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AFRICA (SUB-SAHARA)

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KAUNDA DISCUSSES SOUTHERN AFRICA, ECONOMIC ILLS

PM040809 London THE INDEPENDENT in English 3 Aug 87 p 8

[Interview with Zambian President Kenneth Kaunda by Karl Hmler: "Kaunda Hits at West's Failure on Apartheid"]

[Text] Lusaka--While Western nations stand by, South Africa's white minority government is igniting a regional conflagration in southern Africa that will consume "hundreds of thousands" of lives, says Zambia's President, Kenneth Kaunda.

"The explosion has started in earnest," Mr Kaunda said yesterday at the State House, in his first interview with a British newspaper since being elected last week as chairman of the Organization of African Unity (OAU). "The whole thing is set for a massive explosion because of apartheid."

As evidence, Mr Kaunda cited the massacre of 388 civilians in southern Mozambique on 18 July, allegedly by South African-backed rebels; continued South African attacks in Angola; and repeated cross-border raids into neighbouring states.

The big Western powers, he suggested, had failed to take significant action to curb Pretoria's violence against South Africa's black majority and its neighbours and he accused the West of "supporting South Africa militarily." Racism, he thinks, was at the heart of the matter.

"Can anyone tell me that Western leaders cannot foresee what will happen here?" Mr Kaunda asked. "Why is it that when there was a Hitler,...killing whites, the Western world got up to fight? Here we are being told that we must be patient." The reason was that "the black man is not worth anything in their minds".

Mr Kaunda, 63, has led Zambia since it became an independent nation in 1964. Today he is regarded by many as Africa's elder statesman and is the first leader to be elected for a second term as OAU chairman.

A deeply religious man, Mr Kaunda was born at Lubwe Mission in northern Zambia, where his father was a Church of Scotland minister. His beliefs led to his philosophy of "humanism", a mixture of Christian morality with socialist ideals. He repeatedly punctuates his statements with references to

God and Christ, and his convictions have steered him through the ideological battles that have raged in this region over the past two decades.

Mr Kaunda seems to harbour no ill will towards his country's former British rulers. "We deal with the British very well now," he said. "We are good friends." Nor does he worry about increased Marxist influence in the region, calling it a logical result of the West's failure to match Soviet readiness to provide military aid to African liberation movements.

"The ideology that made those weapons will surely follow those weapons," he said. "I am not afraid of communism because of my belief in Jesus Christ." In any case, he believes southern Africa's key problem is the "entrenched clique of racists" ruling South Africa and Namibia.

Peace in southern Africa and economic stability are Mr Kaunda's prime goals as OAU chairman, but attainment of either appears to be distant. Africa is in the throes of economic decline, with population growth outstripping production in most countries; war, climate and mismanagement undermining development; the continent's foreign debt now reaches \$200 billion--one fifth of the Third World's total.

But the main obstacle to a better life for Africa's 500 million people, Mr Kaunda says, is the lack of "a more realistic world economic order":, which would reverse the current trend of falling prices for the continent's raw material exports and the rising costs of manufactured imports.

Mr Kaunda's own government is embroiled in one of the country's worst economic crises. On 1 May, he broke off Zambia's four-year-old adjustment programme with the IMF, after austerity measures sparked wide-spread unrest. Zambia has drastically reduced payments on its \$5.3 billion foreign debt. The government will unveil a new economic programme this week and Mr Kaunda hopes the IMF will approve it.

But in the short term, economic development in Zambia and in the rest of the region is being held hostage to the growing regional conflict. And the West's lack of resolve in standing up to Pretoria, President Kaunda suggests, is costing it ever scarcer political capital in southern Africa.

"Those young people in Soweto, what are they going to think of the West? They are the important ones, not me. The die is cast; it's a nightmare."

/6662

CSO: 3400/273

INTER-AFRICAN RADIO CENTER FORMALLY ESTABLISHED

AB291247 Ouagadougou Domestic Service in French 1300 GMT 28 Jul 87

[Excerpts] An agreement between Burkina Faso and the African National Radio-Television Union, URTNA, on the establishment of the headquarters of the Inter-African Rural Radio Study Center, CIERO, in Ouagadougou, was signed this morning at the Ministry of External Relations and Cooperation. Gabriel Baroua reports:

[Begin recording] [Baroua] The document that was signed today is an agreement that legalizes, at last, the establishment of CIERO in Burkina Faso while defining, at the same time, the privilege and (?immunities) according in this center. In fact, it is an act of regularization since CIERO has been functioning since 1978. The CIERO is an institution for the training of specialists in rural broadcasting open to students and trainees of OAU member countries.

From the time of its inception in 1978 to 1986, this center contributed to the training of 90 specialists comprising 49 journalists and 32 technicians. Six of the 90 specialists are women. Twenty-two trainees are currently undergoing a course that will end in 1988. URTNA, which is responsible for the management of the center, is a professional organization that deals with the development and strengthening of the role and quality of radio and television in Africa. Towards the attainment of these goals, it has set up permanent services including the general secretariat in Dakar, the technical center in Bamako, the programs exchange center based in Nairobi, and the CIERO, the headquarters of which is located in Ouagadougou.

At the ceremony on the signing of the headquarters agreement, the Government of Burkina Faso was represented by the minister of territorial administration and security, Comrade Ernest Nongma Ouedraogo, acting on behalf of the minister of external relations and cooperation; the permanent secretary of the Ministry of Information, representing his minister who could not attend; and comrade Jean-Modeste Ouedraogo [word indistinct]. URTNA was represented by its secretary general, the Congolese Francois Itoua. Also present at the ceremony was the representative of the chairman of UNTNA, Mr (Gergoire Ebang Epon), who is a Gabonese, and the director of CIERO, Samba Ousmane Toure of Mali.

At the end of the ceremony, we asked Mr Francois Itoua about the necessary signing of the agreement which has finally legalized the establishment of CIERO in our country.

[Itoua] As was said in the final communique, the first and foremost thing is the legalization. The CIERO has been functioning in Burkina Faso for several years, for some 10 years. I must say that we often run into difficulties during our negotiations with regard to the independence of our operation. Burkina Faso, of course, does not contest this independence, but we have worked toward a compromise that can enable the school to function normally as it has always functioned from the beginning, and which also enables Burkina Faso to safeguard this independence. I must seize this opportunity to sincerely thank President Thomas Sankara who has been the chief architect of the headquarters agreement.

[Baroua] Can we say that the Federal Republic of Germany will continue its assistance to CIERA?

[Itoua] concerning the assistance of FRG, we have every reason to believe that that assistance would continue. Perhaps it will not continue in the present form, but we are very hopeful that after the balance sheet has been drawn up on the action of CIERO, the FRG's assistance will continue. [end recording]

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CSO: 3400/273

ANGOLA

RSA, UNITA 'SERIOUSLY' DAMAGE CUNENE ECONOMY

MB051618 Luanda Domestic Service in Portuguese 1200 GMT 5 Aug 87

[Excerpt] South African invasions and acts of sabotage by UNITA puppet gangsters have seriously damaged the economy of Cunene Province, which was essentially dependent on agricultural and livestock production. Pedro Adao Cahalo, secretary of the Cunene Province Committee Department for Economic and Social Development and Planning, revealed this to ANGOP in Castanheira de Pera. The provincial party executive member also said that a number of tasks to improve the living conditions of the displaced people had been carried out since the Cunene Province political and administrative leadership was moved to Castanheira de Pera in Huila Province.

The number of the displaced people is estimated at about 27,000 people, including men, women, old people, and children. He spoke of efforts to provide the people with medical assistance, basic and elementary education, and literacy programs, as well as encouragement and assistance to make them self-dependent by providing them incentives in the form of agricultural implements, including seeds, and technical assistance to increase production and self-sufficiency in food.

What is more, the party and state leadership has been rendering considerable medical assistance to livestock. Pedro Adao Cahalo said that efforts were under way by the local party and state leadership to promote economic development in the province. He said work has begun to resettle the displaced people in areas that are good for agricultural and livestock production as a way involving them in agricultural production, as well as to increase rural trade. Efforts are also being made to train cadres to allow the speedy development of production manpower and promote the establishment of associations of peasants, herdsmen, fishermen, and artisans.

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CSO: 3400/237

ANGOLA

UNITA NOTES FOOD SHORTAGES IN NORTHEAST

MB070707 (Clandestine) KUP in English to Southern and Central Africa 0600 GMT
7 Aug 87

[Text] Jamba, Provisional Capital of Liberated Angola, 7 Aug--The deteriorating security situation around Xamuteba out-post in the north-eastern Angolan province of Luanda has forced schools in the area to close because teachers there have all fled.

Information reaching KUP from the area says that the teachers have been forced to abandon the area following frequent UNITA attacks on MPLA army positions there which has led to the infrequent supply of goods.

It is meanwhile reported from the same area that two traditional chiefs-- Chiefs Musamba and Kalandula--were recently severely beaten up by MPLA soldiers who accused them of supporting UNITA forces in the area. The incident occurred when the two chiefs told the soldiers who had been resident in their respective areas for almost a month, that they could no longer give them food because they (the MPLA soldiers) had exhausted all the villagers' food supplies during their stay.

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CSO: 3400/237

COMMENTARY NOTES SUCCESS OF CLEMENCY POLICY

MB310946 Luanda Domestic Service in Portuguese 1900 GMT 30 Jul 87

[ANGOP commentary: "The Justness of Our Cause"; from the "For the Record" program]

[Text] The return of many compatriots who had been deceived by the false propaganda of the enemies of the Angolan revolution proves the justness of the principles followed by the MPLA-Labor Party. The clemency policy, introduced by the late President Agostinho Neto at the historic Cabinda rally in 1978, is designed to resettle those who have voluntarily dissociated themselves from the macabre plans against our people.

Their return to the great Angolan family is an indispensable condition for building a prosperous society, free of the exploitation of man by man, with the active participation of all its sons in fulfilling the guidelines set by our vanguard party. As stated by Comrade President Jose Eduardo dos Santos some time ago, the attempt to create an alternative to the legitimate power in Angola has failed. Thus, hundreds of former members of defunct puppet groups or UNITA, which still exists due to the many kinds of support it receives from Pretoria, have been surrendering to our authorities within the framework of the pardon granted by the political leadership of the People's Republic of Angola. Despite the defamation campaign carried out in the West with a view to discrediting the real objective of this measure, the people who have been reintegrated can testify to the facts. Many have already surrendered and are continuing to surrender. Angolan society waits for more to come and contribute to the defense of the threatened fatherland, in particular.

In this last respect, we can point to the experience of Uige Province regarding the resettlement of former FNLA [Angolan National Liberation Front] and COMIRA [Military Committee of the Resistance in Angola] elements. When it comes to welcoming our compatriots, the word revenge is unknown to us. We follow the teachings of the immortal leader of our revolution and founder of the clemency policy.

The Angolan people have only one aspiration: peace. All those who recognize their mistakes are always welcome to Agostinho Neto's fatherland. Our wish is sincere. We hope to build a united country from Cabinda to Cunene, but we will not accept pressures or impositions from any source whatsoever. The

Angolan people are masters of their own destiny. Our freely chosen socialist option is the supreme expression of our will and the construction of a new society in Angola began on 11 November 1975.

In their relentless struggle against the servants of international imperialism, notably the racists and puppets, our brave combatants have achieved countless victories, thus thwarting the hegemonic plans worked out by the strategists of the racist Pretoria regime.

Our enemies are confused by constant defeats on the battlefield. They invent pretexts to try to denigrate the MPLA-Labor Party and the government of the People's Republic of Angola through the mass media [preceding two words in English] at their service by mentioning alleged secret meetings on power sharing and alleged summary executions of opposition members who decided to join the majority of the people. This defamatory campaign is part of the wider strategy of internal and external reaction aimed at discouraging those who may still want to return. However, such diatribes can only convince those who are poorly informed on the issue. Besides, the statements of those compatriots to the national and international press prove the opposite. Some have management posts in state enterprises and others continue their professional activities for the good of Angolan society. This is the reality of the clemency policy.

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CSO: 3400/237

COMMENTARY STRESSES NEED FOR MANAGEMENT COMPETENCE

MB061719 Luanda Domestic Service in Portuguese 1900 GMT 5 Aug 87

[JOURNAL DE ANGOLA commentary: "Emphasizing the Need for Competence"; from the "For the Record" program]

[Text] It is a known fact that the various phases in the implementation of a process, especially a revolutionary process, must necessarily be accompanied by the creation of organizational bases that can effectively guarantee the production of technical and material goods that can satisfy the growing needs of the popular masses.

Thus, to speak about the production of technical and material goods amounts to speaking about its direct relationship with a healthy economy. In the concrete case of our country, the areas of the economy of most importance come under state control and therefore, by way of the development we anticipate for our future, in the hands of working masses. This is where the issue of the nature of management in the various sectors comprising the country's economic structure surfaces.

In general terms, we know that many of our enterprises still fall short in productivity, primarily because their management is not correct. We must not ignore the fact that several cadres involved economic management left the country after independence. In any event, it must honestly be recognized that, 11 years after independence, many cadres have specialized in fields which contribute toward a more correct management of the various sectors of our economy. However, these cadres have not always been put to the best use. This situation persists for various reasons, including a certain reluctance to engage in a more correct placement of cadres in the organic structures of many enterprises. Favoritism, nepotism, and other negative (?behavior) also affect the placement of certain elements in key administrative positions in many enterprises.

In the face of this situation, we must take measures to guarantee that those who manage the country's various economic sectors are fit to do so. We are certain that the implementation of these measures will result in increased production levels in our enterprises. Bearing in mind that our country needs an economy that can withstand the war waged on us by international imperialism, the correct management of our economic structure is an objective that must be achieved through the efforts of all. The most effective way to do it is by emphasizing the need for competence.

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CSO: 3400/237

BRIEFS

RESETTLERS IN CUBAL UNDER CLEMENCY--As a result of the clemency policy introduced by the party, more than 30,000 compatriots have been resettled in the district of Cubal between 1980 and the first 6 months of 1987. In a recent interview with ANGOP, Antonio Morgado, second secretary of the Cubal District committee, said that the clemency policy has been successful. Those who have been resettled are now working in peasant associations, receiving educational, health, food, and clothing assistance from the Angolan authorities. On children who have returned from the bush, Antonio Morgado stated that they are attending school in order to heighten their cultural knowledge. He added that in order to attract more children the Secretariat of the Organization of Angolan Pioneers in Cubal has already introduced a political and patriotic educational program which includes sport, recreational, and cultural activities. [Text] [Luanda Domestic Service in Portuguese 1900 GMT 30 Jul 87] /9599

UNITA KILLED IN ATTACK IN LUNDA SUL--Saurimo, 31 Jul (ANGOP/PANA)--Seven elements of the UNITA puppet group have been killed by the Angolan armed forces in Mona Quimbundo commune, 50 km from the capital of Lunda Sul Province in eastern Angola following an abortive attempt by the puppets to attack the residents of the commune. According to the commander of the troops stationed in the commune, the rapid intervention by the Angolan troops resulted in the capture of a large quantity of war material which included two AKM weapons, 6 60-mm mortar shells, and 6 grenade launchers, as well as propaganda material abandoned by the armed bandits following their hasty retreat. [Text]] [Dakar PANA in French 1207 GMT 31 Jul 87] /9599

FAPLA REPORTS JAN-JUL SUCCESSES--Between January and July 1987, FAPLA inflicted some 1,000 casualties on the armed gangs in the service of the racist Pretoria regime. An official source cited by "Angola Combatant" program's "The Voice of the Armed Forces," today disclosed that FAPLA killed 2,832 and captured 388 UNITA bandits throughout Angola between 1 January and 28 July 1987. [Numbers as heard] A total of 325 UNITA elements surrendered to our forces during the same period. Large quantities of war materiel, namely 1,250 weapons, 10 vehicles, 2,867 shells and grenades, some 344,000 rounds of ammunition, 1,118 land mines, and 25 radio sets were captured in FAPLA operations against the armed bandits. The source said that during the 7-month period the Angolan army freed from the puppets' clutches 7,294 people

who had been abducted and kept under arrest. [Text] [Luanda Domestic Service in Portuguese 1900 GMT 31 Jul 87] /9599

UNITA CLAIMS 33 CUBANS KILLED--Jamba, provisional capital of liberated Angola [no date as received]--Thirty-three Cuban soldiers as well as 52 MPLA troops have been killed in 3 days of fighting between July 25th and 27th against UNITA forces in six provinces of Angola, UNITA army chief of staff communique announced. The dispatch says one MPLA soldier has been captured and 82 others wounded in combat during which 17 military trucks got destroyed and 25 weapons seized. The attacks took place in Uige, Malanye, Huambo, Cuanza-norte, Moxico, and Cuando Cubango Provinces. UNITA is reported to have lost 5 men, 46 wounded, and 2 missing. [Text] [(Clandestine) KUP in English to Southern and Central Africa 0600 GMT 1 Aug 87] /9599

PACT WITH PORTUGAL ON EXPLORATION--Emdiana [Angolan National Diamond Enterprise] recently signed an accord on mineral exploration with the Portuguese Society for Ventures in Lisbon. This was confirmed last Monday by a source in Emdiana. Under the terms of the 2-year accord, the Portuguese Society for Ventures will cooperate with Emdiana in prospecting, exploring, and training of Angolan cadres who will specialize in diamond exploration, it should be noted that Emdiana has exclusive rights to diamond prospecting and trading throughout Angola. [Text] [Luanda Domestic Service in Portuguese 1200 GMT 6 Aug 87] /9599

CSO: 3400/237

MINISTER ON DEPORTATION OF 'FOREIGN NATIONALS'

AB292243 Accra International Service in English 2000 GMT 29 Jul 87

[From the newsreel]

[Text] The acting secretary for the interior, Mr Okaidza Adamafio, has assured Ghanaians that the responsibility of the ministry to ensure compliance to the deportation orders, issued against certain foreign nationals, will neither be sacrificed nor compromised. Speaking to the GBC [Ghana Broadcasting Corporation], Mr Adamafio explained that the deportation of certain persons had been delayed in order to ensure that they pay all their obligations to the state. Augustina Apick reports:

[Begin recording] On May 30, the PNDC secretariat directed that 42 foreign nationals, against whom certain allegations have been made, should report at the Ministry of the Interior. Following this directive, 37 reported and 5 were said to be out of the country for various reasons. A task force, headed by a deputy commissioner of police, was set up to (?handle) the cases of those who reported. In an interview in Accra, Nii Okaidza Adamafio, said the task force has since submitted its full report and it is being studied for implementation.

