face an outcry from farmers.

Jooste said the low grain prices on the international market and the large surpluses meant suppliers "would be climbing over each other to supply. Pik Botha must believe he has ground under his feet to speak so confidently", Wentzel said.

Professor Ekhardt Kassier of Stellenbosch University agreed that internationally it was a buyer's market.

The value of SA farm exports to the US is insignificant compared with SA's total exports. A US embassy source said the figure was R118m in 1984 and R98m last year. US farm exports to SA totalled \$108m last year.

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CSO: 3400/159

COAL EXPORTS HAVE STABILIZING EFFECT ON WORLD MARKET

Johannesburg THE CITIZEN in English 3 Oct 86 p 26

[Article by Madden Cole]

[Text]

THE stabilising effect South African coal exports have on the world coal price should not be underestimated because of their reliability of supply, competitive pricing

and consistent quality, says Trans-Natal Coal Corporation chairman Steve Ellis in his annual review.

He points out that the world steam coal market will be affected by three major factors during 1987 — the continuing oversupply of steam coal, the price of crude oil, and the extent to which sanctions are applied against South African coal.

While an oversupply of coal accompanied by a deflated crude oil price will maintain downward pressure on steam coal prices, increased sanctions against South African coal exports will have the opposite effect.

Mr Ellis believes that removing South Africa, the lowest cost supplier from the pricing equation and substituting for it a higher priced competitor, can only raise the price of the product.

If this happens, the price in the short term will move to a new average but in the medium term it will tend to the price of the higher cost supplier as some producers in other coal exporting countries are unprofitable at current world market prices.

Considering the prevailing low price of coal, Mr Ellis feels that it would be unreasonable for South African exporters to grant "political discounts" with the overhanging threat of sanctions, thereby subsidising the higher priced foreign competitors. He is confident, however, that the group is well placed to maintain its export share in the coming year in line with its export allocation through the Richards Bay Coal Terminal.

But with the current low rate of growth in the South African economy, expansion in the general domestic trade market will be minimal. Sales tonnage to Escom power stations is likely to be adversely affected as large generating units are commissioned at some of Escom's new power stations, Mr Ellis says.

Following the acquisition of McAlpine the group's share of the inland market is expected to increase slightly.

Commenting on coal reserves he states that the group holdings of uncommitted reserves in South Africa are sufficient to

support growth in the power generation, petrochemical, export and general trade markets far into the next century.

Greenfields exploration activities have decreased over the past few years and will continue to do so, and future exploration activities will concentrate on consolidation and extension of the large uncommitted coal reserve holdings mainly in the Northern Free State, Mr Ellis says.

Some R66 million will be invested during the next five years, mainly to consolidate extended large uncommitted coal reserve blocks.

Included in future developments are the investigation of the supply of coal to a possible power station in Swaziland and the policy of entering the synthetic fuel market is being continued.

Mr Ellis says that while planning of mining ventures to satisfy the group's export allocation and to supply the domestic markets are well in hand, the imposition of sanctions could delay the implementation of the capital expenditure programme.

SOUTH AFRICA

DURBAN PORT WITHHOLDS DOCKED SHIPS LIST

MB090606 Johannesburg SAPA in English 2234 GMT 8 Oct 86

[Text] Durban, 8 Oct, SAPA--In an apparent move to counter sanctions, Durban port authorities--acting on a government request--today refused to release the daily list of ships in the harbour. A South African Transport Services [SATS] spokesman in Johannesburg said the decision to withhold the list was taken following a "request" from the minister of trade and industry, Dr Dawie de Villiers, and "in the interests of our clients." Dr de Villiers could not be reached for comment tonight, and it could not be established what official restrictions would now be in force relating to shipping information.

However, deputy trade and industry minister, Mr Kent Durr, said a general request had been passed on to various state departments at the request of the private sector. "We made known to them the problems that some firms were facing and asked that appropriate steps be taken to protect the interests of particular people." He said the question of whether the SATS move to withhold the list was in response to the general request issued by the ministry, or as a result of a specific directive, was one Dr de Villiers would have to answer. "Our job is not to trade. The government is there to facilitate trade, to advise where appropriate, and to respond to the needs of the trading community." He said that while it was important for the government not to "over-react," by following "a road of strict control," there would be times when it would be more appropriate to withhold certain information because of legitimate requests.

Lists of shipping movements at other South African ports were released as normal today.

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CSO: 3400/165

SURVEY PREDICTS SALARY INCREASES

Johannesburg THE STAR in English 29 Sep 86 p 11

[Text]

Average pay increases over the next 12 months should climb to about 12,6 percent compared with 11,1 percent over the past year.

This is the prediction of PE Corporate Services.

But there will be wide variations, depending on the job category and the particular business sector, and the vast majority of pay packets will still trail behind the rate of inflation.

The following tables examine the forecasts made in a nationwide survey that invited predictions from more than

1 000 employers which between them have labour forces of 1,2 million workers.

● 1 Projected raises by job category and race group, showing the percentage of workers likely to fall into particular increase brackets.

● 2 Sector by sector, the percentage of companies that forecast the pattern of the increases they have in mind.

● 3 The table follows the track record of percentage increases in basic salaries over the past decade — and compares them with climbs in the consumer price index.

TABLE 3

PERIOD	Whites	Asians	Blacks	Coloureds	CPI
1976/77	7,3	17,1	16,7	13,2	10,6
1977/78	8,2	10,5	28,1	13,9	9,2
1978/79	10,9	12,4	13,2	14,5	13,5
1979/80	16,4	17,1	13,8	18,2	14,6
1980/81	15,6	22,1	24,6	14,3	14,5
1981/82	14,6	24,2	20,3	18,0	14,4
1982/83	12,3	12,1	13,6	12,3	12,8
1983/84	10,0	10,3	11,6	11,5	12,4
1984/85	9,9	10,7	12,3	10,3	16,4
1985/86	11,0	11,6	11,3	10,4	16,9
1976/86	299,1	394,5	457,4	358,9	355,0

TABLE 1

EMPLOYEE CATEGORY	SALARY INCREASE RANGES PREDICTED						
	Less than 5%	5,0% to 7,5%	7,5% to 10%	10% to 12,5%	12,5% to 15%	15% to 18%	Over 18%
Top Management	—	2	7	56	26	8	1
Senior Management	—	3	10	54	27	6	—
Middle Management	—	2	11	52	29	6	—
Salaried Staff							
White	—	2	13	54	24	7	—
Asian	—	3	12	47	30	8	—
Black	—	3	10	48	27	11	1
Coloured	—	2	14	47	29	8	—
Hourly Paid							
White	—	2	16	40	26	16	—
Asian	—	—	13	33	36	16	2
Black	—	1	11	33	32	20	3
Coloured	—	—	14	34	32	18	2
Artisans	—	1	11	46	32	10	—
OVERALL AVERAGE	—	2	12	44	31	10	1

TABLE 2

INDUSTRY	SALARY INCREASE RANGES PREDICTED						
	Less than 5%	5,0% to 7,5%	7,5% to 10%	10% to 12,5%	12,5% to 15%	15% to 18%	Over 18%
Primary Production	—	4	26	37	31	2	—
Mining	—	2	9	67	12	9	1
Materials Manufacture	—	—	16	63	13	8	—
Construction	—	2	48	48	2	—	—
Industrial Equipment							
Manufacture & Supply	—	—	4	62	20	14	—
Consumer Goods							
Manufacture	—	—	10	39	42	9	—
Distribution	—	3	7	40	47	3	—
Service Industries	—	—	2	53	29	15	1
Financial Institutions	—	—	2	40	44	13	1
Non-Profit Organisations	—	2	19	59	20	—	—
OVERALL AVERAGE	—	2	12	44	31	10	1

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CS01 3400/133

FEEDING PROGRAMS FOR HUNGRY BATTLING TO MAKE ENDS MEET

Durban THE DAILY NEWS in English 29 Sep 86 p 9

[Article by Laura Nelson]

[Text]

THE soaring costs of food and petrol are just two of the giants Natal's feeding schemes battle with as they dig deep into their pockets to fill hundreds of thousands of empty stomachs.

Many schemes are already in the red with little hope of their finances improving in the near future. Even if their subsidies are suddenly increased, inflation — or another related factor — snatches back a large slice.

"Last year we were running at a loss of R3 000 a month," said Mr Austin Walpole, administrator of the Christian Care Society's feeding scheme at KwaMashu.

"Then the KwaZulu Department of Health and Welfare decided to increase our subsidy. But no sooner had that happened than salaries of nurses and domestic staff went up — and we try to keep up with KwaZulu salaries.

"That leaves us with a loss of R14 000 a year, so we are now looking at a running loss of about R1 000 a month."