However, acting on preliminary reports, 15 out of the 37 people who reported have been issued with deportation orders. According to him, 10 out of the 15 have since left the country while the departure of the remaining 5 has been delayed because the 5 persons concerned are required to pay up all outstanding taxes and other obligations to the state as well s to individuals Ghanaians.

By the same token, he said, the ministry is also ensuring that no Ghanaian is allowed to cash in on the situation to cheat the affected persons. Nii Adamafio said since the exercise involved a reconciliation of facts and figures, it is taking some time. On the fate of the remaining 22 foreign nationals, he said the task force, which was set up by the ministry to investigate allegations against them, has submitted its reports, and it is being studied for implementation. [end recording]

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CSO: 3400/272

RADIO CRITICIZES RESULTS OF 23D OAU SUMMIT

AB301746 Accra Domestic Service in English 1300 GMT 30 Jul 87

[Sena Tsikata commentary]

[Text] Another summit of the OAU has ended with declarations intended to quicken the pace of the liberation struggle in southern Africa and to solve the continent's economic problems. The African heads of state again condemned the South African regime's state of terrorism and repledged material support for the nationalist movements of South Africa and Namibia.

It is known that some governments pledge various forms of assistance for the liberation struggle at such meetings but give nothing. Some even continue to flirt with the Pretoria regime and its Western allies. Some African countries are known to be assisting terrorist groups like the MNR and UNITA, fighting patriotic African governments. The heads of state could have focused their attention on such issues and told the countries concerned bluntly and in the face that their actions constitute a slap in the back of the OAU. An example is the giving of Kamena Air Base in Zaire for use by the U.S. to supply arms to the UNITA bandits to terrorize the people of Angola.

Reports coming in from Addis Ababa indicate that the question of Israeli presence on the African Continent was not tackled at the meeting. This is quite serious in view of the fact that Israeli arms are being used to brutalize the majority black population, and yet some African states believe that with the restoration of diplomatic ties with Israel, they could benefit from that country's so-called agricultural know-how and military intelligence. The failure of the OAU meeting to condemn the five black African countries that have renewed relations with Israel is unfortunate and it might lead to some other countries doing likewise, the condemnation of this trend by Tanzania notwithstanding. Since the decision to sever ties with Israel was taken by the OAU, and while the situation in the Middle East has also not changed, the summit should have included in its resolution a condemnation of these countries and even asked them to reconsider their decision.

On the economic front, the OAU failed in its attempt to reach a unanimity on how to deal with the continent's debts, which stand at \$200 billion. Africa has been described as the world's richest continent with 70 percent of the world's remaining natural resources and 40 percent of its hydroelectric potential. But on present reckoning, it is the poorest of the continents and

therefore needs to be assisted to overcome its debt problem. As President Thomas Sankara said, it is the developed countries which underdeveloped Africa, to paraphrase Walter Rodney, the assassinated Guyanese patriot and intellectual. These developed countries therefore, have a duty to help the continent to come out of its debt problem.

To start with, African countries must trade among themselves, in order that the monies used in purchasing some of the goods from the developed countries can remain on the continent. A lot of financial resources will thus be saved for the development of the continent. Since the leaders are to return to Addis Ababa in September to strive for a common stand on this issue, it is hoped they would come out with concrete proposals to help the continent out of these debts.

Reports indicate that consensus failed because a few countries which re economically better off do not want to be associated with strong measures to solve the problem. They want to be the good guys of the Western creditor countries, but this is dangerous, since such countries are allowing the West to divide and rule the continent. Unity to resolve the issue is in the long-term interest of every country, including those which now think they are strong enough to stand on their own.

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CSO: 3400/272

GHANA

FRG TO FINANCE FUEL STORAGE TANKS FOR NORTH

AB301555 Accra Domestic Service in English 1300 GMT 30 Jul 87

[Text] Site preparation for the construction of huge storage tanks at Akosombo to facilitate transportation of fuel to the north have started. The storage facility, known as tank farms, will be completed by the end of next year. Similar facilities will be constructed at the northern port of Buipe as part of the national strategic fuel storage program.

The managing director of the Volta Lake Transport Company, Mr Kwaku Duah, told the GHANA NEWS AGENCY at Akosombo that the program is being financed with a loan of more than DM36 million, about 3.3 billion cedis, from the West German Government and the International Development Agency. The Germans are providing DM16 million, while the Agency is offering DM20.7 million. Mr Duah explained that when completed the facility will supply the Northern, Upper, and Brong Ahafo Regions with petroleum products, while Tema will continue to take care of the southern part of the country. This arrangement will save those from the north the problem of coming down south for their petroleum products. It will also help increase the life span of roads, reduce wear and tear on petrol tankers, and ensure access to the products.

Mr Duah disclosed that discussions about the possibility of supplying Burkina Faso with petroleum products are going on between the two countries. Proximity and easy access to Buipe by Burkinabe tankers is an advantage to Burkina Faso, which has been getting its supply from Cote d'Ivoire [Ivory Coast].

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CSO: 3400/272

GHANA

BRIEFS

ACCORD WITH FRG FIRM--The Ghana Government and a West German company, Hoechst, have signed a DM25 million, about \$14 million agreement to rehabilitate the West African Mills, a Cocoa Board cocoa-processing factory in Takoradi. Under the agreement, the factory will be rehabilitated within 2 years to process up to 25,000 tons of cocoa and peanuts annually. The second phase of the agreement will involve the processing of vitamin-enriched cocoa waste into animal feed. A West German delegation is already in the country to start work on the rehabilitation program. At a briefing with some members of the Cocoa Board management in Accra, the managing director of Hoechst, Manfred Erhard, said German architects will arrive in the country within 14 days and the 15 items of equipment are expected in November. He said German chocolate manufacturers place a high premium on Ghana's cocoa because of its quality. [Text] [Accra Domestic Service in English 1800 GMT 6 Aug 87] /6662

CSO: 3400/272

POSSIBLE MMM/LABOR GROUP ALLIANCE

Port Louis LE MAURICIEN in French 13 Jun 87 p 12

[Excerpt] In view of some hints given at the first meeting of the Democratic Labor Movement (MTD) in Mahebourg (in the south) last Thursday, an alliance between the MMM [Mauritian Militant Movement] and Labor Party dissidents regrouped around Anil Baichoo is quite possible.

Party leader Anil Baichoo has just completed his party program, chosen red as the party color and a clay "Divali lamp" as its symbol. He intimated last Thursday that contacts had been established between the MMM and the Labor Party defectors. He also launched a veritable attack on the Alliance and the "ti pe senti la drogue" [Creole words] posters it had displayed since the 1985 local elections.

In addition to Anil Baichoo and Yusuf Mohamed, Messrs Siva Shidaya, Simadree Virah Sawmy, Claude Desroches and Mrs P. Bhuguth addressed the new labor movement.

Prime Minister Anerood Jugnauth was accused of having "squeezed" the deputies who are also drug dealers and, in view of his attitude, to be personally responsible for the proliferation of the evil. The speakers ridiculed Jugnauth's wearing of a bullet proof vest as well as his use of an armored vehicle.

Yusuf Mohamed called for a commission of inquiry to be presided over by a judge of the Supreme Court rather than by a judge who had been retired in the wake of the Plessey scandal. He also referred to the upcoming trial before the Mahebourg Court of Anil Gayan, in accordance with the amended penal code.

S. Virah Sawmy called for the reduction of prices of daily consumption. He asserted that this was a vital need and denounced what he called "the exploitation" of workers in some industries. Anil Baichoo, leader of the party, reminded his listeners that, after his dismissal from the Jugnauth Government, Sir Satcam Boolell had secretly sought the aid of Harish Boodhoo and, at the same time, called upon the Labor Party, particularly Mr Baichoo, to campaign against Jugnauth.

11698
CSO: 3419/286

LE MONDE DIPLOMATIQUE SURVEYS DRUG PROBLEM, ECONOMIC SUCCESS

Port Louis LE MAURICIEN in French 12 Jun 87 p 1

[Article: "Mauritius Drug Problem Makes International Press"; first paragraph is LE MAURICIEN introduction]

[Text] "Is there any country in the world where, after the revelation of drug transactions implicating some of his friends, a deputy prime minister, such as Gaetan Duval, would dare to say 'I do not understand why there is such a fuss about this affair that involves just 40 grams of morphine' and admit that a friend in Reunion had warned him that he himself was under suspicion in this narcotics scandal?" This is the question raised by the renowned monthly LE MONDE DIPLOMATIQUE in its latest issue (June 1987) on a page devoted to the island of Mauritius and headlined: "The Island of Mauritius Is Sick of the Drug Traffic."

The article by Ian Hamel is preoccupied with the "two contrasting faces" of Mauritius which, Janus-like, shows one face devastated by drugs--the promoters of which boast in their ranks members of the government now in power--and a second face that smiles at the economic progress achieved.

LE MONDE DIPLOMATIQUE takes note of the flattering economic results displayed by Vishnu Lutchmeenaraidoo, "finance minister and MMM [Mauritian Militant Movement] renegade," and by Aneerood Jugnauth, the prime minister, whose avowed objective is that of transforming the island into a "mini Singapore." At the same time the periodical also records the statements by Mauritian opposition leaders, in particular Jean Claude de l'Estrac, who stresses "that the very measures that cost us the elections actually put the country back on the rails and restarted the creation of jobs, although of course this revival benefited from the favorable international economic climate," but that "we did not have time to bring the country out of the crisis and explain the policy we were pursuing."

Elsewhere Paul Berenger is described as having gone from "libertarian idealism" to "realist socialism." His party, the MMM, started a "reformist movement" and adopted a line critical of the USSR, accused by the MMM of "having taken the non-aligned movement captive." This is a line fitting well into the framework of an "orderly attack" on Moscow by the mauve party.

LE MONDE DIPLOMATIQUE also quotes a statement by Berenger according to which it is imperative "to produce wealth before we are able to distribute it" and to recognize "the neutrality of economic factors."

However, a major section of the article is concerned with drugs which, according to Health Minister Jagdish Goburdhun "have achieved epidemic proportions in the last 4-5 years by the widespread distribution of cannabis and opium" and by "the arrival of heroin in September 1984, which has affected a wide range of the population." The number of drug addicts in Mauritius is said to be 25,000-30,000.

The periodical mentions the work of the Rault Commission and cites the names of dealers, including Satteanu Pelladoah, one of the Amsterdam and Astor Court Boys who occupies a seat in parliament. The article in the renowned international periodical also deals with the communal problem and the government attempt to muzzle the press and mentions the illicit trade "in whisky, tape recorders, and so on, the fixing of horse races, the fabrication of forged money and passports," as well as a statement by Harish Boodhoo according to which "in many other countries such as situation would have led to a coup."

LE MONDE DIPLOMATIQUE notes that "up to now not a single opposition deputy has been tainted by this succession of scandals."

11698

CSO; 3419/286

ALLIANCE MUST CENSURE DRUG-DEALING MEMBERS

Port Louis LE MAURICIEN in French 11 Jun 87 p 4

[Article by Sydney Selvon: "From Words to Actions"; first paragraph is LE MAURICIEN introduction]

[Text] "The appeal by Monsignor Jean Margeot in favor of the emergence of a new kind of politician, guided above all by the spirit of sharing and sacrifice, must touch all those who aspire to become the worthy elected representatives of the people." (Letter by Sir Gaetan Duval, 10 June 1987)

The leaders of the Alliance have been eager to congratulate Monsignor Jean Margeot on his homily in the course of which he called on the faithful of the Catholic Church not to vote for deputies or councillors who deal in drugs, or who are ex-convicts or dealers of all kinds. Their current proliferation on the political scene had forced him to offer advice to the voters for the first time in the 20 years of his service as bishop of Port Louis.

That is all very well. But it needs a great deal of courage to proceed from words to action. At least for Mr Jugnauth and Sir Gaetan Duval. They will need the same resolution they formerly showed in the service of the expulsion and systematic suspension of the members of the parliamentary opposition--achieved with the help of the riot unit.

Such resolution is also imperative with regard to Councilor Yusuf Gangoo, member of the ruling Alliance and condemned to 2 years forced labor for possession of 24 foil papers of heroin. Will Messrs Jugnauth and Duval address that request to the Minister of Regional Administration they did not want to address to Ajay Daby with regard to the Amsterdam and Astor Court Boys of the Alliance who still occupy their seats in parliament--namely to take steps for the removal from office of the person concerned?

In fact, to put into practice the sound advice by Monsignor Margeot that the leaders of the Alliance claim to welcome and for the sake of the same higher interest of the nation they called upon with regard to the expulsion of Father Diard and Ved Bushan, it would have been necessary to adopt severe measures against the councillor at the very moment of Gangoo's arrest. However, he was elected as a member of the Alliance and therefore fiercely defended by Messrs

Jugnauth and Duval in December 1985. And yet, the higher interest of the nation cannot tolerate elected officials who are not above all suspicion.

In any democratic country, honor and the national interest--let alone a sense of values generally accepted by the entire political "caste"--bring about the resignation of any elected official or party leader, even if not a deputy or regional councillor, any time he is subject to suspicion. If not guilty, he will be able to clear himself. In the opposite case, he renders a great service to the nation by returning to oblivion.

The only response noted on the political scene after the guilty verdict on yet another elected official of the Alliance MSM/PMSD/RTM/PTr was that of the MMM and its councillors at Vacoas/Phoenix, where the latter intend to do whatever they are legally able to do. However, the scandal affects the Alliance, and there has been no reaction from that side. They seem to go for broke on the chance that Gangoo will be able to get out of trouble by his appeal against the conviction, an appeal that may be heard after the coming local elections...

However, it is impossible at one and the same time to congratulate Monsignor Margeot and tread underfoot the sacrosanct principle that demands the expulsion of Gangoo from the Alliance--something that has not happened--and the initiation of exclusion procedures against a councillor who was "honored" not by confinement as a political prisoner but convicted as a common criminal accused of a criminal act.

The deputies suspended or expelled from parliament, the police officers suspended from one day to the next while others were not affected in the wake of the Rault Commission have every right to raise these issues after the Gangoo scandal. All officials of the government and its parasitic appendages ought to know once and for all whether there is a two-faced policy and procedure if elected members or government officials are involved.

Should the Alliance gamble on the result of Gangoo's appeal, let us hope for a last chance at the forthcoming elections when, in all logic and based on the attitude of his political family who presume his innocence, he should have the right to a "ticket" in case he wins his appeal. Indeed, he would then be in a better position than D. Bahadoor who did not have an opportunity to appeal the fine of 37,500 Mauritian rupees imposed on him for an "entirely technical" offense--to use the very words of his leader, Anerood Jugnauth.

As for the MMM--if, having stirred up a lot of dust yesterday at the municipality of Vacoas/Phoenix and having expressed its indignation, this party does not vote a motion to suspend Councillor Gangoo while awaiting the outcome of his appeal, we will also understand many things...

11698
CSO: 3419/286

GOVERNMENT REJECTS RETROACTIVE PAY

Port Louis LE MAURICIEN in French 12 Jun 87 pp 1, 8

[Article: "PRB (Pay Research Bureau): No Retroactive Effect"; first two paragraphs are LE MAURICIEN introduction]

[Text] According to Deputy Prime Minister Sir Gaetan Duval, the recommendations of the PRB, awaited by all officials and their salaried personnel, will be published soon and "will take effect as of 1 July 1987."

At his meeting at St Croix yesterday afternoon, Sir Gaetan Duval said that the government had no intention whatever to award retroactive pay, because general elections were imminent.

Sir Gaetan Duval declared: "PRB will come. We can pay as of 1 July 1987. We cannot grant retroactive pay increases, because there will soon be elections. Do not pressure us on that. Nobody can put pressure on us because of the imminent elections. If we can, we will give more in future, but we must not waste it."

The deputy prime minister's statement will certainly affect the entire class of labor unionists in the country, particularly the members of the movement. Even the unions considered most moderate in their demands on the regime have affirmed that the PRB report represents a "delicate" issue and are regrouping their forces with a view to taking action.

The labor unions are expected to react quickly to Sir Gaetan's statement.

Before Sir Gaetan's statement, the various unions' claims with respect to the retroactive effect of the salaries proposed by the PRB were as follows:

The Federation of Civil Service Unions (FSSC), the first to campaign for the establishment of the PRB in 1979, considers that the "moral minimum" the government is required to award its employees "is that of making the raise retroactive to 1 July 1986." The FSSC bases its argument on the inclusion at that time of a token vote for the PRB salaries in the 1986/1987 budget. The FSSC also calls on the government to make at least a good will gesture toward the many pensioners and other officials who retired from the Civil Service after 1982 (the date originally envisioned for the report to take effect).