The feeding scheme provides about 2 000 meals a day to Kwa-

Mashu's starving. Only 10 recipients can afford to pay R2,50 a month for them.

"We aim at the aged, but what can we do when children living with an old person are hungry too? We have to feed them," Mr Walpole said.

They also fed hungry neighbours who saw them giving out food.

"So this is our problem. It's just impossible to single out just one section of the community.

"We're deeply involved in raising funds for more accommodation, but I'm afraid that when we're short of money, we have to dip into this account."

Tafta's Meals on Wheels, which feeds 300 elderly people in the

Durban area every day, has similar problems.

"Yes, we have a deficit," said Mrs Mary Leppins, senior social worker in charge of Tafta's community services.

"But we're not hysterical about it. What's the point?" she said calmly.

Instead, they were aware of the need to appeal constantly to the public for money.

The problem was inflation.

"The aged are on fixed incomes and their rents are high, so we can't pass any increase in costs on to them."

Meals on Wheels needed R15 000 a month to pay for food containers, petrol, to maintain vehicles and to pay drivers and other staff. Food was the major cost.

The scheme did get a government subsidy and some of the aged could afford to pay a small fee for a meal.

"But this will never be enough," Mrs Leppins said.

Meanwhile, feeding 100 000 people in KwaZulu alone will cost Operation Hunger R20 000 a month or R264 000 a year.

Overall, it feeds 720 000 people around the country and needs to raise not less than R1 million a month to meet this huge need.

They have no over-

draft facilities.

"We couldn't do it. It would be too precarious," said the press officer, Ms Anne Scott.

So far they had enough money raised for the next three months.

"We've found that because of the economy, big companies are cutting back, but fortunately people are still giving."

She said they would often receive grubby R2 notes from unemployed people who felt moved to make donations.

The finances of probably the largest feeding scheme in the Durban area, the Schools' Feeding Scheme, is "in a healthy position" after a recent successful general appeal.

"Our present expenditure is R7 000 a month and we feed about 9 000 schoolchildren a day," said the honorary treasurer, Mr Don Porter.

However, they would like to increase this.

"We would like to have 10 times as much money so that we could feed 10 times as many children," he said.

To achieve this they would need the commitment and co-operation of headmasters.

Mr Porter said, however, that the need for feeding was beyond the means of any scheme: "It's absolutely enormous."

STUDY SAYS DRIVERS' MINIMUM WAGE BELOW STARVATION LEVEL

MB060824 Johannesburg SAPA in English 0806 GMT 6 Oct 86

[Text] Cape Town, 6 Oct (SAPA)--The minimum wages for most drivers are below starvation levels and their salaries have declined in real terms over the past 10 years, a University of Cape Town [UCT] study has found.

Drivers in all categories were compelled to drive for longer hours than people in similar jobs in Britain.

These surprising findings have been disclosed in a study released by UCTS Southern Africa Labour and Development Research Unit (SALDRU).

They come in the wake of a growing concern about the number of accidents in South Africa involving trucks and other heavy-duty vehicles.

The SALDRU study shows that the minimum wages in May this year--as laid down in industrial council agreements--for drivers of vehicles under 500 kilograms were all below the supplement living level (SLL), determined by the Bureau for Market Research at the University of South Africa. The minimum wages of one-fifth of these were below 50 percent of this level.

Yet, the study says, "a wage below the SLL is truly a starvation wage."

Only eight percent of the minimum wages for drivers of vehicles between 500kg and 3,500kg were above the SLL, while the minimum wages for 21 percent of drivers of vehicles between 3,500kg and 9,000kg were above the SLL, and 47 percent of those for drivers of vehicles above 9,000kg.

The study says that since May 1976 "the percentage of jobs falling below the SLL has increased alarmingly for all categories of drivers, the percentage of jobs with wages above the SLL has decreased for all categories, while the number of jobs with wages less than 50 percent of the SLL has also increased in all categories."

The hours worked by drivers ranged from 57 a week to 42 a week, and 53 percent of the agreements specified maximum weekly hours between 44 and 46 hours a week.

"Maximum weekly hours for South African drivers compare very unfavourably with those for drivers in Britain, where the range of ordinary hours is between 34 and 40 per week.

"In South Africa only six percent of agreements specify ordinary hours of 40 per week; not a single agreement provides for ordinary hours below 40 per week," the study says.

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CSO: 3400/137

BUSINESS LEADER DISCUSSES STATE OF ECONOMY, ROLE OF BUSINESS

Cape Town LEADERSHIP in English Vol 5, No 4, 1986 pp 10, 12, 14

[Interview with Dr Anton Rupert, chairman of Rembrandt group by Hugh Murray in Stellenbosch; date not given]

[Text]

On October 4, Dr Anton Rupert, chairman of the giant Rembrandt Group, turns 70.

He and Mr Harry Oppenheimer stand unchallenged as South Africa's premier business leaders. Some would say they are the country's only real statesmen. At home, and abroad, they are legends.

It would be gratuitous to make comparisons at all, except that they lead by quiet example and understated brilliance.

So who better to pay tribute to Anton Rupert than Harry Oppenheimer?

Rupert seldom gives interviews. Indeed, he is almost reclusive when it comes to the media. Leadership editor, Hugh Murray, was therefore particularly pleased at the opportunity of spending several hours with Rupert in Stellenbosch – shortly before he left on an overseas trip. As often happens with people of Rupert's stature, some of the conversation was not for the record.

Nonetheless, the great man had some important things to say for publication.

Murray: You have always had a fascination for leadership, and even published a book called *Leaders on Leadership*. What are the essential ingredients of the kind of leadership required in South Africa today? Do we have real leadership potential?

Rupert: Of all the characteristics of leadership which can be named, the attribute which I regard as one of the most important is selflessness – the willingness to serve others and to help them to develop on their own.

Leadership depends more upon judgment than upon mere specialised knowledge, and therefore the "generalist" – the person who

has the ability to see the diverse components of a matter as a whole and who can assess rapidly what is important – is in my opinion better equipped to lead than the specialist.

It is for this reason that I have repeatedly pleaded for the versatile, the balanced, the many-sided leader – the man for all seasons.

To lead, to administer, to manage and to motivate, we need versatile leaders who will be able not only to explore a new course for our country, but who will also be able to understand and to reconcile diverse views.

Versatility embraces more than knowledge. It indeed implies a broader humanity.

Yes, we do have a lot of leadership potential – we may even have an excessive potential. That is why the potential for conflict is also very high.

Our problem may even be that there are too many people who want to be leaders themselves rather than followers. The ultimate result could be that we would have too few reliable followers.

To me the most urgent need right now and in the future is for the development of more and better leaders in all fields of endeavour – leaders who will have the knowledge, courage, conviction and human understanding to cope with the specific problems of our time.

There are these leaders among our population groups, and I have been privileged to know some of them. A mentor of the standing of Bishop Alpheus Zulu, in my opinion, compares favourably with any of the elder statesmen I have ever met. But we need more of his calibre.

The recession, combined with political pressures, have caused an atmosphere of gloom and despondency among businessmen in SA. How can this be shaken off?

We should strive to fill our people with hope for the future through an approach of live and let live. Our sub-continent offers enormous opportunities if only we would realise that we are interdependent and could achieve more if we work together.

Attempts will have to be made to siphon off capital from defence and state administration to development. Too small a percentage of our national income has been available for necessary development.

In the private sector development over the past 10 years has been lop-sided, the emphasis having been excessively on prestigious buildings rather than on industrial activities.

Each group thinks it has the ability to lead. Unfortunately we have few leaders with the necessary perspective of their role and responsibilities. There is too much jockeying for position and too little direction given.

South Africans should be freed to pursue their own interests. Let us abandon fear of the future and free ourselves from the damping-up of creative energy. Creative energy is like running water – it creates power as it flows through the mills of industry, commerce and agriculture. When it is free again, it rushes on without restraint. But, like water, energy, when stagnant, goes bad. It cannot be bottled up and still be a source of power.

Will South Africa continue to be the heart of the regional industrial complex beyond the turn of the century?

South Africa is the catalyst for development in Africa: I do not expect a huge inflow of foreign investments to the Third World in the foreseeable future.

Taking the current situation into account and the threat of the West imposing cynical sanctions to the detriment of all in Southern Africa, I nevertheless remain convinced that South Africa will retain its dominant economic position.

The Republic's ability to feed, clothe and house its peoples; to create enough energy from its enormous natural resources; and to further develop its treasure-house of metals

and minerals will ensure its position as the economic leader in the subcontinent.

The creation of wealth seems to be taking a back seat to the distribution of wealth. Can the emphasis be changed and, if so, how?

The emphasis is already changing. Many countries in Africa are beginning to realise that the creation of wealth should get preference to the distribution of wealth as the first step towards meaningful economic and social development.

Prosperity has to be created before it can be shared. We are living in times of political and social upheaval; we are experiencing a revolution caused by increasing expectations. The most important characteristic of this revolution is the pursuit of political independence without the potential of economic viability.

The process of wealth creation will have to be increased and a prerequisite for this to materialise is the removal of all unnecessary regulations and controls in order to free our people economically and to allow them to bring about innovations and to offer their labour wherever the demand is greatest.

The moment opportunities are diminished and people are deprived of the responsibility for their own destiny, the way is paved for inefficiency and stagnation, and for a dull, unimaginative form of survival.

Your group has been at the cutting edge of change for much longer than most "liberal" businesses. Has this ever meant a serious conflict with government?

The only conflict occurred in talks with Dr Verwoerd. When in 1959 we tried, with the necessary self-confidence, to implement an economic partnership between whites and coloureds in a factory in Paarl, Prime Minister Verwoerd threatened to close the factory in spite of a unanimous and positive decision by the board of Rembrandt.

The second time we had a difference of opinion was after Sharpeville in 1960. I pleaded with him to grant land ownership to the blacks in the biggest city, Soweto. He said no, and also refused my suggestion for 99-year and even 30-year leasehold.

It was not merely a conflict of personalities but rather an ideological conflict: a conflict caused by the difference in approach and emphasis between the policy of apartheid and of co-existence through partnership.

The government's obsession at that time to monopolise development and to try to be

all things to all people was also demonstrated when:

- ☐ The business sector established the South African Foundation in 1959 with a view to pleading South Africa's cause abroad, the Department of Information followed but had to pay the price of the wrong ethical concept that "the end justifies the means";
- ☐ The private sector inaugurated the Sports Foundation of Southern Africa, the Department of Sport and Recreation followed quickly on its heels. Unfortunately we are now out of international sport;
- ☐ The private sector was in the process of establishing the Development Bank for Equatorial and Southern Africa, the Minister of Finance announced in 1971 that it was going to establish a similar bank in this country. The announcement effectively withheld considerable capital from EDESA, even though the government's counterpart was established only 12 years later.

Personally I believe that private initiative can do these things better and with more credibility than the public sector.

The Rupert group's involvement in social responsibility projects across a wide front (housing, nature foundation, historical homes, etc) have cost enormous amounts. Why are projects of this kind so important?

It has been our consistent viewpoint over the years that a company has a three-fold responsibility: towards its shareholders, towards its personnel, and towards the community in which it exists and from which it derives its success.

From the beginning, we realised that the confidence and goodwill of the public are one of the most important foundations on which a healthy enterprise should be based. Thus, it has always been a matter of honour for us to fulfil, to the best of our ability, our obligations to the community as a whole.

You cannot do long-term business successfully in an unhappy and deprived community without any hope or prospect of a better future.

Through the World Wildlife Fund, and its SA Nature Foundation connection, you have shown great interest in the environment. Demographics show the SA environment and ecology to be severely threatened. Is the situation as hopeless as some make it sound? Can business make a major contribution in this regard?

Our region is no stranger to the world's environmental problems. It is indeed so that the planet's capacity to support people is being seriously reduced in both developed and developing countries. The figures of population growth in relation to limited natural resources are frightening – but only if we do nothing. While the problems may be stark, fortunately the possible solutions are clearly set out in the "World Conservation Strategy", initiated and published by the World Wildlife Fund.

The goal is sustainable utilisation, where population, urban growth, food production and development are all in proportion; all capable of being sustained. A means to this end is conservation.

Development means using the earth's living and mineral resources for human benefit. But economic development without conservation is like financing an irresponsible spending spree on credit, without thought for tomorrow's budget. By digging into future income through the wasteful exploitation of natural resources, temporary gains are made at the cost of impoverishing our future.

This is cutting down an apple tree to pick the apples, and we sentence our children's children to a lifestyle spent in the pursuit of mere survival.

Business has started making a contribution in this respect. A number of them have appointed senior managers, with direct access to the chief executive, to overview all company activities which may impact on the environment. Environmental concerns are being referred to in corporate advertising and annual accounts.

In South Africa the SA Nature Foundation is mainly funded by commerce and industry. This organisation has been instrumental in:

- ☐ The creation or enlargement of 25 National Parks in Southern Africa over the past 18 years;
- ☐ The launching of the SA Natural Heritage Programme, encouraging conservation on private land in co-operation with the owner;
- ☐ The establishment of Africa's first chairs in conservation and wildlife management at Pretoria and Stellenbosch universities;
- ☐ The initiation of a National Parks Trust Fund of R9m where interest will be available for land purchase for urgently needed new national parks;
- ☐ The implementation of protective mea-

asures for more than 25 endangered or threatened animal species, and the promotion of plant conservation nation-wide;

- The funding of special programmes to teach youth the necessity of conservation, stewardship and sustainable utilisation;
- And finally, in supporting inter alia the Institute of Natural Resources which specifically sets out to address the problems of population growth and limited natural resources.

What about socio-political change? Is business doing enough to ensure the survival of free enterprise?

South Africa today is fortunate to have an enlightened business community. Our business leaders have shown that they are not prepared to watch the process of evolution in Southern Africa from the sidelines.

When positive initiatives need to be taken, they are willing to give support. The establishment of the Small Business Development Corporation is a case in point, as are the activities of the Urban Foundation in its efforts to enhance the quality of life of urban dwellers.

As catalysts these organisations, under the able leadership of Dr Ben Vosloo and Jan Steyn, are doing whatever they can to address the main components of economic and social upliftment: namely job-creation, housing and education. Their three-pronged approach to unemployment, the shortage of housing and dearth of educational facilities has already proved to be a stabilising force in our communities.

Many believe the least change SA will be able to get away with would be to move the country into the mode of Zimbabwe with its mixed economy. Are there other alternatives?

In a certain sense SA already has a mixed economy, as evidenced by the magnitude of State corporations and government control of services such as our airways, transport services, post and telecommunications, the supply of electricity and television and radio services.

The alternative would be to move away from excessive government regulations to free enterprise and the allocation of more resources to private initiative.

The free enterprise system ensures the most productive utilization of resources. One of the stabilizing qualities of the free enterprise system is the fact that it relies on the profit motive, which is a powerful human incentive.

Private initiative has often been accused of pious selfishness, but an important defence against these charges is the simple reality of the system. It functions best.

South Africans are awaiting publication of the book written by Willie Esterhuyse to co-incide with your 70th birthday. I believe it has a message to South Africans of all race groups. Can you elaborate on the central theme of the book?

The book has not been initiated by me and therefore I think the author would be in a far better position to elucidate the central theme of the manuscript.

How can we draw blacks into the system on a basis that will be acceptable to the most significant number of South Africans?

Once we have clarity about the government system that will evolve, everything possible should be done to draw all South Africans in.

Personally I believe that the Swiss canton system with its maximum local autonomy is the most successful example of its kind for a country with a multi-cultural population.

It is widely believed that the Afrikaner nationalist is not prepared to bend to international pressure and would prefer to tough things out. In this sense, it would seem that Western pressure has been counter-productive. Where does SA go from here, if this is the case?

In a certain sense we are all prisoners of a past fraught with misunderstanding. Incidentally, we have reached a situation where most of our peoples agree on the necessity of reform. It is unfortunate that at this stage the West deems it fit to apply punitive measures against the country.

The Afrikaner obviously finds himself in a tight corner as he believes that he is fighting for his very existence. I fear that his political leaders will scratch out the eyes of the many friends we still have because they do not agree with everything done here. This would be counter-productive.

What we all need is a definite time-table for reform. It is also of the utmost importance that we achieve the highest possible degree of consensus among all South Africans.

How will sanctions, in your view, affect SA?

It will depend on the extent of the sanctions and whether these will be regarded as an honest and constructive effort to influence

change or merely as punitive measures with the aim of bringing the country to its knees.

Sanctions applied in the past against Mussolini's Italy, Franco's Spain and Castro's Cuba did not prove to be very successful and were in fact counter-productive.

After World War I at the Treaty of Versailles General Smuts predicted that the punitive measures contained in that treaty would cause another war. He was proved to be right.

Punitive sanctions can never be constructive. They merely prolong the agony of all.

Are there any benefits of a siege economy? Some believe it will create great opportunity, others warn of disaster. Could we have your thoughts on this matter?

It depends very much on how a country reacts. It could stimulate the economy by creating immediate opportunities but in the long-term it harms all parties involved.

I am afraid that if sanctions were imposed with any degree of success, it would amount to hara-kiri in this part of the world and be a severe blow to private enterprise in the whole subcontinent.