According to the FSSC, people who retired between 1982 and 1987 have suffered considerable losses.

The Federation of Unions of Constituent Bodies (FSCC), the union dealing with local governments and other semi-government bodies, also contributed a great deal to the battle for the PRB. Its demands go a great deal further.

FSCC president, Claude Genevieve, calls for the award to be made retroactive to July 1981. All the same, Mr Genevieve aspires in the forthcoming election to run for a seat on behalf of the MSM [Mauritian Socialist Movement] is confirmed by this morning's MAURITIUS TODAY).

Claude Genevieve's FSCC definitely intends to exploit the first Jugnauth Government's (MMM/PSM [Mauritian Militant Movement/Mauritian Socialist Party]) commitment to implement the PRB report retroactive to 1981. This commitment was signed by Paul Berenger, former MMM finance minister, in the presence of the union leaders, Anerood Jugnauth, the prime minister, and M.V. Sooben, at the time head of the Civil Service.

The Government Servants' Association, another Civil Service union headed by Malleck Amode, claims a retroactive effect to 1 July 1983 only.

It goes without saying that the fight about the retroactive effect of the PRB award will not lack some exaggerations. In this context the government could easily be the beneficiary.

Some circles have indeed noted that Sir Gaetan issued his statement at a time when the unions were divided.

The dissensions in the labor unions have also been underlined by the intervention of the Mauritius Labor Congress (MLC) which, following a long silence and steady refusal to join in the battle, finally took the initiative toward a united front on the eve of the PRB report's publication. Consequently, at its first meeting to consider a united front, held yesterday, the MLC found itself alone with those unions that have always been in the fold. They are the GTU [Government Teachers Union], the GSA [Government Servants Association] (both of the SEF [State Employees Federation]) and the FSCC.

The FSSC and the Federation of Progressive Unions [FPU] sent a letter to the press, critical of the MLC's inconsistency. The FSSC and the FPU refuse to bow to the MLC's "whims and caprices," reproach Mr Baghererutty's head office with ignoring earlier united fronts, formed to obtain an end-of-year bonus in 1985 and achieve better salaries in 1986, and its statements to the press "ti bizin faire tamtam pou gagne boni" [Creole words]. The FPU and FSSC most definitely do not wish to accord the MLC the privilege of participating in the "victorious end" to the PRB affair after the FSSC did all the donkey work.

In their letter to the press, Karlo Jouan (FPU) and T. Benydin (FSSC) claim that it would be dishonest to wish to minimize the FSSC's role in the fight for the PRB.

11698

CSO: 3419/286

MAURITIUS

BRIEFS

FIRST QUARTER SUGAR EXPORTS--In the months January through April, Mauritian sugar exports totaled 164,846 tons. The largest volume went to the United Kingdom (87,503 tons). France purchased 48,202 tons, while the USSR took delivery of 15,750 tons in that same period. Local sugar consumption amounted to 12,013 tons. A stock of 203,706 tons sugar was left over at the end of April. Last month, the cargo ship Moonshadow alone loaded 31,500 tons for Canada. That represents a record load of sugar for a single ship. By the way, the total of Mauritian sugar exports to the EEC ought to have been completed before 31 May. [Text] [Port Louis LE MAURICIEN in French 9 Jun 87 p 4] 11698

CSO: 3419/286

MOZAMBIQUE

FOOD DEFICIT EXPECTED TO REACH 400,000 TONNES

MB311741 Dakar PANA in English 1725 GMT 31 Jul 87

[Text] Maputo, 31 Jul (AIM/PANA)--For the period up to 31 April 1988, despite increased pledges of aid, Mozambique is facing a food deficit of almost 400,000 tonnes. The latest food situation report from the Ministry of Trade's Food Security Department estimates total needs at 878,124 tonnes of cereals. This consists of consumption of 831,124 tonnes and a food security stock of 47,000 tonnes.

The consumers considered for this figure are those supplied through normal market mechanisms, and those in need of emergency aid due to natural disasters and to South African sponsored banditry. This comes to a total of 6.5 million people. The rest of the population (some 7 million people or so) are considered self-sufficient in food.

The total of those displaced by the war, or otherwise at risk due to the emergency situation in the country is 4.5 million people. But for its figures the Trade Ministry has deducted 607,000 of these, who are not accessible, even by air.

The calculation of cereal requirements used by the ministry is 350 grams per person per day.

The total supply of grain for the period 1 May 1987 to 31 April 1988 is (once milling losses have been deducted) 487,876 tonnes.

No commercial imports are expected at all, given the country's financial situation. Existing food stocks plus expected internal marketing of grain come to 89,463 tonnes. But the bulk of supplies come from food aid--385,413 tonnes of food and aid grain has arrived or has an estimated arrival date. A further 13,000 tonnes has been pledged, but has no arrival date yet. This leaves a gap between supply from all sources and total needs of 390,248 tonnes.

The report notes that from 1970 onwards there has been a significant increase in the consumption of cereals supplied through the market network, especially in the urban areas. Parallel to this increase in consumption, from 1973

onwards the internal production and agricultural marketing of these products has steadily decayed, reaching its lowest level in 1986.

In that year, according to the final figures from the state marketing board, Agricom, total marketed production of maize and rice was 40,484 tonnes--the lowest figure in the recorded history of agricultural marketing in Mozambique. The figure for consumption is even less, since about 15 percent of the gross weight of maize is lost in milling, and even more of rice.

The latest estimates from Agricom for the 1987 marketing campaign are that about 64,000 tonnes of maize and rice will be marketed. While this is an improvement on last year, it still means that internal production of grain will only provide 8 percent of market and emergency needs. The remaining 92 percent will have to come from external sources, notes the report.

The main cause of the decline in internal marketed production is man made, comments the ministry report. The destruction of infrastructure, bridges and means of transport and the destabilization of South African armed bandits, especially in the rich agricultural provinces of central and northern Mozambique, has contributed greatly to this decline, it says. Central Mozambique, notes the report, has suffered from a prolonged war situation that began with the Rhodesian aggression in the late 1970's and later continued by South Africa through its support for armed bandits. In the potentially rich provinces of Manica, Sofala, Tete, and Zambezia the result has been the shattering of the rural commercial and transport networks, a serious disruption of agricultural production and displacement of the rural population.

The report praises the response of the international donor community to United Nations appeal for aid to Mozambique, but adds that the extent of the crisis is such that an increase contribution by the international community will be necessary.

/9599

CSO: 3400/236

MOZAMBIQUE

CHISSANO EVALUATES SADCC, OAU MEETINGS

MB251949 Maputo Domestic Service in Portuguese 1800 GMT 25 Jul 87

[Passages within quotation marks recorded]

[Text] President Joaquim Chissano returned to Maputo this afternoon from Lusaka, Zambia. The Mozambican head of state attended the SADCC and front-line heads of state and government summits, as well as the OAU Ad Hoc Committee on Southern African meeting. Soon after his arrival in Maputo, Joaquim Chissano gave an interview to the national media. The first question was on the Ad Hoc summit's main resolution on southern Africa.

[Chissano] "The committee assessed its role since it was elected last year and it submitted a number of proposals for the next OAU summit. The proposals are designed to increase...[changes thought] and find means to further support the Frontline States and the liberation movements. In addition to this, the committee heard the reports from the Frontline States which were (?duly) given by Frontline States Chairman Kaunda. The reports deal with the activities of the Frontline States, the situation in southern Africa, and several detailed considerations on South Africa and Namibia's liberation movements. So, we expect the committee's report will be presented at the next OAU summit. The report will contain a number of proposals aimed at stepping up the work of the OAU members in the international campaign, that is, the diplomatic struggle against apartheid, the liberation of Namibia under the terms of UN Resolution 435, and the end of destabilization pursued by South Africa against the Frontline States.

On whether the question of apartheid was monopolizing the Frontline States' attention, thus relegating the Namibian issue to a secondary role, the Mozambican president said,

[Chissano] "No. The fact of the matter is that apartheid is responsible for the current situation in Namibia. Apartheid is responsible for destabilization. Apartheid is responsible for racial discrimination and oppression in South Africa. So, whenever one talks about any of these issues, the focus of attention is on apartheid. Therefore, none of the questions is being relegated to a secondary status. Actually, today it was noted that these three issues can never be dealt with separately. They are the one and the same question; no issue is secondary."

In his speech in Lusaka, President Chissano spoke of the safety of the export routes for SADCC goods through Mozambique in collaboration with Zimbabwe, Malawi, and Tanzania. Accordingly, we wanted to know about Malawi's current stand on destabilization in Mozambique perpetrated by South Africa.

[Chissano] "Well, what I said first was that those countries have made a special contribution to the fight against the armed bandits, namely the maintenance of certain communication routes between Mozambique and the hinterland [preceeding word in English] countries. This does not exclude the participation by other countries in the region in these efforts. There is a substantial support from various countries in the region, including Angola and Tanzania, as well as other countries outside this region.

"On Malawi we have an accord which is being implemented. Obviously, the correction of abnormal situations in the relations between countries cannot be fully accomplished from one day to another. However, we are pleased that the accord is being implemented and some of its aspects have achieved positive results, particularly Malawi's participation in repair work on the Nacala railroad. I am not talking about the rehabilitation aspect of the problem because the Malawian troops are not taking part. [sentence as heard] They and Malawian experts to take part in the repair works. As for the other burning issues we are solving them as we implement the accord we signed with Malawi. There is goodwill on the part of the various Malawian components, namely the party, the grass-roots organizations, and the government. However, on both sides there are always a number of obstacles preventing us from moving as fast as the two countries would like, but I can assure you that we are implementing the accord signed in December last year."

Finally, President Chissano spoke of Mozambique's stand of the Preferential Trade Area [PTA].

[Chissano] "Well, Mozambique is still an observer within the PTA. Mozambique will make a new study of the PTA's current situation in order to determine whether we should join the convention, taking into consideration the interests of SADCC members and those of Mozambique. So, we are still studying the situation based on our experience as PTA observers and as an SADCC member state."

/9274

CSO. 3400/0196

MOZAMBIQUE

CHISSANO NOTES FRONTLINE SOLIDARITY IN OAU SPEECH

MB021050 Maputo Domestic Service in Portuguese 0605 GMT 2 Aug 87

[Report on speech by Mozambican President Joaquim Chissano to the OAU's 23d summit in Addis Ababa on 28 July]

[Text] The tragic death of President Samora Machel is the result of apartheid's strategy to destabilize the People's Republic of Mozambique and southern Africa. In its strategy, South Africa launches a war of aggression and destabilization either through armed bandits or direct attacks by its armed forces against the countries in the region, with the aim of reestablishing a colonial type of situation and thus preserving its slavery system and regional hegemony. This was stated by Joaquim Alberto Chissano, chairman of the Frelimo Party and president of the People's Republic of Mozambique, in his speech at the recent OAU heads of state and government summit.

In his speech, President Joaquim Chissano described armed banditry as the fundamental instrument in the attempt to (?expand) South Africa's bantustan policy to the sovereign countries of southern Africa. In Mozambique today we have picture of indiscriminate destruction. Schools, hospitals, towns, bridges, roads are the target of destruction, said President Chissano, after stressing that Pretoria seeks to rebuild the old dream of a southern Africa dominated by whites. Some 500,000 children have no schools to study in and millions of Mozambicans have been displaced. Due to the combined effects of armed banditry and natural disasters, more than 4.5 million Mozambicans are currently living in a precarious situation.

President Joaquim Chissano called attention to the fact that through the destruction of economic and social installations, South Africa seeks to destroy the economic foundations and provoke a breakdown of society in order to destroy us as a sovereign entity and transform Mozambique into a bantustan. With its destabilization strategy, the apartheid regime seeks to destroy the SADCC and dominate its members, said Chissano.

In recent months, in a flagrant violation of our sovereignty and territorial integrity, South Africa has been stepping up the infiltration of South African commandos into southern Mozambique and has been supplying the armed bandits by air, President Chissano claimed. He mentioned the penetration into Maputo in

May this year of a commando group which murdered innocent Mozambican nationals under the false pretext of pursuing ANC guerrillas. This war of devastation and murder culminated recently with the barbaric Homoine massacre in Inhambane Province, where even bedridden hospital patients were cold-bloodedly murdered with cold steel. President Chissano stressed that these cowardly crimes are repeated daily. Despite these hideous crimes of apartheid, the Mozambican people are determined to defend their sovereignty and to prevent it from being stolen by anyone.

President Chissano categorically stated once again that the People's Republic of Mozambique will not negotiate its independence and sovereignty, adding that South Africa does not want peace. We quote: by promoting the armed bandits, South Africa has opted for violence, in a vain attempt to weaken us politically and economically, and subjugate us, unquote.

The struggle against armed banditry in Mozambique is also a struggle for the defense of the sovereignty of all southern African countries. Aware that it is the same enemy that threatens and attacks them, and understanding the importance of interdependence, the southern African countries have achieved solidarity with one another. They not only cooperate economically through the SADCC, but also at political, diplomatic, and military levels, President Chissano said. He clearly stated that defense must be a common issue, adding that we are pleased to note the active solidarity of the Frontline States with the People's Republic of Mozambique. Mozambique, Zimbabwe, and Tanzania--with the logistical support of Botswana, Zambia, and resealed Angola--have mixed their blood with ours. They are strengthening Mozambique's independence with their lives by fighting South African terrorism in the People's Republic of Mozambique. In fact, military forces from Zimbabwe, Tanzania, and Malawi are in Mozambique, but not as invading and occupation forces. They are in Mozambican territory providing their solidarity in the struggle against South Africa's armed bandits and defending economic objectives of vital importance not only to Mozambique but also to their own countries.

President Chissano said that the security accord that we have signed with Malawi, and manifested in the participation of Malawian military forces in guarding the Nacala railroad, constitutes yet another contribution to the success of our fight. We would like to point out that the Nacala railroad, one of the main targets of the armed bandits, is Malawi's the most important and profitable trade link with the outside world.

President Chissano added that we are not alone in our fight. The entire international community supports us. With the creation of the OAU special fund to fight famine and drought in Africa, from which Mozambique benefits, the southern African countries will be better equipped to resist the attacks by the apartheid regime. President Chissano then said, quote: Mozambique believes that the acceleration of the struggle to defend and strengthen its sovereignty, and the liquidation of armed banditry are the best ways of thanking those expressions of solidarity, unquote.

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CSO: 3400/236

MOZAMBIQUE

ARMY REPORTS SUCCESS IN NAMPULA, TETE ZAMBEZIA

MB021101 Maputo Domestic Service in Portuguese 0605 GMT 2 Aug 87

[From the armed forces "Voice of Combat" program]

[Text] On Monday, the Mozambique Armed Forces [FAM]-FPLM stationed in the coast region of Moma, Nampula Province, carried out an important operation and destroyed an armed bandit camp situated in the Amela region of Pebane District, Zambezia Province. During the operation 30 armed bandits were killed and assorted war materiel was captured. According to reports, the bandits carried out destabilization actions in several areas of Moma District from that camp.

Military sources in Nampula told our correspondent that FAM-FPLM stationed in Moma District and other regions of Nampula Province are continuing with their hot pursuit operations against the bandits, who indiscriminately murder and abduct defenseless people, stealing their property. In Mogovolas District in the first 6 months of 1987, FAM-FPLM killed more than 150 armed bandits and captured 4 bazookas, 4 AKM weapons, 18 military tents, and 24 South Africa-made knapsacks.

The victories achieved in Nampula result mainly from the ongoing reorganization of FAM-FPLM. Units stationed in Nampula Province are currently being reorganized. Addressing a meeting in Namina, Mecuburi District, on Wednesday, the chief of operations of the Nampula Provincial Military Command said, quote: It is necessary to explain to the soldiers the goals of some of the orders issued by the Ministry of Defense in the framework of the reorganization of our army, in order for us to expect them to act responsibly in the defense of the fatherland, unquote. The chief of operations was speaking to soldiers, noncommissioned officers, and officers. He announced a number of organizational measures currently underway at the Nampula Provisional Military Command as part of the reorganization of FAM-FPLM. He stated on the occasion that all units ought to be reorganized with the aim of making them more flexible in the struggle against the armed bandits. We must be resolute in order to best comply with our present requirements in the fight against the armed bandits.

Meanwhile, latest reports from Tete Province indicate that our armed forces have inflicted heavy blows on the armed bandits, who are seeking to disturb

the peace of the residents. The reports say that in mid-July 20 armed bandits were killed when they attempted to infiltrate the Chiuta headquarters. In Marara on the same occasion, our forces captured nine armed bandits.

Reports from Zambezia say that 40 armed bandits were expelled from the (Sacua) region, and a bandit camp in the province was destroyed. Ten armed bandits were killed when their camp at (Matupa) was destroyed.

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CSO: 3400/236

OVER 200,000 WAR REFUGEES IN MALAWI

MB221605 London BBC World Service in English 1515 GMT 22 Jul 87

[From the "Focus on Africa" program]

[Text] It seems that MNR rebels in Mozambique are stepping up their activities against forces of the Frelimo government. Yesterday, the authorities claimed that MNR guerrillas had attacked a town in Inhambane province, north of Maputo, killing around 400 civilians. Now, there are reports that thousands of Mozambicans are fleeing across the border into Malawi from the province of Niassa to join the tens of thousands already in Malawi camps. Here is Kwabena Mensah.

[Mensah] The official Malawi News Agency has reported that about 7,000 Mozambicans fled from Mandimba district, in Niassa province, between Monday and Friday of last week. The agency said the refugees were arriving at Chiponde, on the Malawi side of the border, and had been registered by local relief teams.