Is there anything you did not do, and regret, in relation to the development of South Africa?

I am only sad that it took so long to convince people that apartheid or separate development, regardless of the good intentions with which it may originally have been imposed, can never be a practical solution in Southern Africa.

It is a myth that apartheid is a safeguard for the Afrikaner's survival. On the contrary, it endangers the existence and future of all.

What I regret is my inability to have persuaded more of my fellow-countrymen that peaceful co-existence in Southern Africa could best have been achieved through partnership and sharing. Also that we shall not be able to sleep in peace if our needy neighbours do not eat.

Can the Afrikaner come to terms with a dilution of power?

Yes, indeed, but I believe that he will only settle for a system in which he still has some say in the affairs of the country and not be subjected to one-man-one-vote once.

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SOCIAL DEMOCRACY SEEN AS BEST OPTION FOR POST-APARTHEID ECONOMY

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[Article by James Leatt, of the UCT Graduate School of Business]

[Text]

Each according to his ability to compete in a free market –
Adam Smith (1723-1790)

From each according to his ability to each according to his need
– Karl Marx (1818-1883)

The debate about South Africa's current economic system, and about which would constitute the ideal economic future for South Africa, is characterised by interesting shifts in the rhetoric of the different interest groups.

To oversimplify, there are on the one hand the proponents of "democratic capitalism", and on the other the proponents of "socialism".

For "democratic capitalists" South Africa's political economy is deeply flawed in three important ways.

First, government is too "big". De-regulation and privatisation are necessary to reduce government involvement in the economy and to return to market forces. Transport, housing, health services must, for example, be privatised. Parastatals, must go, as must control boards.

Second, the economy must be "de-racialized", with adequate protection and encouragement given to small business, the informal economy and the disadvantaged. Racial controls on freedom of movement must go. Influx control, group areas, and white CBD's are indefensible. So too is the migrant labour system.

Third, business is too big; the system of corporate "giantism" and interlocking directorships which characterises big business in South Africa today is a threat both to free enterprise and democracy.

The bottom line for "democratic capitalists" is a future South Africa in which political freedom is expressed in some form of democracy, and a free enterprise system from which the last vestiges of statutory

racism have been removed. To paraphrase Adam Smith: "Each according to his ability to compete in a free market." Numbered among "democratic capitalists" are black and white South Africans who argue that neither apartheid nor socialism offer any long term hope for South Africa which, they contend, is both a First World and a Third World country.

By contrast, "socialists" offer a different analysis of South African realities and a contrasting vision of the future. For all socialists, the South African political economy is deeply flawed in the followings ways.

First, capitalism and apartheid have piggy-backed one upon the other in South Africa, to the benefit of the white dominant class and the small black middle class. The unholy alliance of capitalism and apartheid has created structures of injustice which cannot be eradicated simply by the removal of apartheid.

Second, the black working class, which has recently been granted "industrial citizenship" through the new labour relations dispensation, will not rest until it has achieved political and social citizenship. Politically, this means universal franchise and a powerful party representing labour interests. In social-economic terms the "workers' struggle" is for redistribution of the wealth generated by labour, and for a significant degree of control over capital.

Third, given the legacy of "racial capitalism" in South Africa, the "Charterists" within the ANC and the UDF argue for the nationalisation of certain natural and capital resources, such as minerals, forests and financial institutions, in order that the State can address the enormous development problems of the country. Even black "reformist" groups such as Inkatha advocate "welfare capitalism" – "capitalism with *sisa* and *ubuntu*", two Zulu words which can be translated as "capitalism with a human face".

In South African terms, then, all socialists are critical of capitalist development and sceptical of any solution for South Africa which does not address the structural economic injustices inherent in the system, not all of which can be laid at the door of apartheid. It follows, therefore, that the eradication of apartheid is a necessary but not sufficient condition for social justice. Socialists will, however, differ greatly on how that social justice will be achieved in a non-apartheid South Africa.

On the left of the socialist continuum are Marxist-Leninists who argue for "scientific socialism". The social revolution will not be complete until ownership of the means of production has reverted to the working class and a command economy has been installed.

On the right of the socialist continuum are social democrats who argue for labour's control of government through the ballot box, worker participation in the ownership and control of corporations, and a measure of State planning of the economy, including nationalisation of strategic resources. But all would identify with Karl Marx's aphorism: "From each according to his ability to each according to his need!"

The debate about the optimal political economy for South Africa after apartheid is at once old and new. Old in the sense that the notion of *volkskapitalisme* of the Thirties and Forties in Afrikaner nationalist theory was essentially about how economic policy and practice could be made the vehicle of the Afrikaner nationalists' reach for power.

In the Fifties, the debate which led to the writing of the Freedom Charter, adopted by the ANC in 1956, was essentially also about which economic policy would best serve black nationalist interests. In the meantime Afrikaner nationalists, having achieved power, are now debating how to "modernise" their economic and political policies to retain power and share it from a secured base.

Since the Fifties, meanwhile, a discernible radicalization of economic policy imperatives has occurred in black resistance politics.

The debate is also new in an important sense. An organised black labour movement has become a significant force in South Africa. The youth revolt and schools crisis since Soweto 1976 has created a new site for debate about South Africa's economic system, from the underside so to speak. Divestment and disinvestment and the threat of economic sanctions against South Africa have all sharpened the issues considerably. Also, we are much better informed on strategic demographic and developmental issues which confront us today.

It is necessary to revisit some basic issues in political economy. There are two essential approaches to the problem of how a political economy should be organised, along the lines of pure "free enterprise" capitalism or Marxist-Leninist "scientific socialism". Both have

their advantages which make them seem desirable and their disadvantages which make them quite unacceptable. They can be summarised briefly.

□ Free enterprise capitalism supposedly grants freedom. Individual and collective initiative and achievement are rewarded, the less efficient are punished or pushed out. Supply and demand automatically regulate the allocation of resources according to profitability and utility. A highly versatile, innovative, efficient and thus productive economy is the result. But the tiger let loose to develop his wildest instincts can also do most harm. In the free market it is not need which counts, but bargaining power. Bargaining power depends on control over institutionalised decision-making processes, resources, capital, expertise, labour and purchasing power. The market system invariably works not towards equilibrium, but to the greater benefit of the strong at the expense of the weak. While the entire population of a metropolitan country may benefit, it creates massive concentrations of power and wealth in the economic centres, and marginalisation and misery in the economic peripheries on a global scale.

□ Marxist-Leninist socialism (also known as communism) is committed to the abolition of the oppressive and exploitative concentration of power and wealth in the bourgeoisie and to the creation of the equality of a "classless society" brought about by the "dictatorship of the proletariat" – in fact the dictatorship of the leadership elite of the communist party. Practice has shown that while a totalitarian state is capable of enforcing a more egalitarian distribution of income, this may occur at the expense of liberty and productivity. State planning seems to be less efficient than the results produced by the free play of the market mechanism. The prescriptions of an incompetent and clumsy bureaucracy stifle initiative and versatility and devour resources while the concentration of power in the hands of a few is even more fearful than that in the free enterprise system.

Is it not possible to develop a system which retains the advantages of both free enterprise capitalism and socialism and avoids their respective pitfalls?

Two such approaches have actually emerged in recent times, social democracy and democratic socialism.

Social democracy (also called welfare capitalism or a social market economy) is a capitalist, free enterprise economy which has been modified to incorporate egalitarian principles such as equality of opportunity, social securities and participation in decision-making, even in business corporations. A classic example of a social democracy is Sweden.

Democratic socialism is a Marxist, state-controlled economy which has been modified to include entrepreneurial initiative and a market oriented economy. The classic example is Yugoslavia. Of course, neither

of these examples have had to contend with the problems and opportunities which confront us in South Africa. But it is instructive to look at the principles they enshrine.

There are a number of variations of social democracy in Western countries. The following are some of the basic principles which are generally applied in a country like Sweden.

Social democrats, usually strongly representative of labour, believe that it is not only possible but also prudent to gain power through democratic means and then subject the existing capitalist system to progressive reforms, rather than to disrupt the economy by violent revolution and entrust a possibly totalitarian regime with the task of constructing an entirely new system.

The principle of free enterprise is retained to encourage private initiative and achievement. But the State has to lay down basic parameters within which the economy is allowed to operate. Examples of specific responsibilities of the State are peace and stability (military, police, legal system), education and training, social securities and health services, quality inspection, maintenance of economic growth and full employment, control of inflation, and a sound balance of payments. On the whole the guideline is: as much government as is necessary, as little government as possible.

The means of production remain in private hands but the State has to guard against undue concentrations of economic power. The ideal is to break up monopolistic conglomerates and ensure free competition. The State may take over key industries to protect essential infrastructural services from disruption (for example, the transport and communications network, power and water supplies). It may also acquire substantial shareholdings in private companies to gain experience of how the economy works and to influence the direction it takes.

The free market remains the basic mechanism regulating the allocation of resources and the distribution of goods and services. However, the State may fix minimum wages for certain job categories. It may also regulate prices of essential commodities such as agricultural products, to cut out excessive price fluctuations or to aid disadvantaged sectors of the economy.

Social democrats are moderately committed to egalitarianism in that they are careful not to jeopardise economic achievement. Private initiative is encouraged but power advantages are neutralised as far as possible. Progressive taxation (which means the higher one's income, the higher the percentage of taxed income) and heavy death duties are meant to level out steep discrepancies in income and wealth. Positively, the weaker sections of the population are helped to become more competitive through such measures as regional equalisation policies, subsidies, free and equal education and training, consumer protection, State-run research or credit facilities.

While competition is encouraged and achievement is rewarded, the less gifted or less fortunate are protected from dropping out completely and ending up in misery. Unemployment insurance, pension schemes and old-age homes, subsidised health services and medical schemes, life-insurance policies, and sub-economic housing are planned to try to ensure that nobody is left destitute.

Trade unions are encouraged to counterbalance the power of employers' organisations. Legal instruments to settle industrial disputes are provided. Workers or their unions are represented on the managerial bodies of the enterprises in which they are employed. Workers or unions are encouraged to become shareholders in the enterprises concerned. The State promotes the wide spread of capital ownership in the population.

Technological innovation is encouraged so that the national economy remains competitive in international markets. Workers are protected from losing their jobs through new techniques by extensive training programmes and the provision of alternative jobs.

Proponents of social democracy can look back on considerable achievements in the countries where it has been implemented, particularly in western Europe. Between the end of World War Two, when Europe was in tatters, and the early Seventies, these countries have witnessed a period of sustained growth, great technological innovations, rising standards of living for the entire population, increased equity and welfare and a low rate of inflation. Industrial conflicts have been kept at a relatively moderate level and the previous trend towards violent revolution and radical solutions has been reversed, as in the Swedish example, and in West Germany.

While not ideal, social democracy certainly seems to combine the best features of both systems. Unfortunately the system is not without its problems. More especially, it has not been able to prevent a series of crisis-generating developments with which the modern world economy currently has to battle.

Since the early Seventies, the Western world has witnessed a new phenomenon, the long-term combination of economic recession (stagnation) and rising prices (inflation), a phenomenon referred to as stagflation.

The concentration of capital in multinational corporations means that they can evade guidelines or restrictions imposed by national governments. On the other hand, social democratic governments lose their legitimacy if they fall out with powerful trade unions within the country or the rank and file of lower classes in society. Under these circumstances economic discipline is hard to enforce.

So far, social democracy has achieved greater equity and security only within nation states that belong to the world economic centre. Egalitarian principles and social

securities demand a high level of economic output. Where poorer countries have been tempted to indulge in such policies the result has usually been rampant inflation, since one can only share out as much as has been produced.

Social democracy has not been able to come to terms with the disruptive effects of technological innovations. High and stubborn unemployment rates in the West suggest that the process has finally caught up with industrial countries as well.

A more radical stance would point out that social democracy does not challenge the cultural legitimisation of greed as the prime motivational power in economic terms. It follows a half-hearted ethic of alleviating the harm without going to the roots of the problem.

Social democracy has, like its more radical counterparts, continued with an economic policy based on growth. Whether unlimited and accelerating growth spread over the entire world population is possible on a limited planet has become more than questionable in recent years.

In sum, while social democracy has gone a long way towards alleviating the more rampant consequences of capitalism within some industrialised countries, it has not been able to contain or redirect disconcerting developments in the global economic system. Since South Africa replicates the world situation in many ways, this is an important observation for South Africans. The luxury of social democratic institutions among the privileged white elite to the detriment or exclusion of the black majority is an unacceptable proposition.

Democratic socialism is less common than social democracy. There have been traces of it in many communist countries, notably in Czechoslovakia during the short spell of the 'Prague spring' before the Russian invasion. The only prominent and enduring example is in Yugoslavia.

Democratic socialism emerged from a Marxist-Leninist structure. The control of the communist party over national affairs is retained in the democratic socialist system. However, leaders are committed to democratisation and the decentralisation of power. The ideal is participatory democracy – which means that those who are affected by decisions should be decision-makers. There is less repression and more freedom of expression, initiative, movement and organisation than in other Marxist-Leninist countries. The devolution of power into small local entities is, of course, also a way of retaining overall control in a society riddled with cultural, historical and regional divisions.

This principle says that the employees of an enterprise have to do the actual running of the firm. In all non-agricultural firms employing more than five people, workers' councils are established. If there are more than 30 employees these become representative councils. Such councils are chosen and can be dismissed by the

workers. The councils choose and can dismiss the managers of the enterprises. This is also practised in hospitals, schools, courts, research institutions or cultural organisations.

The socialist principle that capital is a social asset and should be owned by the State is retained. All enterprises above a certain size – thus excluding small workshops and family farms – belong to the State. Workers run them and benefit from them, but they do not own them. If a worker leaves a firm he has no transferable stake.

The State lays down certain parameters within which all firms have to operate, and managers are controlled by the party, banks or local authorities. But within those limits there is a degree of freedom unusual for a Marxist state. In short, democratic socialism has combined the market system not with private enterprise but with employee enterprise.

Firms have to make a profit. From this certain deductions are made for national concerns and the welfare of the community in which the firm operates. The remaining surplus is distributed by the worker committee among its employees – mainly according to their input, but need may be taken into consideration. The basic principle is that work is regarded as a value and not just a resource to be paid a price determined by the market.

Yugoslavia is a developing country which was heavily devastated during World War Two. Its achievements must be seen in this light. Its growth rate averaged 5% between 1960 and 1980 (SA 2,3%). Its gross domestic product per capita now equals that of SA, Brazil, or similar semi-industrialised countries. There is, however, a much greater equality in incomes. The equalisation process between centre and periphery regions has continued to grow. There is more freedom and genuine consultation than in other Marxist states. The problems of cultural and regional diversity have been dealt with relatively successfully.

On the one hand the system is built on the socialist creed, yet it seeks to avoid the inefficiencies of central planning and the stultifying effect of large-scale bureaucracy. On the other hand it takes advantage of the initiative and responsibility generated by free enterprise, risk-taking and competition without allowing the proceeds to go into the pockets of economic empire-builders who did not share in the generation of the wealth.

One might gain the impression that democratic socialism, like social democracy, combines the best of two systems, though each having different components. But this system too has its difficulties.

The record for productivity is not as bad as capitalist doctrine would make us believe. Motivation can be generated in ways other than by private ownership. Yet there are a number of "leakages" of productivity which have been observed. Worker-appointed managers may not always be the most competent to run a modern

industrial firm. Alternatively, they may be too lenient and gracious (so as to maintain their popularity) and allow apathy and inefficiency.

Yugoslavia has been plagued by a fairly high rate of inflation (19,4% between 1970 and 1980) if compared with fully industrialised countries. When one compares it with other semi-industrialised countries, notably in Latin America, the picture is less serious. Reasons for inflation may be found in the excessive distribution and price-fixing by monopolies (or the absence of effective local and international competition).

Granting more freedom obviously leads to some compromise with egalitarian principles. Though Yugoslavian income distribution is more equal than that of most developing countries, there is still a substantial hierarchy of income differentials.

In spite of the ideals of grassroots democracy, authoritarianism may still emerge. Managers may use their committees as mere rubber stamps. Chosen representatives of workers may develop elitist attitudes. Another difficulty is the simultaneous presence of different types of authority: the communist party, the trade unions which are organs of the party but also channels of worker interests, and the workers' committees and their managers, which are supposed to be responsible to those selfsame workers.

Marxists would deny that there could be unemployment in a truly socialist state. The unemployment rate in Yugoslavia is fairly high. Here too, competition between technological innovation and labour may play a role.

Democratic socialism is no better than its capitalist and socialist counterparts in its failure to address the problems of economic growth in a world of limited resources and in not paying sufficient attention to the dangers of ecological destruction.

Social democracy can best be understood as a system which has moved as far in the direction of egalitarianism as is feasible within a capitalist context, while democratic socialism has moved as far as possible in the direction of free enterprise within a socialist context. Social democracy has shown that it is possible to reach greater equity in a system made productive by private enterprise, simply by loosening the link between production and distribution. Democratic socialism has shown that free, risk-taking initiative can be allowed to develop in a system committed to the social ownership of the means of production, simply by separating ownership from control and usufruct.