Apart from the Ministry of Health, Catholic missionaries at Namwera and the Malawi Red Cross are seeing to the needs of the refugees. A Red Cross official told me on the telephone, after visiting Chiponde, that the refugees were in reasonable condition and had received supplies of tents and plastic sheeting for emergency shelter. The first distribution of relief foods took place on Saturday, with the Catholic mission providing [word indistinct] foods for children under 5. The Mozambicans said that they fled from Mandimba because MNR rebels had taken control of the area. The Red Cross officials said that since the end of February this year, when there was a large influx of Mozambican refugees from the fighting, there has been a steady flow into Malawi, with the numbers increasing steadily by about 11 percent every month. In March, Malawian officials estimated the total number of Mozambicans in Malawi at over 100,000. Now, according to the Red Cross officials, the total stands at over 200,000.

There are new settlements at Nsanje, Chikwana, Mwanza, and Ntcheu and, for the first time, in Lilongwe district. According to the Red Cross official, the 7,000 who arrived at Chiponde last week were the first refugees to arrive in that area as well. Meanwhile, a spokesman for the MNR rebels has claimed that nearly 900 Mozambican Government troops fled to Malawi following attacks on Mandimba and Catur, which is also in Niassa province.

NOTICIAS REITERATES REFUSAL TO TALK TO 'BANDITS'

MB271152 Maputo Domestic Service in Portuguese 1030 GMT 27 Jul 87

[Text] An editorial in today's issue of the NOTICIAS newspaper states that some people living inside Mozambique have been spreading the notion that the government should hold talks with the armed bandits in order to end the war. The editorial stresses that those people, most of whom are living in certain Western countries, identify with minorities in those countries which unconditionally support South Africa's policy of apartheid. In the specific case of Portugal, whose thoughts are mainly voiced by groups linked with former colonizers who still hope to recover lost privileges. The NOTICIAS editorial adds that these people's true intentions are to place the Mozambican Government and the armed bandits on the same level, thus procuring international credibility and recognition for the bandits, who have never had them. In other words, they are trying to present armed banditry, an instrument of the Pretoria regime, as a political party and a genuine opposition movement, NOTICIAS newspaper says, adding that this is yet another ploy by Pretoria, which on one hand continues to arm and encourage the bandits and on the other hand displays a false image of peace and reconciliation through its allies.

The Mozambican Government has already made it clear that it will not negotiate with the armed bandits. Based on this inevitable rejection, Pretoria's propagandists and their allies allege that it is our government that is responsible for the continuing war. The editorial concludes by stressing that this ploy has been a failure and that all democratic forces and responsible governments continue to see the armed bandits for what they really are: a gang of terrorists in the pay of apartheid.

/9274

CSO, 3400/0196

INVESTMENT IN SUGAR INDUSTRY BOOSTING PRODUCTION

MB231739 Johannesburg NEW NATION in English 23-29 Jul 87 p 8

[Excerpt] Investment being injected into the state-owned sugar company, "Acucareira de Mozambique" at Mafambisse, in the central province of Sofala, will lead to the annual production of 53,000 tons of sugar in 1991.

The Mafambisse sugar mill has the capacity to produce 80,000 tons a year, but this year, according to its director-general Arnold Ribeiro, it will not even manage to meet the modest target of 12,000 tons, the Mozambican News Agency (AIM) reported.

Work has begun on rehabilitating the sugar mill plantation in Luabo in Zambezi Province, following the recapture of the town by the Mozambican army from the South African-backed Mozambique National Resistance (MNR) bandits.

But the Luabo Mill has been gravely damaged by the MNR and may be a write-off. The MNR also wrecked another sugar mill at Marromeu, on the south bank of the Zambezi River.

Bandit atrocities against the workers of the Marangra sugar mill in Maputo Province contributed to the factory stopping production.

Two other sugar mills at Buzi in Sofala Province, and Xinavane in Maputo are also operating below capacity.

The rehabilitation of the sugar industry should end the need to import sugar. Before South Africa's undeclared war, Mozambique was not only self-sufficient in sugar, but exported considerable quantities.

/9274

CSO: 3400/0196

BRIEFS

HOMOINE GETS FOOD FROM GDR--In Maputo today the GDR donated substantial amounts of foodstuffs in support of the bereaved families of the victims of the massacre perpetrated by the armed bandits in Homoine, Inhambane Province, on 18 July. The donation consists of wheat flour, rice, sugar, cooking oil, and soap and is worth 200,000 meticaïs. The donation was presented by (Andreas Hootner), second secretary of the GDR Embassy. [Text] [Maputo Domestic Service in Portuguese 1400 GMT 23 Jul 87 MB] /9274

WAR CAUSES DROP IN MINING EXPORTS--Mozambique's mining exports have dropped from 200 million meticaïs in 1981 to 100 million meticaïs in 1986. The war situation and unfavorable fluctuation of prices in the world market are the causes of the decline. Coal production had been higher than the 500,000 ton-mark compared with less 20,000 tons last year. According to information disclosed by National Mines Director Casimiro Francisco, copper production in 1986 was 1,300 tons against more than 3,000 tons in previous year. [Text] [Maputo Domestic Service in Portuguese 1900 GMT 20 Jul 87] /9274

GORONGOSA RUNNING SHORT OF FOOD RELIEF--Unless more foodstuffs are obtained within the next 45-60 days, the residents of Gorongosa will experience difficult shortages of food. The 318 tons of corn recently sent to Gorongosa by road from Zimbabwe via Nhamatanda will not be enough to assist the needs of 22,000 people beyond that period. More than 1,050 people arrive at accommodation centers in the Gorongosa region every week, at a rate of 150 people per day. The Gorongosa district urgently requires more foodstuffs, toiletries, clothing, surgical equipment and medicine. [Excerpt] [Maputo Domestic Service in Portuguese 1730 GMT 23 Jul 87 MB] /9274

CARBOMOC TO MOVE COAL TO BEIRA--Johannesburg, 28 Jul (SAPA)--Mozambique's state coal company, Carbomoc, is to start moving coal that has accumulated over the past 4 years at the Pitheads in the mining town of Moatize, in Tete Province, SABC Radio news reports. From September, the company will use 30 trucks, each with a capacity of 40 tons, to move the coal to Malawi and to the port of Beira, which will once again be used to export coal to other countries. The Moatize coal mines have a production target of 60,000 tons for this year, one-tenth of what the mines would produce under normal circumstances. [Text] [Johannesburg SAPA in English 1011 GMT 28 Jul 87] /9599

GRAIN DEFICIT FIGURES--The latest assessment on the food situation in Mozambique indicates that about 60,000 tons of grain may be sold this year, most of it being corn and rice. This figure which is 20,000 tons more than last year's. It represents about 20 percent of consumer needs for corn and rice, and is only 8 percent of the grain needed for the whole country, including wheat and emergency requirements. According to the report from the Department of Food Security in the Ministry of Trade, more than 800,000 tons of grain will be needed for the whole country from May 1987 to April 1988 for the normal market emergency system. Donations announced in the beginning of the year consist of 400,000 tons representing a deficit of over 700,000 for the same period. [figures as heard] [Text] [Maputo Domestic Service in Portuguese 1730 GMT 28 Jul 87] /9599

CSO: 3400/236

BRIEFS

OIL COMPANY'S TELEX LINKS---Lagos, July 31 (NAN)--The NNPC [Nigerian National Petroleum Company] offices and field operations throughout the country are to be connected with a network of independent digital telecommunications by September next year, according to a publication "THE NNPC NEWS" made available to a correspondent of the NEWS AGENCY OF NIGERIA (NAN) today in Lagos. The publication reports that the telecommunications project will link all NNPC outfits through independent telephone, telex, and radio network. The report states that the project consists of two parallel optical telecommunication lines with 140 megabits each and will run from Mosimi to Benin and from Warri to Kaduna. The project, according to the publication, will include a 120 channel digital microwave radio to link Warri to Escravos and a 480-channel digital microwave radio from Mosimi to Atlas Cove. The telecommunications project is valued at about N164 million. [Text] [Lagos NAN in English 1530 GMT 31 Jul 87 AB] /6662

CSO: 3400/273

COMMENTARY REJECTS MOZAMBIKAN CLAIMS ON MASSACRE

MB270838 Johannesburg International Service in English 0630 GMT 27 Jul 87

[Station commentary: "Mozambique"]

[Text] If Mozambique is trying to destroy bilateral relations with South Africa, it seems to be going about it in the right way. In its latest accusation against Pretoria, Mozambique claims that South Africa is responsible for the massacre of more than 300 Mozambican civilians nearly a week ago. It has made the accusation through the Maputo newspaper NOTICIAS.

The South African Government has firmly denied any involvements in the massacre and has expressed its strong objection to what has obviously been an official sanctioned statement made through the press by the Mozambican Government. It has demanded an explanation of why Maputo had not approached South Africa officially but had elected to use the media instead.

A South African Foreign Ministry statement says South Africa takes great exception to this deliberate attempt by the Mozambican Government to destroy bilateral relations between South Africa and Mozambique. It is not only the NOTICIAS report that accuses South Africa. President Chissano is reported to have told the news agency REUTERS: We do not think, we know who did it. It was the South Africans.

African foreign ministers meeting in Addis Ababa wasted no time in condemning South Africa for the atrocity, as did President Kenneth Kaunda of Zambia. It seems these people have learned nothing from the experience of having their accusations about South Africa being responsible for President Samora Machel's death proved false.

The Mozambican Resistance Movement, Renamo, which South Africa is still accused of aiding, has also denied the involvement in the massacre. It says it could well have been the work of a special FRELIMO government force trying to score propaganda points. Certainly the timing of the atrocity is curious, coming on the eve of the annual summit meeting of the Organization of African Unity, at which hatred of South Africa is the only unifying factor. Whatever the situation might be, it is clear that these latest allegations form part of an ongoing campaign by Mozambique and others to discredit South Africa. Perhaps they will eventually realize that they are in fact discrediting themselves.

COMMENTARY ASSESSES NEW SANCTIONS EFFORTS

MB221312 Johannesburg International Service in English 1100 GMT 22 Jul 87

[Station commentary: "Sanctions Against South Africa"]

[Text] The question of imposing sanctions against South Africa has been discussed at a surprise meeting between President Kenneth Kaunda of Zambia and Prime Minister Robert Mugabe of Zimbabwe. President Kaunda told newsmen that the two states could not consider cutting air links with South Africa because this was not backed by other African states. Since sanctions against South Africa are supposed to be a moral issue, one would have thought that they would not be concerned with what others thought and would have the courage of their own convictions. Instead President Kaunda, when addressing newsmen at Victoria Falls, indulged in his usual anti-South Africa rhetoric. It boiled down to the old charge that South Africa is destabilizing its neighbors, and he added the new charge that if Zimbabwe had not decided to defend Mozambique, South Africa would have changed it into a bantustan.

There are two essential aspects of the destabilization issue. The first is simple. If South Africa in fact wished to destabilize its neighbors, it would have to do no more than close its borders with these states and ban the employment of foreign workers. The second is a little more complex. Because a number of southern African states are either unable or unwilling to prevent ANC terrorists from using their soil to launch terrorist attacks against South Africa, South Africa is compelled to conduct hot pursuit operations into these states from time to time. Obviously, from the ANC's point of view, it is essential that these hot pursuit operations are prevented. Hence the propaganda campaign both inside and outside South Africa that South Africa is destabilizing its neighbors.

The fact is that the Soviet-backed ANC is trying to destabilize South Africa. In harboring and supporting the ANC, it is true to say that these states are destabilizing South Africa. In accusing South Africa of destabilization, they are simply using the Marxist ploy of accusing others of that of which they themselves are guilty.

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CSO: 3400/0197

BUTHELEZI CLAIMS NO ANC RESPONSE TO OVERTURES

MB230911 Johannesburg SAPA in English 2200 GMT 22 Jul 87

[Text] Ulundi. 22 Jul (SAPA)--Kwazulu's chief minister and the head of Inkatha, Chief Mangosuthu Buthelezi, said today that his organisation had sought to solve its differences with the African National Congress but to no avail.

Reacting to news reports Buthelezi said it was common knowledge that in recent years both he and Inkatha's secretary-general, Dr Oscar Dhlomo, had written to Mr Oliver Tambo and Mr Alfred Nzo respectively but they never received replies.

"While Inkatha and the external mission of the ANC obviously differ in tactics and strategies, it is simply not true that I do not want to resolve our differences, and I have made this quite clear time and again."

In a statement to SAPA, Buthelezi said that while "external mission of the ANC claims responsibility for bringing Inkatha into being, how do they explain away that the tactics and strategies of both organisations are radically different? The ANC pursues the so-called armed struggle while Inkatha's platform has, from the outset, been one of non-violence, peaceful change and negotiation," he said.

He said he supported the aims and ideals of the ANC as founded in 1912 and still does.

Buthelezi said it was "an outright lie" that Inkatha was being misused for the liberation of South Africa. "This statement is an insult to Inkatha's 1.5 million paid up members."

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CSO: 3400/0197

COMMENTARY INSISTS ON UNITA INCLUSION IN PEACE TALKS

MB281357 Johannesburg International Service in English 1100 GMT 28 Jul 87

[Station commentary: "The Peace Talks Offered by Angola"]

[Text] The appeal by President Dos Santos of Angola for peace talks in southern Africa is encouraging. He is reported to have made the call in Lusaka on Friday at the 1-day annual summit meeting of the 9-member Southern African Development Coordination Conference. President Dos Santos acknowledged that there was no chance of certain military victory for any side in South-west Africa-Namibia or in southern Africa. It is for this reason that he proposed peace talks involving his government, South Africa, Cuba, and SWAPO.

Admittedly, these are the main parties as far as the independence of Swa-Namibia is concerned. But President Dos Santos was not talking only about Swa-Namibia. He made a distinction between this territory and southern Africa. His own country, Angola, is part of southern Africa; and if ever there was a conflict with little chance of a military victory, it is the war in Angola between the MPLA government forces, which are supported by 35,000 Cubans, and the soldiers of UNITA. In excluding UNITA from the proposed peace talks, President Dos Santos has simply not gone far enough. The Cubans and UNITA are two of the main components in the Swa-Namibia-Angolan question.

The common denominator in the Swa-Namibia-Angolan question is the Cuban presence in Angola. It is this massive foreign force that is thwarting the democratic solution to both Swa-Namibia, and Angola. Without the Cubans the MPLA soldiers will be no match for UNITA. Similarly, without the Cubans, SWAPO would be forced to abandon its revolutionary objectives and join the democratic process. Until, and unless President Dos Santos includes UNITA, the proposed talks for peace in southern Africa have little chance of coming to fruition.

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CSO: 3400/0197

CONSTITUTIONAL DEVELOPMENT OFFICIALS DISCUSS PROBLEMS

MB231726 Johannesburg SOWETAN in English 23 Jul 87 p 5

[Text] Dr Stoffel van der Merwe, the newly appointed deputy minister of constitutional development [title as published], and officials of the department met yesterday to resolve differences which appear to be retarding negotiations with blacks.

No official confirmation of the meeting could be obtained but it was understood to have been arranged by Dr van der Merwe after reports of disagreement between him and Minister of Constitutional Development, Mr Chris Heunis.

The competition between Mr van der Merwe and the rest of Constitutional Development has been evident since President P. W. Botha appointed Dr van der Merwe as his special negotiator soon after the elections.

Despite President Botha appointing Dr van der Merwe as deputy minister of constitutional development last month following confusion about his functions this has apparently done little to improve the situation.

Government leaks indicated yesterday that negotiations were being made more difficult by the appointment of Dr van der Merwe.

The differences came to a head last week after the publication of newspaper interview given by Dr van der Merwe in which he was critical of measures already taken by the department in drawing up the National Statutory Council [NSC] legislation and a "secret" meeting he held with United Municipalities of South Africa president, Mr Tom Boya.

The meeting came two days after the more public meeting between Mr Heunis and Mr Tom Boya.

Dr van der Merwe declined to say whether Mr Heunis was aware of his meeting with Mr Boya, saying only that the meeting was confidential.

And in a recent interview he said the NSC legislation was more "aesthetic than cosmetic" and that it may "not have been sensitive to the symbolic circumstances."

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CSO. 3400/0197

COMMENTARY DISCUSSES OAU'S 'DECLINE'

MB270621 Johannesburg Domestic Service in English 0500 GMT 27 Jul 87

[Station commentary]

[Text] The summit conference of the Organization of African Unity being held in Addis Ababa this week seems likely to be the most low-key in its 24 years.

Never before have the proceedings before an OAU summit been marked by such a high degree of apathy, as reflected both in the scanty media coverage and the apparent lack of any new initiatives on the organization's myriad problems. Barely two-thirds of the continent's foreign ministers bothered to attend last week's meetings to draft an agenda.

Undoubtedly the most compelling reason for the general disaffection is the organization's repeated demonstrations of its inability to contribute to the solution of member's economic difficulties. Over the years one ambitious scheme after another--from a great leap forward in agricultural production to a continental economic community--have been launched with fanfare, only to sink quietly into obscurity soon afterwards.

The latest scheme--a conference with Western creditors to persuade them to write off much of Africa's 400,000 million rand debt--has predictably got nowhere, although it is about to be revived for the 3d successive year.

The OAU is hardly more successful in collecting its own membership dues: the backlog now amounts to one and a half times the amount payable annually.

The loss of stature has been hastened in recent years by a trend in Western countries to deal with individual countries rather than a amorphous body representing widely diverse interests and policies. Not only is the new approach more rewarding politically, it is invariably more successful in stimulating worthwhile development initiatives.

Among its own members too, the OAU's political adventures have created dissatisfaction. Where its peacemaking attempts have not been ineffectual as in Chad where France had to come to the rescue, they have infuriated, as in the Western Sahara, over which Morocco took such umbrage that it resigned from the

organization. This year not even the perennial escape route from the awesome everyday troubles offers much in the way of solace for the OAU summit. There will certainly be the usual flow of anti-South African rhetoric and resolutions, but there is an air of tired bafflement about the agenda items. The OAU's 50 members must spearhead the struggle, the summit is being admonished. They must be exemplary in the imposition of sanctions.

Officially, it is years since black Africa terminated all contacts with South Africa, whether in trade or transport or any other sphere. In fact, most countries still maintain extensive ties and have no intention of cutting them, however, obediently they may vote for OAU resolutions. It is this wide spread attitude, that is treally did not matter much what the OAU says or does, that has probably contributed most to its decline. It has become irrelevant.

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CSO. 3400/0197

BRIEFS

KWAZULU GROUP REJECTS RSC'S, COUNCILS--Johannesburg, 27 Jul (SAPA)--The KwaZulu Local Government Association (KWALOGA) has rejected the regional services councils [RSC's] as well as the proposed National Statutory Council, SABC radio news reports. KWALOGA members resolved at meeting at Ntuzuma near Durban at the weekend that as members of the KwaZulu/Natal Indaba, they found it unbecoming to participate in the two councils. KWALOGA repeated its support for the Indaba and for Inkatha. They also resolved to request an expert on local government and former lecturer at Durban Westville University, Dr A. Rabie, to prepare a paper which will replace proclamation R293 of 1962--a law that governs KwaZulu townships. [Text] [Johannesburg SAPA in English 1007 GMT 27 Jul 87 MB] /9274

CSO: 3400/0197

COMMENTARY PRAISES CONTROL OF PRIVATIZATION

MB050534 Johannesburg Domestic Service in English 0500 GMT 5 Aug 87

[Station commentary]

[Text] The bankruptcy of socialism as a vehicle of national economic policy has been comprehensively demonstrated in the years since the Second World War, not only in the Third World but also in the centrally controlled economies of the communist bloc.

The economic success story of private enterprise, on the other hand, has been striking, in Hong Kong and Japan, for example, and in countries such as Taiwan and South Korea whose vigorous economies contrast sharply with those of communist China and North Korea.

In recent years, President Reagan in the United States and Mrs Thatcher in Britain have been in the vanguard of the movement to reduce government control where practical and feasible.

A similar commitment has been made in South Africa, a number of initiatives having been taken to promote privatization and deregulation. One example is the partial privatization of SASOL [South African Coal, Oil, and Gas Corp.], and the white paper on privatization and deregulation tabled in parliament this week lists 35 examples of functions and activities that have already been partially or fully privatized by various government departments.

Similarly, the concept of deregulation has been translated into action in a number of areas.

One important sector in which, for historical reasons, the public sector has operated heavily in a terrain that is properly the function of the private sector is that of housing. This situation is now being reversed, with initiatives aimed at confining the state's role to such areas as the provision of infrastructure while leaving actual development work to the private sector.

This week's white paper makes it clear that there will be no sweeping privatization and for good reason. Privatization must accord with the requirements of state security and broad national objectives. Where economic power in the private sector is already concentrated in the hands of a few

major corporations, there is also need to ensure that privatization does not merely result in the transfer of a monopoly from the state to the private sector.

Indeed, healthy competition should be a touchstone of privatization. Allied to this, there must be the greatest degree of assurance that the private sector has the capacity to sustain a particular operation and to do so with maximum efficiency and as cheaply as possible.

Privatization must be aimed at the maximum utilization of production factors, including human resources, raw materials, and capital. Where experience elsewhere has shown that a reduced state role in the economy spurs economic activity, the ultimate objective of privatization must be the promotion of economic development, the stimulation of growth, and the creation of a stable social environment.

/9599

CSO: 3400/238

WHEAT CROP ESTIMATE BELOW 1986 HARVEST

MB220722 Johannesburg Television Service in English 0400 GMT 22 Jul 87

[Text] Indications are that this year's wheat crop will be smaller than the 2.2 million tons of last year. The chairman of the Wheat Board, Mr Charl Cilliers, says winter grain farmers are grateful for the rain which fell in large parts of the region, but it is not enough to have had any major effects on the harvest.

The estimate for this year's wheat crop is 2 million tons, which will be about 200,000 tons less than last year's crop. This meant that about 300,000 tons will have to be imported. The chairman of the Wheat Board, Mr Charl Cilliers, says it is inevitable that the domestic price of wheat would go up, also because of the increasing production costs that wheat farmers have to cope with. This would also have an unavoidable effect on the consumer price of bread.

Farmers could not plant wheat in large parts of the eastern Free State as ground moisture was insufficient. This area recorded double the normal wheat crop last year. Some parts have no rain at all, which bleakens the outlook of a good wheat crop.

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CSO: 3400/238

BRIEFS

AGRICULTURAL INCOME INCREASES 65 PERCENT--South Africa's net income from agriculture rose by 65 percent last year to 3,000 million rands. The Department of Agricultural Economics and Marketing says that the gross income of farmers increased by more than 17 percent, while their costs rose by 7 percent. The rise in the gross income to 11,308 million rand has been attributed mainly to the increased income from grain and other crops. The gross income from these crops increased by 33 percent compared with the 8 percent increase in the income from animal products. Although the estimated agricultural production for last year was 1 percent lower than the previous year, its contribution to the gross domestic product was 26 percent higher because the increase in the value of the produce. [Text] [Johannesburg Domestic Service in Afrikaans 1400 GMT 27 Jul 87] /9599

CSO: 3400/238

SOCIAL

SOUTH AFRICA

DURBAN VIGILANTES ESCALATE ATTACKS ON UDF SUPPORTERS

MB261025 Johannesburg NEW NATION in English 23-29 Jul 87 p 3

[Excerpt] Four United Democratic Front (UDF) supporters were "wiping out the UDF" in Hammersdale's Mpumalanga township, near Pietermaritzburg.

The four, all members of the UDF-affiliated Hammersdale Youth Congress (Hayco) are Welcome Zulu, Mandla Zaba, and brothers Nkosinathi and Thulani Hlongwane.

A spokesman for Durban Network, an unrest monitoring group, said Zulu and the Hlongwane brothers were abducted from their homes by armed men before being found dead in a veld--two of them with bullet holes in their heads.

The monitoring group said according to reports, Zaba was shot by three men at his home.

The latest killings are part of an increased attack on UDF affiliates by vigilantes and organizations opposed to progressive groups in Natal.

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CSO: 3400/220

COMMENTATOR ADDRESSES CULTURAL BOYCOTT ISSUES

Durban POST NATAL in English 22-25 Jul 87 p 10

[Article by Ameen Akhalwaya in 'My View' column]

[Text]

DO you support sports, economic, diplomatic and military sanctions against South Africa? Do you support cultural and academic boycotts. At the same time, do you also watch the soapies and enjoy the major international sports events broadcast by SABC-TV? Then own up.

Like thousands of us, you are guilty of practising double standards. And that is especially true if you support the cultural boycott.

The question of the cultural boycott has been brewing at varying degrees over the years.

Ban

Singer/composer Paul Simon's recent "Graceland" venture with black South African artists generated a great deal of heat.

Now the British actors' union Equity's decision to lift its 12-year ban on its members performing in South Africa — on stage or through TV programmes — has sent the temperature soaring again.

For anti-apartheid activists, the Equity decision was a form of culture shock.

At a time when the sanctions noose against South Africa is being in creasingly tightened in various fields, the move by Equity — a pioneer in the boycott campaign — seems odd.

The reason the sports boycott has been so successful — given the odd hiccup — is that it has been going on and been closely monitored for over 20 years.

The cultural boycott, like economic sanctions, is relatively new, and as a result, has not been well thought through. At the time Equity announced its boycott in the mid-seventies I remember attending a brainstorming session with political activists on cultural sanctions.

While endorsing a stage boycott, participants could not agree on other steps. For example, why should an actor be banned from participating in a "live" stage show, yet his movies could be allowed in segregated South African cinemas?

The same applied to playwrights and authors. If their scripts were allowed to be sold in South Africa, why couldn't their works be performed here?

To take it further, why was there no call for a ban on a musician's record sales in South Africa, yet he could not perform here?

Varying arguments centred on the contradictions. Suggestions were made that the artists should refuse to allow their work to be performed in South Africa, or that their South African royalties be put into a fund to assist our artists.

No consensus was achieved, though, and the contradictions have still not been resolved. This point was made forcefully by exiled South African trumpeter Hugh Masekela, who worked with Simon on the "Graceland" project.

Masekela

In a lengthy interview (which will be published shortly in this column) I had with him recently, Masekela blasted anti-apartheid activists —

particularly in England — who have called for a boycott of "Graceland" and the blacklisting of its artists.

Masekela left his native land, and is a pioneer of the cultural boycott. He has appeared at concerts for exiled South African political organisations. He has sacrificed much.

He still supports the cultural boycott, but believes the campaign is being conducted in the wrong way. Which is perhaps why the Equity position seems so incongruous.

There is little doubt that it has been effective in a way. The Equity ban is generally credited with having paved the way for South African theatres to be desegregated.

It has, arguably, also opened the way for more indigenous plays to be staged in our theatres.

The same thing happened recently when international movie distributors threatened to shut their South African cinemas if these weren't desegregated.

The authorities gave in. As in sport, the lesson has been that an international boycott — or a threat of it — has forced the Government into making greater concessions.

The counter-argument is that the Equity ban has created another form of

culture shock for South Africans. While many outstanding British TV shows — mainly in the fields of drama and comedy — are withheld from us, a lot of trashy American and period European shows have been left to pollute our TV screens — and our minds.

This argument has been used to justify the lifting of the Equity ban. It was also an argument used in the campaign against the sports and economic boycott.

That is not to say that Equity's ban was wrong, and that it is now right in lifting it. The counter-argument is that as in sport, a start has to be made somewhere, and those who are against boycotts should be persuaded to change their stance.

Crazy

For sanctions, if they are not universally applied, cannot be that effective. This has been proved again in the present crazy situation. The SABC can broadcast British TV news, actuality programmes and major sports events such as the FA Cup final, but not those involving British actors.

But the SABC can purchase these same actors' movies and broadcast them. Remember one of the great media events of recent times, the Royal

wedding of Prince Charles and Princess Diana?

South Africans could watch the pageantry, listen to the awed commentaries, but actor Richard Burton's voice had to be cut out because he was an Equity member.

Yet Burton's movies could and still can be watched openly in South Africa. As sports fans who have thrilled to the great events such as the FA Cup final, the European cup finals, Wimbledon, and major golf and boxing contests, will we be happy if they are blacked out from our screens?

Consensus

And if they are, will we still not practise double standards by quietly looking for pirated videos?

What about tours to this country by say Indian or Pakistani or Middle East religious/cultural groups? Should South Africans who need such religious/cultural stimulation be penalised even though they are sworn opponents of apartheid?

Perhaps it is time for our major political and cultural organisations and other interested parties to organise another brainstorming session to find consensus on a question they will be forced to address more and more in coming months.

/9317

CSO: 34000221

AMA-AFRIKA SEES LIBERATED NATION WITHOUT WHITES

Johannesburg CITY PRESS in English 19 Jul 87 p 5

[Article by Mbulelo Linda and Edyth Bulbring]

[Text]

THE scene was unmistakably that of a funeral – there were coffins, mourners and wreaths – only, there were no church ministers to preside.

Over 500 people had converged at the Kwanobuhle Community Hall in Uitenhage on Sunday to bury Khentyu Matshaka, Kwekwe Ntantiso and Ndomelele Jack, all members of Ama-Afrika (also known as the African Persons' Concerned Committee) who were allegedly killed during fighting between Ama-Afrika and UDF supporters two weeks ago.

Police and the SADF in Casspirs and Buffels were stationed about 50m away, while most people watched from the safety of their homes.

The service started at 9am at the APCC headquarters in 9 Sogcwayi Street – the house which is alleged by UDF members to be the Ama-Afrika torture chamber – and was later moved to the hall.

The National organiser of APCC, Andile Lukhuzo, told the packed hall that despite threats from the UDF that the bodies of

the deceased were to exhumed and burnt, the coffins were still to be buried at the Kwanobuhle cemetery.

Africanist organisations who attended the funeral service were the APCC, Azanyu and the recently formed Port Elizabeth's African Persons' Civic Association.

During intervals, women dressed in traditional Xhosa dress sang, praising the late PAC leader Robert Sobukwe and other African leaders such as Robert Mugabe.

The songs claimed Africa was for black people only.

Among the speakers addressing the mourners who gave the opened hand salute of the PAC was the self-proclaimed Reverend Eberlezer Maqina, who was purged from Azapo for allegedly aggravating conflict between the UDF and Azapo.

Maqina expressed his organisation's disappointment at the absence of church ministers who were invited to conduct the service.

Picking up a copy of the Bible, Maqina said: "God

gave them this book and asked them to be witness to these things, but today they are not here."

There is confusion as to which ministers were invited. Joseph Maliwa, the spokesperson, said that ministers from Idamasa were invited. However, Idamasa denied receiving the invitation.

Maliwa later admitted that he did not know which ministers were invited.

After the six-hour service, the crowd moved off to the Kwanobuhle cemetery in buses and cars, followed closely by police and the army.

Since the beginning of the year, nine UDF supporters and six Ama-Afrika members have been killed in alleged clashes between the two groups.

Ama-Afrika has been labelled "vigilantes" and "murderers" by the UDF, Rory Riorden of Operation Real South Africa, the Press and residents of Eastern Cape townships.

Affidavits of Ama-Afrika atrocities fill stacks of pages and 16 summons are to be served on the Minister of Law and Order and Ama-Afrika members

for the January 4 incidents when Ama-Afrika members allegedly staged attacks on Kwanobuhle residents.

Little is known about the organisation.

Ama-Afrika, according to Maqina, is a political organisation carrying out "various projects". All the members involved are "Africanists" who endorse the policy of Pan Africanism.

These projects include "trade union activity, advice centres like the Black Crisis Centre, of which Maqina is the director, employment agencies and the African Youth Movement".

"The projects are the vehicles through which we tackle our problems," said Maqina.

These projects aim to "better the quality of the lives of the black people".

According to Maqina, the APCA has 10 000 card-carrying members and the APCC has 12 000. He said that Ama-Afrika had 60 000 members countrywide.

He said that Ama-Afrika was an organisation reserved for black people. "The white people are part of the problem and can never be part of the solution. The black people are the solution," said Maqina.

By the word "black", he said, he did not include "Asiatics".

He said that there was conflict between Ama-Afrika and the UDF because Ama-Afrika was successful with its programs.

He said the conflict started when the UDF discovered the branch leaders of Uitenhage's Ama-Afrika "Save the Starving Community" organisation and threatened to kill them.

Although there was yet no open conflict between the two groups, UDF members continued attacking Ama-Afrika, said Maqina.

Ama-Afrika, he said, aimed to achieve the liberation of SA through various projects. However, he would not reveal strategies.

"If I tell you that you would be part of Ama-Afrika and you can never be that because you are part of the problem, you are white," he told EDYTH BULBRING.

However, after liberation, Maqina continued, even the oppressors would be liberated. Another Ama-Afrika leader hastily added that "the enemy would have to live under an African government, purely African. Non-racialism is impossible".

One of the major problems Ama-Afrika had with the UDF was its attitude towards "so-called collaborators".

Maqina said that the councillors, the black police and the homeland leaders were not "part of the problem".

An Ama-Afrika leader said: "Why should there be no policemen in the locations? What healthy country has no policemen? This is the law of the country that there should be police."

All Ama-Afrika wanted was to be left alone to continue with its projects and to practice its philosophy. It wanted the townships to be "normalised".

He said that Ama-Afrika did not have a "comrade wing that molests people".

"The UDF is a mass organisation, so any tsotsi can do anything in the name of the UDF. They are uncontrollable."

Maqina, who has, in the past, denied any connection with Ama-Afrika, dominated the entire interview and seemed edgy when his less eloquent Africanists threw in a frenzied word.

Maqina has a long "track record", as he calls it. Allegations of his role as an instigator in the Azapo-UDF feud in 1985 are now folk-lore in the Eastern Cape.

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CSO: 34000213

DHLOMO ASSURES INDIANS HAVE NOTHING TO FEAR BY JOINING INDABA

Durban POST NATAL in English 22-25 Jul 87 p 10

[Article by Dr Oscar Dhloomo]

[Text]

THE results of recent opinion surveys commissioned by the KwaZulu-Natal Indaba have been interpreted by various analysts as showing a surprising degree of Indian apathy towards the Indaba.

Analysts have gone on to speculate that this apathy is caused by the Indian community's self-perception as a "powerless minority" caught between black demand on the one hand and white power on the other.

Yet other analysts claim that this apathy is fuelled by fears of possible "African retribution" as happened in Uganda and other African countries, in the event of the Indaba proposals being implemented.

Knowing the Indian community of Natal as well as I do, I find it difficult to agree that there is Indian apathy towards the Indaba.

Firstly, the Indian community was fully represented in the Indaba by both their political and cultural groups.

Comparatively speaking, no other groups in the Indaba was as fully represented as the Indian community.

In the political sphere there were representatives of the National Peoples' Party, Solidarity and the Reform Party, and in the cultural sphere there were representative of the South African Hindu Maha Sabha and the Islamic Council of South Africa.