In this way each has made an attempt to resolve the contradiction between economic achievement usually associated with free enterprise, and egalitarian principles usually associated with State intervention.

In a deeply divided and conflict-ridden country like South Africa it is not surprising that the rhetoric about

political economy tells you more about what people are *against* than what they are *for*. Apart from intellectuals on the left, most significant white interest groups are "against socialism and for free enterprise". But they are less clear about what that means in a South Africa devoid of the apparatus of apartheid. Most black political groupings, at least since the Fifties, have been against unbridled capitalism and for some variety of socialism! Again, the details are unclear.

The debate is, however, becoming more sophisticated and it is no longer possible for groupings on the left or on the right and on either side of the colour-line to resort to slogans and to reiterate what they are against.

The social transformation which this society is going through is violent, messy and muddled. No player has all the aces and no blueprint for South Africa's future from the left or the right can be imposed like a template upon this society.

How then will the issue of the future shape of South Africa in economic terms firm up? Without a crystal ball, one has to resort to advocating some propositions which all the players will have to take into account.

- ☐ If South Africa is to survive its social transformation it must keep two objectives clearly in mind: *accumulation* and *legitimation*. Accumulation, in the sense that it must achieve a reasonable growth rate per annum if it is to meet the aspirations of its growing and youthful population in any future post-apartheid regime. Legitimation, in the sense that no group of players will get away with economic, political or social policies which are not broadly willed and do not have the consent of the people.
- ☐ The "democratic experience" of industrializing nations has been that they progress best when *experience* triumphs over *dogma*. The collective good is best achieved when the players are able to move out of their entrenched positions (dogma) and find common ground where they can use their power bases to resolve issues and find solutions to common problems. The arena of industrial relations in recent years has demonstrated that conflict can be resolved by hard collective bargaining without destroying the whole. We need less slogan shouting from capitalists and socialists, the stakes are too high.
- ☐ "Capitalists" and "Socialists" who are seeking democratic solutions to South Africa's problems *agree* on more than they imagine. They agree that apartheid is indefensible and must be eradicated; that whatever takes its place must be a democracy and not a tyranny; that in the process the post-apartheid society does not have a chance if its economic base has been destroyed; and that the social transformation must count the human costs of the change it is experiencing.

For too long we have run our politics as we have run our economy, as though only whites live here. How we run our politics and our economy in a post-apartheid South Africa will, I suspect, reveal the paucity of economic ideologies of the left and the right. For it is one of the redeeming features of South Africa that its people have evinced a degree of pragmatism, common humanity and good sense which will enable them to find an economic policy appropriate to its needs and humane in their application.

Given our political history and our problems of development I am sure we will need to avoid blind allegiance to Adam Smith's capitalist credo or Karl Marx's socialist one. My own sense is that a social democratic option, suitably hammered out on the anvil of South African and southern African realities, has the best chance of achieving accumulation and legitimation.

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CSO: 3400/168

MID WITS GOLD EXPLORATION IN OFS ENCOURAGING

Johannesburg THE CITIZEN in English 30 Sep 86 p 26

[Text]

RESULTS of the major gold exploration programme in the Orange Free State have been sufficiently encouraging to warrant an increase in the tempo of drilling, the chairman of Middle Witwatersrand (Western Areas), Clive Menell, tells shareholders in his review for the year ended June 30.

During the year this Anglovaal Group financial, exploration and investment company, spent almost R8 million on exploration, research and the development of value-added projects. In the light of the increased level of gold exploration, expenditure on this, and on research and development is likely to rise to about R13 million in the current year. In addition, acquisition of mineral rights and coal mine development could absorb a further R14 million.

Included in the latter amount are funds which are to be used to develop a new colliery at Klipspruit, near Newcastle. This will replace production from two other Natal collieries that have been closed down by Grinaker

Desert Spar (G D S) as the mines' reserves were virtually exhausted.

Mr Menell points out that dividends from the Prieska copper/zinc mine amounted to R7,9 million and contributed 81,9 cents a share to attributable earnings. Since the end of the financial year a further dividend amounting to R3,9 million has been received from this source. He reminds shareholders it is now estimated that, at current rand prices for copper and zinc, sufficient payable ore will be available to allow profitable mining operations to continue at Prieska until at least December 1987.

The book and carrying value of listed investments and associates rose to R42,8 million (R41,8 million), but their market value increased by 41 per cent to R403,7 million (R286,3 million). The book and carrying value of unquoted investments was slightly lower at R8,5 million (R9,0 million). Net worth of the ordinary shares rose to 4 712 cents (3 352 cents).

Turning to the coal export industry, the chairman says that this has been constrained by several factors, including the rapid decline in oil prices which, if sustained for any length of time, can have a more marked impact on the growth potential of the world's coal trade. Apart from sanctions that have already been put in place by some countries, the growing threat of general trade sanctions and boycotts has complicated the marketing position of local coal producers.

/12828

CSO: 3400/209

BRIEFS

SAFTO PUBLISHES RSA-US TRADE FIGURES--Two-way trade between SA and the US was worth more than R6189m last year, with imports into this country exceeding exports in value by nearly R130m. Figures published by the SA Foreign Trade Organization (Safto) show that in 1985 the biggest single item in 22 cross-trading categories was the importation from the US of machinery and parts valued at more than R1072m. SA's biggest single export to the US was base metals, worth well over R747m last year, with exports of mineral products running to nearly R250m and precious and semi-precious stones accounting for nearly R209m. The value of chemical and allied products exported to the USA was R127389962 and prepared food-stuffs and beverages accounted for R121967184. Apart from machinery and parts, the main items imported into SA from the US were chemical and allied products (R471684666), transport equipment and parts (R299926006), vegetable products (R225638490), precious and semi-precious stones and articles made from them (R212126546), precision equipment (R200592072), paper-making materials and paper products (R155787808) and artificial resins, plastics and rubber (R118816265). President Ronald Reagan indicated at the weekend that he will adopt the EC bans on iron, steel and voluntary new investment if his veto of a stronger Congress sanctions bill is sustained. [Text][Cape Town CAPE TIMES in English 30 Sep 86 p 11]/12828

THREATS TO CLOTHING EXPORTS--Growing US protectionism, in addition to the pressure for sanctions, means a double threat to SA clothing exports, the President of the National Clothing Federation, Mike Getz, said at the weekend. He was commenting on news that the US House of Representatives had passed a Bill with measures including a fee to be levied on all merchandise imports. The main reason for the measure was to curb Japanese imports, but Getz said that if it became law it would be bad for this country's clothing industry too. He said that only 3% of SA's clothing production was not exported to the US. "But in the present situation, when we are trying to recover, any market lost is a loss of badly-needed jobs." [Text][Cape Town CAPE TIMES in English 30 Sep 86 p 11]/12828

MANGANESE ORE SINTERING PLANT--Samancor is to establish a plant for the sintering of manganese ore at its Mamatwan mine. The plant, which with its facilities will cost R60 million, will be completed in 1988. Sintered ore has a number of advantages over lumpy ore, and its production will significantly improve the cost-effectiveness of Samancor's manganese alloy operation.

Further advantages include a reduction in production costs; a higher manganese content; a reduction in electric energy consumption for alloy production; a decrease in carbon reductant requirements and furnace maintenance costs; and an increase in furnace and electric load availability. [Text] [Johannesburg THE CITIZEN in English 30 Sep 86 p 27]/12828

U.S. PHARMACEUTICAL GIANT SELLS STAKE--Baxter-Travenol, giant American pharmaceutical conglomerate, has announced the sale of its 40% stake in its SA subsidiary, a Washington research group said yesterday. Travenol sold its interest in Sabax-Kreagrams, a pharmaceutical company that employs 886, to another SA company, according to Alison Cooper, an analyst at the Investor Responsibility Research Centre (IRRC). This brings to 20 the number of U.S. corporations that have disinvested from SA operations so far this year. Six other companies, including Coca-Cola, have stated their intention to withdraw. Cooper said Proctor and Gamble, a consumer goods conglomerate, had announced it would sell its Richardson-Vicks SA subsidiary. Marriott Corporation and Delaware North are to abandon catering operations at Jan Smuts Airport when contracts expire this year. Diamond Shamrock and Fairchild Industries will close their subsidiaries, the IRRC said. [Text] [Johannesburg BUSINESS DAY in English 1 Oct 86 p 1] /9274

WINE INDUSTRY FIGURES--Cape Town--The South African fortified wine industry has fared well in the past year in spite of the prolonged recession. According to the latest national sales figures released by the Cape Wine and Spirit Institute and the Oude Meester Group, total sales for the industry for the year ended June 1986 amounted to R217.4 million. This encompassed a total volume of 44.6 million litres. Sales increased by four percent during the winter months. Mr Kobus Smit, public relations manager of KWV, said that, in view of the recession and overall decrease in alcoholic beverages sales, fortified wines had performed well. [Text] [Johannesburg THE STAR in English 30 Sep 86 p 11] /9274