The only notable absentee was the Natal Indian Congress, but judging by the comments of its spokesmen, this organisation kept itself fully informed about the Indaba proceedings throughout the deliberations.

Moreover, all participating Indian groups signed in support of the Indaba proposals at the end of the negotiations.

Therefore, if there is "Indian apathy" now, there certainly was none throughout the deliberations.

Secondly, I believe that Indians in Natal, and indeed in South Africa, have nothing to fear. Besides being the second largest population group in Natal, they are on fairly good socio-political terms with the African majority in South Africa.

Indians have contributed and are still contributing their share in all walks of life in the building of a free and prosperous South Africa.

South African Indian patriots, political leaders, scholars, industrialists and philanthropists are not few and far between. Who could ever wish for more illustrious fellow-countrymen?

However, if ever I came across a single Indian fellow Natalian who showed any apathy or suspicion about the Indaba, I would address him as follows:

Through the Indaba I am extending my hand of friendship to the Indian community of Natal. I am doing so because I believe it is vitally important for all of us — Indian, African, white and coloured — to build our future in Natal and KwaZulu together.

If we do not do so we may all regret not having taken advantage of the unique opportunity before us.

I recognise that our communities have had differences in the past and that even today some of our people feel angry towards each other and threatened or exploited by the other. As a black man I would like to know that I have no desire to take from you what is yours.

I have no desire to dominate or harm you. But, like you, I do demand to be treated as an equal. I would also like to know that I am very conscious of the major contribution that the Indian community has made to building our province.

I also admire the role played by Mahatma Gandhi and many other Indians in fighting for the rights of all.

I am sure that you will agree that we must all build on the good of the past and dedicate ourselves to ridding our communities of the causes of those things that divide us. We must all work together to build the future.

In doing so I suggest we should realise that people of all races have almost everything in common. I have yet to find a human being who wants to be discriminated against. We all want peace. We all want to feel safe and secure. We all want jobs. We all want a good education for our children. We all want a decent home.

In addition, all people want to be able to share in determining their future. KwaZulu Natal Indaba proposals offer you a real opportunity to join in planning and determining our common destiny.

It is an opportunity that may not come to us again.

It is for this reason in particular that I invite you and your family to support the Indaba and its plan for non-racial government in our province.

The Indaba plan is not a plan for whites, or for Africans, or for Indians or coloureds. It is a plan for all the people of the region. It is not a plan that takes anything away from anybody. It is a plan that gives to us all — better security, better education, more and better jobs, more housing and a say in shaping our future.

I urge you to support it.

/9317

CSO: 34000221

MINISTER OF EDUCATION DISCUSSES ASPECTS OF BLACK EDUCATION

MB281049 Johannesburg Television Service in Afrikaans 1830 GMT 27 Jul 87

[Interview with Dr Gerrit Viljoen, minister of education and training, by Kolie van Koller and Riaan Nel on the "Network" program--live]

[Text] [Van Koller] Good evening, Dr Viljoen, and welcome to Network, together with my colleague, Riaan Nel, from our political staff. Doctor, let me ask you at the outset--how far have we progressed with the government's 10-year education plan?

[Viljoen] Well, the 10-year plan was only announced last year. It is a comprehensive plan, but some real and spectacular progress has been made in narrowing the gap in the provision of educational services among the various population groups. Let me just point out, for example, that the amount budgeted by the Department of Education and training for black education has increased fourfold in the past 4 years, from something like 370 million rands to 1,400 million rands. Then there is still this year's budget too.

[Van Koller] But there are still problems, right?

[Viljoen] Of course there are problems, but these are being identified and addressed one by one. There is, for example, the problem of incomplete educational services in the rural areas, particularly in the farm schools. This issue is addressed in the report tabled today.

[Van Koller] Riaan Nel?

[Nel] Doctor, the government's efforts to provide equal education for all is being hampered by the prevailing unrest in black schools.

[Viljoen] Yes, the unrest situation has certainly had a negative effect. But fortunately unrest has decreased considerably this year. It is only in exceptional cases where unrest still exists at black schools. Some damage has been caused, repairs for which must be drawn from the existing budget. This limits normal educational growth to a degree. On the other hand, the time and energy of teachers and planners, which could be used for the expansion of improved educational facilities, have had to be channeled into crisis management due to unrest in schools. In other words, there is a clear

movement this year toward greater stability and order in education, which has permitted faster progress in the quality of educational services and the development of new education programs.

[Van Koller] Doctor, for the sake of our viewers, could you tell us how many schools are still facing problems? Approximately?

[Viljoen] At present the poor attendance--and that is the worst problem we have identified--effects about 40 to 50 schools daily, out of a total of about 7,200 schools under my department.

[Van Koller] And where are these schools mainly situated?

[Viljoen] Mainly in the Johannesburg area, but also in the Western Cape and Eastern Cape, to an extent. But as I say, these are comparatively small numbers, and they change from time to time. Let me just emphasize that it is mainly poor attendance. It is not a matter of actual unrest or rioting.

[Nel] Let me turn to another aspect, doctor, of equal educational opportunities in general. Today, during the budget debate, for example, the government again was sharply criticized in the House of Representatives because there is not just one department or one ministry for education for all population groups. What is the position on this?

[Viljoen] The government's position is that we must make provision for differences in the population by means of own educational provision for each population group. This can be controlled by each group. In the government's constitutional reform plans, one of the principal goals is to allow for self-determination for blacks in their own education, which at present, outside the national states, is controlled by the central government.

[Nel] But even in your own department, at the higher levels, there are not even any blacks.

[Viljoen] Oh, no, there are many blacks who have been promoted, particularly in the past 2 or 3 years, to positions such as deputy directors in the regions, assistant regional directors, as well as assistant directors at headquarters. There are educational planners at the head office. Circuit inspectors and inspectors of education now are almost overwhelmingly blacks.

[Van Koller] Dr Viljoen, can we take one case that has been cited as a case study? At a particular farm school 5,000 rands was collected from parents who earn very little. The state provides a further 5,000 rands in assistance. That totals 10,000 rands. It is much too little to provide schooling for these farm children. Should not such cases receive special attention?

[Viljoen] Of course. My department is convinced that the state should take responsibility for farm schools, just as we do in other places, in cases where a particular farm owner is not prepared to provide schooling for his workers' children. We believe that the present system, under which the initiative is

taken almost exclusively by our farmers--and let me praise the tremendous contribution by our farming population as part of the private sector toward the development of black education--but when the farmer concerned is not prepared or willing to give part of his land for a school, the state should get property rights of such land so that a public, state school can be built on state property.

[Van Koller] Is that being done, doctor? Have there been such cases?

[Viljoen] Yes, we are working at that, although I should mention that this is one of the recommendations of the report tabled today, that this matter should be given greater attention. An alternative would be a suitable form of long-term lease with the landowners, so that school could be built which would then become state-controlled public schools. Of course, I believe that the willingness of so many farmers to provide schools for their workers' children and other children in the district should be encouraged too. Such farmers receive a 50 percent subsidy from the government. We are looking into the recommendation that subsidies be improved, and that these subsidies be adjusted from time to time. Another factor which is emphasized in the report is that the subsidies should also make provision for adequate teacher accommodation. One cannot attract a good teacher to a farm school if there is no proper housing commensurate with his status and personal development.

[Nel] This problem, doctor, that the farmowner is also the school owner is also related to another key problem highlighted in the report, that is, that the state at present does not take full responsibility for the education of rural black pupils.

[Viljoen] Our view is, and this comes through very clearly in the report--that the state must accept responsibility for what one could call the farm-based rural student. This does not mean we want to obviate the role of the farm owner. We believe this role must be supplemented. The state must take responsibility for building schools on land purchased by us, or private land leased on long term contracts, such schools then becoming state controlled and state funded.

[Van Koller] Doctor, let us dwell for a moment with the role of the farm owner, who is a very powerful actor in this whole matter. There are even reports and rumors that some of the farm owners sometimes use these children to work on the land as some form of compensation because the school is built on his farm. Are you aware of such cases?

[Viljoen] Where such claims have been made, and where there is proof that farm owners are keeping the children from furthering their education by using them as workers on the farm, action has been taken as it is unlawful.

[Van Koller] What action did you take?

[Viljoen] We received positive responses and cooperation from those concerned, with a few exceptions.

[Van Koller] What action is being taken against those few who behave in this way?

[Viljoen] We point out to them that it is unlawful to divert children from their education for work purposes. They should also conform to the requirements of the basic Employment Act with respect to the employment age for children. In this regard, we are obtaining positive cooperation from the different agricultural and farmers unions, as well as from the Rural Establishment, an organization which plays a very important role in the development of black community life on rural areas and farms.

[Van Koller] Doctor, a figure of 30 rands per annum is quoted as subsidy to the farm owner for the administration of the school. Is it not ridiculous?

[Viljoen] I think it is a ridiculous amount for which one ought not to pay. If one is prepared to maintain the administration of the farm school then one must pay a reasonable amount, but not the ridiculous amount of 30 rands. But I believe that the correct and ideal condition is that the department should be responsible for the administration and management of schools as state controlled schools, and that the responsibility, in cooperation and with the approval of the farm owner, can then be transferred to the state.

[Nel] Doctor, in the report which the department released today, it is stated that black education is now at the crossroads in the rural area. What is meant by that?

[Viljoen] I think when one talks of black education at the crossroads, it concerns a few aspects. Firstly, there are not enough schools, and there is not an even distribution of schools. Too many pupils live far from schools. One of the recommendations in the report is that no pupil should have to walk 5 kilometers to school. This means that in the national plan for the provision of schools, we are making drastic adjustments in rural areas as to the location and provision of schools, so that they will be accessible to a majority of pupils.

[Van Koller] Doctor, you are talking about the location and provision of schools. What about the question of white schools in rural towns which are empty, for example?

[Viljoen] Yes, we are talking especially about farm schools. There are cases where we have received cooperation from the concerned education authorities to use the empty white schools for black education. There is no problem in this respect as long as that particular school is not within a white residential area in town.

[Van Koller] Are such schools already being used?

[Viljoen] Oh, yes, in many cases, and we have positive cooperation from the white education authorities. But if I had to come back to Riaan's question on the crossroads, I think a second aspect of this crossroads is the issue we

have been discussing, namely that instead of the farm community taking full responsibility for the provision of schools, the state should ensure the provision of public state control schools on state land through long-term lease contracts in a more meaningful way. The third factor is the provision of secondary education. In the report it is stated that most of the schools end with Standard Two. One of the recommendations that we accept is that all schools should preferably end with Standard Five or that we should provide schools in all areas that end with Standard Two, as well as others from Standard Two to Standard Five, to supplement, each other in other words a junior primary and senior primary school. Then we also have to make provision for more opportunities in secondary education, which is lacking. We have already added Standards Five, Six, Seven, and Eight classes to some of the farm schools, through ad hoc arrangements, so that children can have secondary education without going away from home.

[Van Koller] Doctor, our time is almost up. May I just ask you about the question of teachers and their qualifications, especially on farm schools? Have you given any attention to this?

[Viljoen] Oh, yes. It is a very important issue. I have already emphasized the importance of proper housing in attracting well-qualified teachers, but we also want to emphasize rural problems in the training of teachers, thus recruiting candidates for teacher training from rural areas and farms in the hope that they will return to those areas and help in the development of their communities. Another issue--you should clearly understand what I think is the most important in this report--is that schools should not only serve as facilities during the morning class hours. The school should become a community center. Adult education should also be taught after hours.

[Van Koller] Doctor, thank you very much for your participation in this evening's Network program--time has caught up with us--and also to my colleague Riaan Nel. Thank you very much. Good night.

[Viljoen] You are welcome.

[Nel] And also from my side, all the best and goodbye.

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CSO: 3400/235

DET TO CONTINUE ACTION AGAINST 'PEOPLES EDUCATION'

MB291623 Johannesburg SAPA in English 1531 GMT 29 Jul 87

[Text] House of Assembly, 19 Jul (SAPA)--The Department of Education and Training [DET] would not tolerate any educational content with a revolutionary element in its schools, the minister of education and development aid, Dr Gerrit Viljoen, said today.

Replying to committee stage debate on his budget vote, he said "peoples education" was being used by militant elements to turn education into a revolutionary weapon. The DET had already acted against teachers and headmasters involved in peoples education, as well as against bodies from outside the schools who used school facilities for these purposes. The department was well aware that there were elements who wanted to use schools as a springboard for revolutionary activities.

Referring to Dr Ferdi Hartzenberg (CP Lichtenburg), Dr Viljoen said he had in the debate made the basically correct statement that South Africa was facing a serious onslaught by the communists, who had attained a measure of success. But this was not news.

Dr Hartzenberg's raising of remarks by Mr Curtis Nkondo of the National Education Crisis Committee was useful, however. There was no doubt that the plans outlined by Mr Nkondo would lead to inferior education.

The control of education institutions by "collective decisionmaking" bodies would mean that those who required education would make decisions along with those who already had insight and experience. This would not work in any right-thinking system.

Dr Viljoen said the government had thwarted the well-organised radical onslaught, and he wanted to express his gratitude to the security forces who had played such a role in restoring normality to black schools.

Members of the official opposition had also tried to show that the threat from the African National Congress was not so serious, that the government was making it up, or that it was an election ploy. Their attempts to do this showed clearly they had no message of security for the voter, but that they were merely using the issue to make political capital. What was the political seriousness or statesmanship of a party that at one moment warned about the onslaught against the country, and the next said that it was merely a ploy?

VILJOEN OUTLINES IMPROVEMENTS IN RURAL BLACK EDUCATION

MB271522 Johannesburg SAPA in English 1423 GMT 27 Jul 87

[Text] House of Representatives, 27 Jul (SAPA)--The provision of education for black pupils in rural areas report released today would refute impression created in the media that education authorities were indifferent to the shortcomings in the provision of education in rural areas, the minister of education and development aid, Dr Gerrit Viljoen, said today.

Speaking in the House of Representatives, he said the educational authorities of any country were confronted with the unique problem of education in rural areas in their efforts to provide equal opportunities for all pupils.

He said South Africa was undergoing rapid political, economical, and social changes in which education played a decisive role. The provision of education would have to keep pace with these changes.

However, large scale and unplanned provision of education in rural areas, even in the light of rapid urbanisation, might prove to be irresponsible in the long run. He said that approximately 47 percent of the country's black population had already become urbanised and that there were indications that in the next 15 to 20 years the figure could be 75 percent.

With these facts in mind, the Department of Education and Development Aid appointed a working party in 1985 under the personal guidance of a deputy director general of the department, to conduct a thorough investigation into the provision of education in rural areas. The investigation had been completed and the report containing a comprehensive series of recommendations was released today.

"This report should effectively refute impressions which had recently been created in the media that the education authorities are indifferent to the shortcomings in the provision of education in rural areas," he said. The recommendations applied to both primary and secondary education and dealt with the problem of distance between the home and school and ownership of land on which schools were situated. He said an important recommendation was that schools should be localised to the extent that pupils would not need to walk more than 5 km.

In line with the recommendations contained in the report, and with due consideration to financial, legal, and political concerns, the department was already giving attention to the following possibilities. These included the centralisation of schools on state or government owned land, as well as the provision of transport and/or hotel facilities where necessary.

The possibility that land and buildings could be leased on a long-term basis in cases where farmers themselves did not wish to be involved in education was being investigated.

The conversion of certain farm schools to public schools, in consultation with the farm owners, was also being considered.

Dr Viljoen said attention was also being given to the pre-service and in-service training of teachers to provide for the specific needs of farm schools; the establishment of teachers centres in rural areas, the provision of basic sporting facilities; the provision of an education advisory service and an inspection service; management training for principals and an education technological service.

He said most of the task groups recommendations would extend and improve the enormous educational tasks to which the farming community had been making such an important contribution.

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CSO: 3400/235

CAPE STUDENTS STAGE WIDESPREAD SCHOOL STAYAWAYS

MB250442 Johannesburg THE WEEKLY MAIL in English 24-30 Jul 87 p 2

[Article by Gaye Davis]

[Excerpt] Protest at education authorities' action against teachers escalated in the Western Cape this week as students at eight training colleges boycotted classes while thousands of high school pupils and University of Western Cape students staged a peninsula-wide stayaway yesterday.

There are stayaways in at least 22 of the 60-odd Cape Flats high schools under the Department of Education and Culture in the House of Representatives (DEC) yesterday, while attendance plunged in at least a further 14, according to WEEKLY MAIL sources.

A department representative confirmed attendance was low at "most" peninsula schools, but said at some it was 90 percent.

The one-day stayaway, called by the Western Cape Students' Congress (Weesco), follows similar action last Thursday, but was far more widespread.

Weesco said this week the already volatile situation in schools, colleges and universities could "explode into another 1985", echoing warnings from community and teacher organizations.

Police confirmed that three burning tires were extinguished in a Mitchells Plain street. Near Bonteheuwel, a post office vehicle was set alight and three Bonteheuwel youths were arrested. They are expected to appear in court soon in connection with public violence charges.

At the University of the Western Cape, more than 2,000 students on Wednesday voted to stay away in support of Weesco's call. Exams, due to have been written by more than 2,000 students this week, have been postponed to 10 and 11 August.

At issue are the misconduct charges the DEC is bringing against 73 teachers who allegedly refused to administer year-end exams in 1985, when ongoing boycotts left pupils unprepared.

Contributing factors are the unresolved situation at Langa High School, closed recently by the Department of Education and Training and then defiantly opened by parents, teachers and pupils, as well as the harassment of Bonteheuwel pupils and public violence charges faced by a number of pupils.