AGRIFOKUS TO HELP FARMERS--Agricultural financial problems have prompted a major SA bank to establish Agri-Fokus--a financial advisory service. A team of Volkskas agricultural finance experts will assist farmers at different levels of their financial planning. A volkskas spokesman said the purpose of AgriFokus was not to advise farmers on technical farming matters. He said: "We will make use of modern computer technology to assist the farmer on his farm. We will also assist local branch managers in their task of advising farmer clients." Farmers were experiencing problems with cash flows and the repayment of debt. He said: "These problems are primarily the result of the combined effect of unprecedented drought, a cost squeeze due to high inflation and high interest rates." [Text] [Johannesburg BUSINESS DAY in English 3 Oct 86 p 3] /9274

AGREEMENT ON ORE BODY EXPLOITATION--An agreement for the possible exploitation of ore bodies underlying certain farms to the east and southeast of Freegold's Freddie's Mine has been reached by the boards of directors of Freegold and Duiker Exploration Ltd. The farms involved are New Nameeldoorns No 139, and portions of the farm Leeuwbosch No 285, De Hoop No 57, De Hoop No 276, Elsinore No 12 and Wonderkop No 15. About 3,026 ha in extent, these farms are east and south-east and contiguous to Freegold's Freddie's Mine. The proposal envisages the formation of a new

company to finish an exploratory drilling programme which will take about three years to complete and is expected to cost R11 million. It is also envisaged that the new company--owned in the following proportions, Freegold 57 percent, Duiker 25.8 percent, AAC and associates 15.6 percent and Anglo-vaal and Middlewits 1.6 percent--will be formed to take the cession of the mining lease and will cede the lease to Freddie's which will exploit the lease area. [Excerpt] [By Madden Cole] [Johannesburg THE CITIZEN in English 3 Oct 86 p 27] /9274

INTERNATIONAL CREDIT STANDING--Johannesburg, 6 Oct (SAPA)--In the eyes of the international banking community, South Africa has been losing status as a good credit risk for several years, SABC radio news reports. A high-ranking source in the financial sphere said today that South Africa had never ranked in the top 15 or 20 best credit risks, and had always come behind the leading industrial nations. He said the Scandinavian countries and even one or two Third World countries had scored better ranking. One factor which has caused South Africa's position to decline had been the recent debt-repayment standstill, but even before this the situation had been affected by political factors. He said many investors were using the political situation as an excuse to disinvest, however, while the real reason lay elsewhere. An increasing concern with the South African Government's policies on taxation and state-spending was giving rise to grave misgivings about the future of the economy, and leading to a withdrawal of investments. [Text] [Johannesburg SAPA in English 1836 GMT 7 Oct 86 MB] /9274

NEED FOR CANADIAN WHEAT--The chairman of the Wheat Board, Mr Charles Cilliers, says South Africa does not depend on Canada for its wheat supply because the grain can be tendered or from other countries. Reacting to an announcement by Canada earlier today that it no longer will sell wheat to South Africa, Mr Cilliers said this country had once only bought wheat from that country. After that he said the Canadian Wheat Board had taken the initiative in submitting tenders to South Africa. Mr Cilliers said at this stage it was not possible to say if South Africa would import more wheat this year. [Text] [Johannesburg Domestic Service in English 0915 GMT 7 Oct 86 MB] /9274

CIVIL CONTRACTS CONTINUE SLUGGISH--The flow of new civil engineering contract work remains sluggish but stable, the SA Federation of Civil Engineering Contractors says. The value of the 105 new civil engineering contracts recorded by the SAFCEC in August for work in the RSA and the TVBC states was R102m, little changed from the figures for the past few months. The August figure brings the total value of recorded new work this year to R940m which in monetary terms is up on the R885m for the same period last year but below the R1000m in January to August 1984 when there was a slight upturn in the industry. However, if the inflation rate in the construction industry is taken into account, the flow of new work in real terms has continued to drop. Nevertheless, the SAFCEC says, "the intake of new work so far this year appears to be stabilizing albeit at quite a low level." Most of the contracts are for roads and outside the Western Cape but Race Cape has a R1,5m contract for the maintenance of rail sidings in Epping and Ndabeni and another for civil work at the Peninsula Technikon in Bellville. [Text][Cape Town CAPE TIMES (Business) in English 26 Sep 86 p 6]/12828

CSO: 3400/205

SATS TO BEGIN AIR SPACE DEVELOPMENT

Johannesburg THE STAR (Metro) in English 25 Sep 86 p 24

[Article by Zenaide Vendeiro]

[Text]

Draft legislation which will allow the development of air space — a new concept in South Africa — is being considered and the South African Transport Services hopes to begin its first air space development project early next year.

Air space developments have occurred successfully in the United States, Australia, Europe, Hong Kong and Japan for decades. These have included the construction of hotels, supermarkets, apartment buildings and car parks above railway stations, rights-of-way and freeways.

"Although one is legally entitled to lease one's air space there is no way in South Africa at present that the air space can be sold or for leases to be notarily registered. An Air Space Bill is under consideration," said Mr Nigel Wolfson of the SATS business development department.

Stations

As SATS is the only Government department allowed by law to lease its land for private sector development, the Bill would only refer to space above railway stations and other SATS properties.

The business development department, which manages the SATS property portfolio, has identified a few air space locations in the major centres which are suitable for development.

Mr Wolfson said air space development could make an exciting and positive contribution to cities in South Africa if properly planned and executed.

It could revitalise and renew blighted areas; it would provide locations close to or above public transport facilities; it could link parts of the city previously divided by a railway line and it would provide an additional source of income to cities in the

form of property rates and taxes, licences, and usage of water, electricity and sewerage.

There were disadvantages, too. Building costs were generally higher because of irregular foundation layout between railway tracks and the creation of a deck on which development could take place.

Air space development would disrupt rail and other traffic during construction, make maintenance more difficult and limit the future expansion of these services.

It would also create many environmental problems such as increased car traffic, lack of basement parking, noise and vibration.

● The South African Property Owners' Association will be holding a seminar on land and air space developments in Johannesburg on October 28. For further information telephone SAPOA at 331-2637.

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CSO: 3400/192

SOUTH AFRICA

BMW STAYS DESPITE LOSSES, SANCTIONS

Johannesburg SUNDAY TIMES (Business) in English 28 Sep 86 p 32

[Article by Don Robertson]

[Text] BMW is committed to its South African connection--its only manufacturing plant outside Western Germany.

Walter Hasselkus, managing director of BMW SA, said in Munich at the international launch of the new Seven Series model range that in spite of continuing losses and the possibility of sanctions, the parent company would continue its operations in SA.

The export of components continued and BMW SA hoped to reach its target of R50-million a year soon, he said.

The new Seven Series will be introduced in SA in October next year, and BMW hopes for a large increase in sales in the top end of the market.

Output Lift

The SA operations fit in well with the group's international plans for an increase in production to bolster stretched facilities in Germany.

The parent company forecasts a satisfactory result for the year to December, says chairman Eberhard von Kuenheim.

Worldwide sales in the first seven months of the year were 280 000 units, much the same as in the previous year. Because of an expected continuation of the favourable economic climate turnover in the year to December should be higher than in 1985.

Turnover in the first six months was DM9,1-billion--4% higher than in the previous year.

The factory at Regensburg being built at a cost of DM1,3-billion and the Research and Engineering Centre in Munich will be completed later this year.

Robotics

The Regensburg plant will turn out about 50 cars a day by the end of this year. Production will rise to 150 by May 1987 and to 400 by 1990, or about 100 000 a year. At full production, the plant will employ 3 500 people on two shifts and will use robotics on the assembly line and in the paint shop.

When the Regensburg plant is operating at capacity, production at the older Munich plant will be reduced by about 100 cars a day.

About 66% of the company's production is exported and this has been achieved in spite of currency fluctuations. America is the largest market--June being the best month with sales of 8 600 units.

One in every four cars imported by Japan last year was a BMW, says Dr von Kuenheim. European sales increased substantially, particularly in France.

Total German production rose by 3% in the first six months of this year to 2,27-million cars and employment has increased by 20 000 since the beginning of the year.

BMW has a 1,5% share of the world market of about 30-million cars.

Referring to the launch of the Seven Series, Dr von Kuenheim says few manufacturers operate in the top segment of the market.

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CSO: 3400/192

DECLINE IN VW SALES FIGURES REPORTED

Johannesburg BUSINESS DAY in English 1 Oct 86 p 10

[Article by David Furlonger]

[Text]

VOLKSWAGEN South Africa has been overtaken by VW's Nigerian operation as the German car-maker's African money-spinner.