Pupils at high schools in Cape Town's black townships boycotted classes this week in protest against public violence charges against 13 pupils at Langa High School parents, opposed to re-registering pupils at the school, decided to approach Minister of Education and Development Aid, Gerrit Viljoen.

On Monday, at the first teacher's hearing, more than 2,000 teachers, students and parents gathered outside the department's Wynberg offices in a heavily policed demonstration of support.

After a subsequent meeting in the nearby Luxurama Cinema, a device police said was a home-made bomb was hurled into a police vehicle, slightly injuring one of the occupants.

The demonstration coincided with the start of a week-long boycott by students at eight DEC-controlled training colleges in the Peninsula and Boland, called by the Western Province Tertiary Student Representative Council in support of demands that the charges be dropped.

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CSO: 3400/220

UNION BACKED DEMANDS FOR LABOR REFORM REACH COUNTRY'S FARMS

Johannesburg FINANCIAL MAIL in English 19 Jul 87 pp 49-50

[Text] **Labour strife** on Tongaat-Hulett's north coast canefields underlines an important development: union-backed demands for labour reform have reached SA's farms.

Countrywide, farmers have reluctantly accepted the need for some reforms to working conditions. But the prospects of organised agriculture willingly conceding the looming issue of formal recognition of unions and the procedures regulated by the Labour Relations Act (LRA) are remote.

The sound and fury of the Tongaat-Hulett dispute extends to such smokescreens as an attack by the SA Allied Workers' Union (Saawu) on the KwaNatal Indaba, and threats of protest marches to Archbishop Hurley's house in Durban.

But stripped of rhetoric, the issue central to Saawu's representations on behalf of 800 seasonal cane cutters is formal recognition of the Farm Workers Union, an associate of Saawu.

Talks on grievances raised by workers are taking place, and Tongaat-Hulett's Ron Phillips says while these talks are on the company will issue no statement. However, Phillips emphasises the talks relate to working conditions.

Isaac Ngcobo, Natal chairman of Saawu, told the *FM* this week the talks were leading nowhere and unless union demands for recognition were accepted by July 5 the threatened march was likely to take place. Workers, he said, wished Archbishop Hurley to intervene and argue their case with Tongaat-Hulett management.

Currently farmworkers are excluded from the provisions of the LRA, which means they cannot use the collective bargaining or dispute resolution machinery provided by the Act. Belonging to a union is not prohibited but is an academic exercise anyway since the union would not formally have access to the machinery of the Act.

Farmworkers are also currently excluded from protection afforded under the Basic Conditions of Employment Act, which means their conditions of employment are governed only by common law. The huge wage differential between urban and rural workers is attributed in major part by unionists to this lack of protection.

The SA Agricultural Union (SAAU) admits that reform of agriculture's employment practice is inevitable and is negotiating with government amendments to the Basic Conditions of Employment Act. However, it believes farmers are not ready to accept the LRA in any form.

Since the enactment of the Industrial Conciliation Act in 1924, agriculture has been excluded from most labour statutes, with the exception of the Workmen's Compensation Act, the Machinery and Occupational Safety Act, and the Manpower Training Act. The historical explanation, according to SAAU Deputy Director Hans van der Merwe, is that agriculture's production demands differ fundamentally from those of industry and commerce.

However, the cautious view now expressed by the SAAU is that the situation is "dynamic."

No doubt contributing to this change of heart was the inquiry by the National Manpower Commission (NMC) into the merits of extending labour legislation to farmworkers (and domestics). Organised agriculture was a major lobbyist during the NMC's two-year inquiry. Its report was presented to government in December 1985 but to date remains unpublished.

At the SAAU congress which followed the NMC report its general council was mandated to "investigate certain adaptations" to labour practices. A report-back is expected at this year's congress in Durban and is likely to focus on amendments sought to the Basic

Conditions of Employment Act to make it acceptable to agriculture.

Key issues, says Van der Merwe, involve changes to provisions dealing with maximum working hours, sick leave and leave arrangements to accommodate the seasonal production demands of farmers.

But the LRA, which institutionalises rights of trade unions and negotiation and dispute procedures is "not acceptable in its present form and at this point in time." It would introduce "mechanisms of communication that agriculture is not familiar with and will not fit in," says Van der Merwe.

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CSO: 3400/231

This hesitancy is criticised by labour lawyer Chris Albertyn of the University of Natal's Centre for Socio-legal Studies. Albertyn suggests farmers should accept the inevitable and reform while they hold the initiative rather than be forced to reform when it might not suit them.

There is no question that pressure on farmers to acknowledge unions is likely to mount. A Cosatu founding resolution commits the congress to unionising farmworkers and domestics and the current dispute between cane cutters and Tongaat Hulett management may prove to be only the first salvo in what is likely to become a long campaign. ■

SIGNIFICANCE OF LABOR GROUPS ADOPTING FREEDOM CHARTER DISCUSSED

Johannesburg THE SUNDAY STAR in English 28 Jun 87 p 19

[Article by Mike Siluma]

[Text]

THE recent adoption of the Freedom Charter by a number of trade unions affiliated to the Congress of South African Trade Unions (Cosatu) has highlighted the continuing relevance of the document to extra-parliamentary political debate — 32 years after it was drawn up as a guideline for a more just socio-political order in South Africa.

At least three major unions affiliated to Cosatu, South Africa's biggest union grouping, have adopted the charter in some form.

The three are Cosatu's biggest affiliate, the National Union of Mineworkers (NUM); the National Union of Metalworkers (Numsa); and the Food and Allied Workers Union (Fawu).

Adopting the charter as "a guiding document in the struggle against oppression and exploitation", NUM said black workers in South Africa were fighting "for a democratic, socialist society, controlled by the working class".

Cosatu's second biggest affiliate, the National Union of Metalworkers (Numsa), adopted the charter as containing "the minimum political demands that reflect the majority of metal workers' vision of a free, democratic and non-discriminatory South Africa".

But Numsa also called for the building of a workers' programme for "true socialism and democracy".

Another important Cosatu affiliate, the Commercial, Catering and Allied Workers' Union (Ccawusa), noting that the charter was "historic", decided, however, not to embrace it. Ccawusa said adopting the charter or the Azanian Manifesto (supported by mainly black consciousness groups) would split its ranks as both documents enjoyed its members' support.

Its general secretary, Mr Vivian Mtwa, emphasised that the union was yet to make its final political decision, which would have to maintain the union's unity.

Although other Cosatu affiliates strongly linked to the United Democratic Front have long identified with the charter, it is only in the past two years since the formation of Cosatu itself that the document has been discussed with such vigour by the broader non-racial, independent union movement.

In the current debate, essentially two positions have emerged, both committed to the building of socialism under the leadership of the black working class.

The one (exemplified by the NUM—Fawu position) favours acceptance of the charter as the basis on which the working class can earn and exercise its leadership position in the struggle against political oppression and economic exploitation. The other position (reflected broadly by Numsa and

Ccawusa), stresses the independence of the working class, and argues that workers need to evolve their own political programme to effectively take up their leadership role.

Significantly, both positions acknowledge the widespread popular support for the charter. Numsa itself, in a preamble to its resolution on the charter, said the document "has majority support among the natural, and most reliable, allies of the working class — the women, the unemployed, the youth and the students".

NUM described the charter as a set of "minimum demands" drawn at a gathering "representative of all patriotic forces in our country".

Critics of the charter say, among other things, that if the working class joined the struggle against apartheid and capitalism without a clearly defined programme of its own, it would run the risk of being

overwhelmed by other anti-apartheid forces.

A resultant new government, they say, might well suppress the working class.

Supporters of the charter believe the only way the working class can lead the struggle and ensure a socialist new order is by forming close alliances with other anti-apartheid forces, thereby influencing the struggle in a socialist direction. As a result, the charter would also assume a socialist interpretation.

But why is the debate, widely expected to surface at Cosatu's national congress in July, occurring in the unions now, and with such fervour?

Dr Tom Lodge, a political scientist and lecturer at the University of the Witwatersrand, ascribes this to the growth of mass political organisations supportive of the Freedom Charter tradition, such as the UDF.

"It could be that the union leadership has recognised that the position of the Freedom Charter is a majority one, and that there is much to be gained by associating the union movement with the charter," said Dr Lodge.

Such a move, he said, would enable unions to ensure that the socialist strand in the struggle is strengthened.

Also, some unionists, previously pushing an independent

line, may have realised through recent co-operation with community and political organisations (such as the 1984 Transvaal stayaway and unionists' involvement in community organisations), that identifying with the mass organisations did not mean sacrificing the principle of working class leadership.

But, according to Dr Duncan Innes, a senior lecturer in industrial sociology at Wits, the adoption or otherwise of the charter has been on the agenda since the formation of Cosatu.

"The movement in many unions to adopt the charter is intended to mobilise a closer link between the unions and political and community organisations in the UDF," said Dr Innes.

The present debate was an attempt to reach a compromise between the different groups, with some seeking the charter's straight-forward adoption, and others demanding a commitment to some form of a workers' programme.

The move to adopt the charter, and not any other existing document, was coming up in Cosatu because its opponents were in a minority. They could, however, prevent adoption by raising the issue of socialism. Dr Innes believed that adopting a socialist position would prevent a split.

/9317

CSO: 34000213

UNION REJECTS PROFIT SHARING SCHEMES

MB251129 Johannesburg THE STAR in English 25 Jul 87 pp 1, 2

[Article by Barney Mthombathi]

[Excerpt] Offers by employers to introduce profit-sharing scheme for black employees has received an emphatic thumbs down from organised labour.

"We reject that outright," said Mr Cyril Ramaphosa who heads the country's biggest union, the National Union of Mineworkers (NUM).

Employers, mainly big corporations, have been told rather to pay better wages and improve working conditions for workers. Unions are uneasy about profit-sharing schemes and see them as an attempt by employers to co-opt workers, thereby weakening the strength of the movement.

The offer by Ford, for instance, to turn over certain shares to employees of the company to be formed after its decision to disinvest in South Africa has been described by COSATU General Secretary Mr Jay Naidoo as unacceptable.

Sanlam [South Arican National Life Assurance Co.], Pick 'n Pay, and Anglo American are devising schemes which will give their employees a stake in the company--and a share in company profits.

Mr Gavin Relly, chairman of Anglo American, has told shareholders that the corporation intends establishing a profit-sharing scheme for employees.

Mr Ramaphosa, Anglo American's fiercest rival across the bargaining table said yesterday that employers would find no takers among unions for such a scheme.

"We reject that outright," he said. "They are trying to come up with half-measures (for) further exploitation."

The national organiser of the Commercial, Catering, and Allied Workers' Union (CCAWUSA), Mr Jeremy Daphne, said his union had "grave reservations" about such schemes.

He said the issue was still being debated in the union. "But the general feeling is that we as a trade union don't support profit-sharing schemes."

We don't see it as a genuine attempt by management to improve the lot of workers. It's more an attempt at co-option.

"Management should rather concentrate on paying workers a living wage and improve their working conditions."

Mr Naidoo, referring to the Ford offer, said it did not make sense or serve workers' interests to have some of them sitting on boards of directors of big companies while the situation in South Africa remained unchanged.

/9599

CSO: 3400/235

DEADLOCK, CONFRONTATION SEEN AS CONTINUING IN RENT BOYCOTTS

Johannesburg FINANCIAL MAIL in English 19 Jun 87 pp 48-49

[Text] Unless government somehow manages to get the embattled black local councils back on track, the township rent boycott is likely to continue. The problem is part of a larger malaise involving a crisis of legitimacy in black government.

Also, forcing employers to deduct rents and arrears from township dwellers' wages could lead to confrontation on the shopfloor, and both business and the trade unions have accordingly condemned the Promotion of Local Government Affairs Amendment Bill (FM June 12).

The Bill gives sweeping powers to local authorities to attach wages and confiscate property without going through the courts. It allows local authorities to act as judges in their own case, says Legal Resources Centre Director Geoff Budlender. "It thus denies offenders the opportunity to fight what might be a mistake on the part of the local authority."

The Bill will further erode the judicial system and increase pressure on US corporations still operating in SA to disinvest, says American Chamber of Commerce Executive Director Adrian Botha.

Rents were politicised when government made them the revenue base for the black councils as constituted by the Black Local Authorities Act of 1982 — structures which were rejected by most blacks.

The current unrest began in the Vaal Triangle three years ago over increased rents. The boycott has since spread to more than 50 townships, creating arrears of about R297m. Many black councillors have resigned — or been killed — and about 20% of councils have collapsed.

The key issue remains the lack of legitimacy of

the black councils whose funding underlies the rent crisis. They are largely dependent on rent and service charges instead of assessment rates. Rent increases — in some areas 400% over the past eight years — have been resisted, often with disastrous results. The rent protest in Mamelodi in November 1985 left 22 dead.

Whether financial aid through the regional services councils (RSCs) will help ease the problem remains to be seen. More worrying, though, is the launching of the RSCs with black components enjoying little public support.

A number of strategies have been devised by government to break the rent boycott — so far to no avail. The "strategy for the collection of arrear rental and service charges" suggested several plans involving, among others, businessmen, councils, the Department of Education and Training and the security forces working within the context of the controversial Joint Management Centres. Plans included education camps for youths, programmes to motivate residents and legal steps which included identifying "hostile residents" as a first priority for civil procedures.

Late last year Nic Louw, town clerk of Lekoa, which

hosted the State President two weeks ago, said talking to people didn't work. He preferred eviction. The situation in the six Vaal townships under Lekoa's jurisdiction is unclear as the council now replies only to written requests for information.

However, in Soweto, it's worth noting that all of the 72 evicted families promptly moved back into their houses with whatever property they had left after the messenger of the court confiscated goods to defray outstanding arrears. According to Soweto Town Clerk Nico Malan, confiscated goods can be reclaimed if they are paid for, and he notes that many evicted residents do find the money at that point. However, moving back is illegal and council lawyers are again grappling with this problem.

Simply giving away the houses to their occupants (an idea some have floated) won't solve the problem, according to the Urban Foundation's Brian Whittaker, because less than 15% of the monthly payment is for house rental. The bulk is for services which must still be paid by house-owners. So why are thousands of residents not paying?

A moot point is whether blacks are getting what they pay for. Accusations of corruption and poor service-delivery are rife — despite promises from councillors that monthly increases would be used to improve services. But the perception that they are being cheated remains impossible to break.

It must be pointed out that black councillors are hamstrung. For instance, last December Soweto Mayor Nelson Botile promised residents a 50% cut in rents. However,

under the existing financial dispensation Soweto cannot afford such largesse. In fact, it has announced increased services charges from October 1.

The problem also has a practical dimension — thousands of families have massive rent arrears. Where the boycott has been active for more than two years debts could be as high as R2 000 — huge relative to average monthly incomes.

Another government plan is to capitalise arrears by adding them to the purchase price of a house. However, government's "Big Sale" remains largely unsuccessful. By April — more than four years after the scheme started — only about 52 000 of the 345 640 dwellings on offer had been sold.

Soweto also invited debtors to put down a deposit of about R300 and pay the balance in instalments. Not many have done this, says Malan.

Another option is the request by blacks to write off arrears. But this could result in a right wing backlash.

Obviously government wants a solution without losing face. It is therefore unlikely to write them off. And perhaps it is right in principle. This option may encourage further boycotts and it would not solve the underlying problem of the financing of local authorities or their acceptability to blacks.

The only way out, it seems, would be to negotiate with community organisations that are perceived to have constituencies. But then government is emphatic that it won't negotiate with such bodies.

The immediate outlook, therefore, remains unchanged — deadlock and confrontation will continue. ■

/13104

CSO: 3400/231

BRIEFS

POLICE OCCUPY BOP CAMPUS--Bophuthatswana police have been occupying Ga-Rankuwa's Setlogelo Technikon since the college reopened for the second semester on July 9. Vice rector REP Muller this week would neither admit nor deny police occupation of the campus--although a tent manned by police was clearly visible on campus. He said as a civil servant he could not comment in terms of the "Official Secrets Act." Bophuthatswana's police liaison officer, Colonel David George, said yesterday police were "patrolling the institution in order to keep it safe." The police's 24-hour presence on the grounds of the college followed a police raid on the institution at the premature end of the first term on June 9, according to Technikon students. They claim that on that day, Muller summoned students--some of them scheduled to write examinations--to the hall to be addressed by the commissioner of the Bophuthatswana East police division, Colonel DJ Mokobyane. The students said Mokobyane told them their college was "troublesome." After threatening to close the college, he allegedly ordered students to leave campus within an hour, allowing only students due to write external exams to stay until 4 pm. When the college reopened for the second semester, many students were found to have been expelled for allegedly making placards on campus. Some have since been re-instated. [Text] [Johannesburg THE WEEKLY MAIL in English 24-30 Jul 87 p 2] /9317

OPPOSITION TO BLACK URBANIZATION--Lower income whites and high income blacks are most opposed to an increase of blacks in urban areas, says Market Research Africa (MRA). It found in a survey that one in four urban whites favour black urbanisation. Whites in the Transvaal and Free State (77%) are more against black urbanisation than those in Natal (70%) and the Cape (69%). But three in four blacks in metropolitan areas favour more blacks moving to the cities. Blacks in higher income groups are more against it than those in lower income categories. The results were based on samples of 1 000 blacks and 1 000 whites in cities. [Text] [Johannesburg BUSINESS DAY in English 24 Jul 87 p 3] /9317

CSO: 34000221

ZAIRE

BRIEFS

CULTURAL AGREEMENT WITH ANGOLA--Kinshasa, 30 Jul (AFP)--Zaire and Angola signed an agreement yesterday on the executive Program of Cooperation and Cultural Exchange for the July 1987-December 1989 period, the official information agency AZAP, announced. According to the terms of the agreement, the Zairian Government will grant a certain number of scholarships to Angolan cadres for higher education in the field of ethnomusicology and accepts the presentation of shows by an Angolan musical group on a noncommercial basis. For its part, the Angolan Government will receive Zairian artistic groups of various disciplines as well as specialists in the field of oral tradition and national languages, the same source stated. [Text] [Paris AFP in French 1850 GMT 30 Jul 87 AB] /6662

CSO: 3400/274

FINANCE MINISTER GIVES BUDGET SPEECH

MB291655 Harare Domestic Service in English 1315 GMT 29 Jul 87

[Annual budget speech delivered by Dr Bernard Chidzero, Zimbabwe minister of finance, economic planning, and development, in the House of Assembly, Harare--live]

[Text] Mr Speaker, I move that leave be granted to bring in a bill to make further provision in connection with revenues of public funds of the Republic of Zimbabwe, and to make provision for matters that are [words indistinct]. Members will recall that at that time last year I indicated that the year 1986-87 was going to be a difficult one, that economic performance would fall well below achievements during the previous year, and below the target set by the national development plan. I also indicated that the budget, because of its size and structure in relation to the performance of the economy, which could only be adjusted [words indistinct] would at least in the first place continue to impose constraints on achievements of the planned surplus. In fact, the economic picture in 1986-87 turns out to be worse than I projected this time last year. The measures announced in the recent times have been designed to arrest the deteriorating economic situation in the [words indistinct] and put the economy on a course to (?recovery).