With a 33,2% decline in the Deutschemark value of its sales in 1985, VW SA ranks ahead of only Argentina and Yugoslavia in VW's international empire.

Vehicle sales dipped to DM598m from DM896m in 1984, while the value of Nigerian sales soared 29,4% from DM561m to DM726m.

Values, of course, were badly distorted last year by the rand's collapse against other currencies, particularly the mark. In terms of vehicles sold, SA sales were more than 50% ahead of Nigeria's — 33 625 against 20 671.

According to VW's annual report, SA production fell 22% last year from 38 668 to 30 099; capital investment fell 42% from DM144m to DM84m; and the workforce fell 4,8% from 6 312 to 6 010.

In VW's worldwide scheme of things, SA remains small fry. VW sales in West Germany last year were worth nearly DM39bn and those of its Audi subsidiary DM9,6bn. Other major contributors included VW in North America with DM12,7bn, Brazil DM4,7bn, Mexico DM2,1bn and Belgium DM2bn.

In terms of unit sales, SA's 33 625 ranked ahead of Nigeria's and Yugoslavia's, but streets behind Brazil (355 000), North America (318 000), Belgium (169 000) and Mexico (92 000).

The annual report says that although VW sales in SA fell 10% last year, its market share increased.

It says: "A further improvement was prevented, particularly by work stoppages and plant closures.

"The earnings situation continued to deteriorate in the fiscal year 1985, particularly as a result of the low volume of business and the unfavourable exchange rate for the rand. Volkswagen AG therefore took extensive measures to assist the company. Despite this, Volkswagen of SA returned a loss."

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CSO: 3400/192

ESCOM POWER STATION GO-AHEAD PLEASES CONSTRUCTION LEADERS

Johannesburg THE STAR (Business) in English 1 Oct 86 p 20

[Article by Frank Jeans and Sven Lunsche]

[Text]

The capital market has discounted the effect of the R1,7 billion Escom will have to raise in loans on the domestic market to meet its financial requirements in 1987.

Analysts said yesterday the market had been aware of this for half a year and with the cash flow of institutional investors into public sector securities estimated at about R5,8 billion for 1986, Escom should have no trouble raising these loans.

As a result of capital expenditure cuts and cost control plans, Escom's estimated funding through the capital market will amount to only R1,3 billion in 1986.

Mr Larry Harper, Escom's senior general manager, finance, announced a R3,42 billion funding plan for 1987. Of this R1,7 billion will be raised in the primary and secondary capital market.

"Escom aims at taking up no more than 25 percent of the institutions' prescribed assets in public securities over the next three years, in order not to exert too much pressure on local interest rates," he said.

South African construction leaders are elated at Escom's decision to go ahead with its new spread of power stations which will put billions of rands into the industry.

The Escom decision is a major boost for the struggling civil engineering industry which has seen work volumes diminishing rapidly.

When Majuba, the big project in the commission's network, was put on ice some time ago it came as a shock to construction men who were looking at an overall contract in the region of R2 000 million.

Now, not only Majuba at Volksrus but Kendal (Witbank) and Matimba (Ellisras) have all got the go-ahead and with each power station costing around R3,5 billion, the benefits to construction companies and ancillary industries will be enormous and should make a significant impact on unemployment.

Favourable impact

The three stations, along with Tutuka (Standerton) and Letabo (Vereeniging), are all at various stages of construction, but the first three still have considerable construction time down the line.

The 3 600 MW stations, each with six generating sets, take about eight years actual construction time.

Mr Jimmy Oosthuizen, chief executive of LTA says: "This development will definitely have a favourable impact on the industry as a whole.

"A lot of people in civil engineering, negatively affected by present conditions, can now look up again," he said.

It is estimated that one power station takes about 100 000 tons of cement over a five-year period, but to this must be added the cement requirements for infrastructure work such as housing, roads and other building work.

Mr Guy Luyt, chairman of cement group PPC, says: "We were concerned about the possibility of any cutback on Escom construction programmes and this announcement can only be welcome to the cement industry as a whole.

"The continuation of the Escom works can only result in positive results. Such massive undertakings will be an important base for cement supply in the future."

The Majuba contract was said to be the biggest civil engineering project to date in South Africa and worth about R300 million in civil works alone when it was postponed in 1984.

Mr Kees Legaay, executive director of the SA Federation of Civil Engineering Contractors, says that the civil works at Majuba alone could create more than 1 000 jobs, once work gets started.

Escom announced yesterday that work on three of the six sets at Majuba will start immediately, with the other three sets continued at a later stage.

"With all the auxiliary services involved, like mechanical and electrical work at the plant and the development of infrastructure in surrounding areas, between 2 000 and 3 000 jobs could be created once all six sets are given the go-ahead," Mr Legaay says.

"Together with yesterday's announcement of the go-ahead for the Lesotho Highlands Dam project, the Escom announcement makes prospects for the civil engineering industry look fairly bright in the near future."

Mr Charl van der Merwe, chief executive of Gillis Mayson, whose company is strong in power station construction, says the competition in the civil engineering industry is fierce at the moment, so that the tender for the new works might well be below market prices.

He expects tenders to be awarded this month, with the actual work starting in March or April 1987.

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CSO: 3400/192

SAA CHECKS UNPROFITABLE SERVICES

Johannesburg THE STAR in English 2 Oct 86 p 1

[Article by Zenaide Vendeiro]

[Text]

South African Airways is evaluating its European services and may consider combining several of its more unprofitable services, an airline spokesman said today.

SAA staff in several European capitals fear for their jobs because of rumours that several flights will be discontinued.

The airline's international director, Mr Henry van Wyk, flew to Amsterdam last week for a meeting with all SAA managers in Europe, according to an SAA source there.

Mr van Wyk was said to have told the managers that SAA might discontinue most European flights from next year and concentrate on its profitable services to London and Frankfurt.

On abandoned routes, SAA would enter into agreements with other airlines for a share of their revenue in return for being allowed to operate to and from South Africa.

This was denied by the SAA spokesman. He admitted that SAA was "having a very good look at all services in relation to the demand".

"Patronage has been a bit down both locally and overseas. We are looking at possibly combining some flights, particularly in the low season."

South African travel agents have been predicting large cuts on SAA's overseas operations for some time.

Most SAA services to European capitals, one agent said, were operated as "flag-waving exercises". SAA was forced to fly around the bulge of Africa, resulting in greater fuel bills and longer flights than those of European carriers.

By discontinuing these unprofitable routes, closing offices, selling off the older and fuel-inefficient aircraft and retrenching staff, SAA could be transformed into a smaller, more efficient and profitable airline, the agent said.

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CSO: 3400/192

SAA BEGINS PROJECT TO REFURBISH 747 FLEET

Johannesburg THE CITIZEN in English 3 Oct 86 p 18

[Article by Erik Larsen]

[Text]

SOUTH African Airways have made a start with a multimillion rand project to refurbish its Boeing 747 fleet, used on international routes.

The Lebombo, SAA's oldest 747 Super B, has been refurbished at a cost of R1,6-million. Work is soon expected to start on four of SAA's older 747s.

The transformed Lebombo was unveiled by the chief executive of SAA, Mr Gert van der Veer, at a function at Jan Smuts Airport yesterday.

"We felt it was time to look at our 747s and make them more comfortable for our passengers," he said.

Mr Van der Veer said that in line with SAA's policy of "We Make the Difference", special features were built into the aircraft during the refurbishing programme.

These include a modern video projection system, larger overhead storage bins, redesigned toilet facilities and the latest in interior design.

The new video system will enable SAA to expand the range of films considerably and is controlled from a centrally located operational point.

The new system will allow the airways to present the safety demonstration on video and, at a later stage, short news clips and information programmes may become a regular feature.

The new storage bins will provide passengers with up to 500 percent more storage space than at present. This will enable passengers to stow hand baggage, normally stowed under the aircraft seats, thereby creating more legroom.

The refurbished plane features new wall panels, starting with a dark blue

carpet and toning gradually into shades of pink and white.

The various cabin classes — blue diamond, gold and silver, each project their own image — blue for blue diamond, camel for gold and silver. The aircraft seats also conform to this colour scheme.

"One of the major reasons for the SAA refurbishing programme is to continue providing the airline's passengers with the type of travel comfort that has become synonymous with SAA — top class service, superb facilities, high safety standards as well as the most comfortable travel surroundings on offer," said Mr Van der Veer.

Mr Van der Veer explained that once the refurbishing of the 747 fleet was complete, SAA would look into refurbishing its internal aircrafts.

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CSO: 3400/192

END