The 1987-88 budget is, accordingly, [words indistinct] in this context. But because the measures so far announced are based on the short term, government is examining the (?experiment) of an interim and long-term measure which will render the economy less susceptible to short-term influences and frequent performance fluctuations. Now, before presenting the 1987-88 budget, I will first outline the economic performance picture in 1986 and its (?implications) to the achievements of the targets of the 1st 5-year national development plan, which is operationalized on an annual basis through the preparations of the annual [word indistinct]. I will also outline the prospects for both 1987 and 1988 in the context of the existing constraints on the economy, and I will allude to the implications for budget policy in the short, medium, and long terms.

Details of economic performance in 1986 are contained in the annual economic review for 1986-87, which has been carried out as an attachment to the socioeconomic review published earlier this year. But to put the budget,

which I am presenting this afternoon, in context, let me outline here the major picture of past economic performance.

In the absence of major structural changes, it is now becoming a permanent feature of our economy to (?graphically) experience [word indistinct] drought conditions linked to the weather situation and agricultural performance [words indistinct]. This feature is not characteristic of the post-independence period alone, but has continued to be the basis of (?phenominal) [word indistinct] experienced up to the mid-1970's, fuelled by an import substitution strategy geared to cope with conditions existing at the time.

The immediate post-independence period benefited from good agricultural performance, reinforced by relatively high imports to industry. Much of the activity during this period, however, was focussed upon utilization of existing capacity obtaining in the reconstruction exercise [words indistinct] investment creating areas. Thus the economy continues to suffer from short-term fluctuations in response to weather conditions and levels of foreign exchange allocations.

After a period of decline between 1982 and 1983, the economy experienced a high real growth rate of 9.3 percent in 1985. This good performance was primarily agriculture driven, (?thanks) to the good rain season for 1984-85. It should be noted here that there was growth despite the fact that in real terms total imports fell by some 10 percent in 1985 from their levels in 1984. The fact that there was growth in 1985 and that it was short lived points to the features which are characteristic of our economy.

First, the agricultural sector: an important source of demand throughout the economy and, therefore, up to a certain level good performance stimulates economic activity.

Second, increased demand will only produce limited economic activity, because of the existence of important supply constraints such as the inadequate availability of foreign exchange with which to import necessary investment inputs and to replace production equipment and expand capacity.

Third, the heavy dependence of demand on the agricultural sector, in fact of general relative importance in terms of total output and at export earning capacity, render the economy vulnerable to uncertainties arising from unforeseeable changes in weather conditions, resulting in instability.

The most recent (?estimates) given project the GDP growth of 1986, as a mere 0.2 percent. This was once more reflective of the influence of agriculture. Given the erratic 1985-86 rainy season, the agricultural value, (?adjuncts) fell by an estimated 12 percent in 1986. But even more crucial for the poor performance of the economy were the continued relatively low levels of inputs with an adverse effect on industrial production. Our increasingly high debt service obligations in relation to export performance and the low levels of capital inflows necessitated a slower rate of growth [word indistinct] in nominal terms in 1986 than in 1985.

It should be noted, however, that there was a mitigating factor with regard to import levels in real terms. On the average the cost imports, rose more slowly in 1986 than in 1985.

The gross performance in 1986 was particularly disturbing as that year constituted the first year of the 1st 5-year National Development Plan. Because of the need to allow the economy to adjust structurally before growth picks up, the plan sets a growth target in the first 2 years [words indistinct] of 5.1 percent. Thus the growth target for 1986 was set at 4.3 percent. However, it is evident that the 0.2 percent of actual growth achieved still falls far below even the small target. The picture is even more disturbing with the fact that growth in regard to [words indistinct]. The three major productive sectors, namely agriculture, mining, and manufacturing put together actually declined by 3.5 percent, as opposed to a targeted growth rate of 5.3 percent. This forced a continued unbalanced pattern of [words indistinct] productive sector (?overriding) certain factors.

If we are to meet our grand target of overall average annual growth of about 5 percent over the 5-year plan period growth for the remaining 4 years will have to average at least 6 percent annually.

The minimal growth rate in 1986 implies that in the 5-year period since 1982 annual economic growth averaged less than 2 percent and most of this is attributed to 1985 alone. With the figure of less than 2 percent as compared to estimated population growth figures which are over [words indistinct] (?growth), it is evident that the average income has taken [words indistinct] and growth has fallen far short of levels needed to create adequate employment for annual additions to the labor force.

Now on investment: Economic growth in the medium term and the creation of additional employment opportunities are going to be based on adequate methods of investment. The plans envisage that about 47 percent of investment into the major productive sectors which I have already mentioned. Preliminary figures for 1986 with regard to investment are very disappointing, and indications are that gross investments in real terms fell by at least 7 percent. The total figure was about 63 percent of the planned target. Although figures, giving a sectoral breakdown are not yet available, it is expected that the pattern of investment very much reflected the pattern of [words indistinct]. Further the largest proportion of this low level of gross investment constitute replacement rather than new investment for the creation of additional employment.

Government is aware of the major constraints limiting the level of investment in the economy. These include the shortage of foreign exchange as well as unstable domestic demand conditions. The shortage of foreign exchange is not only associated with levels of new investment but, even more critical, with the utilization of existing capacities, which is at present estimated to be around 60 percent for industry.

The measures which I announced during the course of the past year are intended to alleviate foreign exchange shortages and to channel funds into investment (?areas) generally. These measures are expected to influence the economy beginning in the last part of 1987. It is going to be necessary in order to facilitate a sustainable pattern of growth in the medium term for both government and our industrialists to apply the country's (?emergent) capacity and invest in a manner which conserves foreign exchange, which at the same time vigorously pursuing the export drive.

In this context, our growth strategy should seek to achieve appropriate balance between industry and agriculture so that there can be a sustainable pattern of demand on both the domestic and external markets. As a medium- and long-term strategy we should aim to create more employment in industry as well as encourage exports in this area. Volume II of the 5-year National Development Plan, which will be considered by government later this year, will reflect the sectoral balance.

The compilation of an investment register, which is a demanding exercise, is taking longer than originally planned. My ministry is examining other countries' experiences in this area in order to come up with the most appropriate methods for compiling the register for Zimbabwe. When completed, the register will reflect priorities for investment according to the desired sectoral balances.

Mr Speaker, before I [words indistinct], I should at this stage mention that the question of investment incentives has also been a subject of examination by government, particularly in the context of the recommendations of the tax commission report. The cabinet has now studied the report and has taken certain decisions. Some of the decisions will be incorporated, as I will indicate later, in the budget. Others will be announced and implemented as and when the necessary background work has been completed. The commission report itself will be released to the public soon, together with the consolidated statement of government's reaction on this [words indistinct].

I now turn to employment. While the issue of investment remains a problem and economic growth trends are unstable, employment levels continue to fall far below (?projected) levels, and the solution of the unemployment problem continues to be the focus of economic policy. The 1st 5-year National Development Plan envisages an annual growth rate in the formal sector employment of about 2.7 percent. On the basis of the numbers of those presently registered as unemployed and the numbers of school leavers entering the labor market each year, indications are that even this target, if it were achieved, is inadequate to solve the unemployment problem in the near future.

The situation is even more worrying when actual performance trends are taken into account. Thus, despite the high rate of growth experienced in 1985, total formal employment increased by less than 1 percent. In line with agriculture's significance in the economy, to which I alluded earlier, the sector continues to be the largest employer of labor in formal sector. This is so despite the decline in the share of agricultural employment from (?32)

percent in 1980 to 25 percent in 1985. The fact that agriculture continues to be the largest employer, even when its share has been declining in absolute trends, points to the lack of employment [word indistinct] in other sectors, particularly in the industrial sector. [Words indistinct] 5-year period from 1980 to 1985 total employment increased less than 50,000 [word indistinct]. Although figures for employment in 1986 are not yet available, indications are that formal employment levels remained static in 1986. During the first quarter of that year, employment figures increased for most sectors, giving a total increase of about 2 percent compared with the same quarter in 1985. The increases however, are attributable to some of the (?large) effects of the good performance in 1985, and the fact that economy continued to perform well until the beginning of 1986, and then declined for the rest of the year.

Given the present structure of the economy, it is clear that the role of the formal sector in employment creation has been a diminishing one over the past few years. Even in periods when there has been high real economic growth, the growth in formal employment has either proportionately [words indistinct] or has remained static. The present situation is such that the number of those unemployed is rising at a rate well above that for the number being absorbed into formal employment, and unemployment figures will soon exceed those for employment in absolute terms. If it is necessary, therefore, to consider new opportunities for investment, the ability of these investments to expand employment opportunities should be of paramount importance in the ordering of priorities.

Mr Speaker, I now turn to the issue of trade and balance of payments. Underlying the picture of growth investment [words indistinct] the trade and balance of payments position. The value of imports and exports combined total 47 percent of [word indistinct] GDP in 1986, indicating the importance of trade as a component of economic activity.

The importance of external factors is underlined in the 1st 5-year National Development Plan, which sets target growth rates of 7.3 percent and 6 percent for exports and imports respectively for the purpose of achieving the overall target growth rate.

Mr Speaker, during 1986 exports increased particularly because of the good performance of some agricultural products such as tobacco and coffee. With imports having increased at a slower rate than exports, a surplus on the trade balance which is upwards of 350 million dollars was achieved. We should not, however, take comfort in this seemingly favorable position. This is because the picture is facilitated by the fact that the level of imports continues to be much below the levels needed to sustain industry; and, in terms of volume, imports in 1986 were still below the levels achieved in 1981 and 1982.

If industries were operating at full capacity, we would have incurred a deficit on our trade balance. In order to reach an optimal position exports should, therefore, increase at a much higher rate than achieved so far; and import requirements for industry to operate at full capacity or expand should be reduced all the time.

As long as our foreign exchange earnings and savings capacity is not enhanced it will be difficult to provide adequate levels of foreign exchange needed for production.

During 1986, as I have already mentioned, the balance of payments position as a whole suffered continuous high debt service obligations relative to the level of exports and from reduced net capital inflows compared with the situation in 1985. Thus, despite an improvement in the trade balance, the overall balance of payments position in 1986 was a deteriorating one. It was in this content, and bearing in mind the need to channel more funds into investment, that I announced recently measures to effect savings on different remittances. Despite the continuing difficult balance of payments position, it is expected that industry will benefit from the recently announced increase in foreign exchange allocations by about 30 percent for the second half of 1987.

During the same period, part of the recently negotiated export promotion loans will come into use. Industry will also benefit from the existing export revolving fund, line-of-credit facilities, and export and imports from counter trade arrangements.

Prices and incomes: Against a background of poor performance with regard to the major economic indicators, one of the central policy concerns, which government has continually addressed, is the rate of inflation. Despite efforts at keeping the rate of inflation low through price controls and tight monetary policies, the rate of inflation in 1986, at about 14 percent, increased well above the level in 1985, which was about 9 percent. This happens at a time when trends in the inflation rate for the world economy as a whole indicate lower rates. If our rate of inflation is higher than our trading partners, our export competitiveness will be reduced and, of course, with adverse repercussions on production. Thus despite the tremendous efforts which we have, during the past few years, directed towards export promotion through various methods, including exchange rate policy, the export incentive scheme, and the export revolving fund, the effectiveness of these measures is limited by a continuing high rate of inflation.

It was in this context and with a view to keeping production costs within limits, as well as the realization of the need to contain budget expenditures, that government decided to introduce an income and price freeze for the rest of this (?capital) year. The inflationary spiral, which has characterized the last few years, couples with shortages in some areas, is reminiscent of constraints operating on productive capacity. In order to increase incomes in the medium term it is necessary to take measures on all fronts which increase production. This is in line with the objective of creating more employment for the country's increasing labor force.

As indicated in my statement issued last month, the whole issue of incomes and prices is being placed in the context of the National Economic Plan through the establishment of an Incomes and Pricing Commission. What, then, are the prospects for 1987-1988?

Mr Speaker, the economic picture of 1986, which I have just outlined, prints not so bright a picture for 1987. In view of the weather conditions prevailing during the 1986-87 season, it is unlikely that agriculture will be a major source of growth in 1987. Although preliminary figures for the first 4 months of 1987 indicate an increase in the nominal value of crop deliveries to the marketing authorities, the increase is attributable to increases in the sales of only a few crops, namely cotton, wheat, and tobacco.

The maize crop in particular was hard hit by the drought and showed a decrease in sales of 32 percent compared with the first 4 months-period in 1986. The drop in maize production during the current season could also be partly attributed to a deliberate shift into production of other crops in response to the introduction of a quota system announced earlier along with producer prices. This measure was intended to control the level of maize production in the face of presently existing large stocks, sufficiently above the necessary consumption requirements. The policy may, therefore, have assisted in neutralizing to some extent the effects of drought, since maize is a heavily drought (?inclined) crop.

Not unexpectedly, the manufacturing sector has declined by about 2 percent during the first 3 months of 1987 compared with the same period in 1986. It is unlikely that the sector will pick up during the rest of 1987, sufficiently to register a positive growth for the year as whole. With demand on the domestic market somewhat depressed, the potential market of the sector is on the export fund. Even there the sector faces constraints relating to the availability of foreign exchange. The measures taken so far to increase foreign exchange availability will start to have effect toward the end of the year.

The mining sector showed a positive growth of [words indistinct] for the first 3 months in 1987. There is still, however, a certain amount of (?uncertainty) on the world market associated with some of our minerals such as asbestos, nickel, tin, copper, iron, and steel. Because of the mining sector's heavy dependence on the world mineral prices and demand conditions, its contribution to growth in 1987 is still an uncertainty.

On present evidence, I estimated that overall real growth in 1987 will be zero. Looking further ahead to 1988, performance is going to depend on a number of factors, the most important being the effectiveness of the policies which we have adopted now and also which we may adopt in the near future, the performance of the international economy, and developments on the regional scene, and the nature of the 1987-1988 rainy season.

Internationally, the economic situation continues to be one of uncertainty with regard to prospects for developing countries. The problems at this level relate to the interlinkage of economic performance in developing countries and the policies adopted in the industrialized countries. Major problems which act as a constraint on the growth prospects of developing countries, including Zimbabwe, continue to be growing protectionism, which limits the volume of trade, deteriorating terms of trade, limited development capital inflows, and

an increasing debt servicing burden. There are no signs that solutions to these problems are about to be found on a global basis. The problems will, therefore, continue to impose constraints on the economic performance of developing countries during 1987-1988.

Regionally, the situation in southern Africa continues to pose uncertainties with regard to the economic performance of the countries of the region. Despite some great strides achieved so far in solving the regions transport problems, intermittent disruptions continued on some of our trade routes, having an effect on achievable trade volumes and thus hampering growth potential. In addition the security situation continues to pose a heavy strain on the national budgets of the countries of the region, including Zimbabwe.

For 1988 it is unlikely that the international and regional economic situation will be of much assistance to Zimbabwe's growth potential. As I have already mentioned, I expect the measures which we have so far taken to address the short-term economic problems to start to have effect toward the end of 1987 and into 1988. If the 1987-88 rainy season turns out to be good, we could experience some positive growth in 1988. I must, however, emphasize that such growth would still be heavily dependent on our agriculture fortune which is an uncertainty. This underlines the point I made earlier on about the need for reorienting the economy's sectoral balance in order to create conditions for sustained growth. Even if we were to obtain positive growth in 1988, based on good performance in the agricultural sectors, such growth would be of a temporary nature since there are no additional measures to address prospects for growth performance in the medium term.

In order to take the economy onto a sustainable growth path, it is my intention to examine thoroughly, within the context of the 1st 5-year National Development Plan, the constraints operating to limit growth in the medium and long term with a view to formulating policy measures which will augment existing policies aimed at facilitating appropriate economic adjustments.

Some of these measures have already been instituted, as evident from my statement of 20 May this year. In this context, government has agreed in principle on a number of adjustment measures. These include the reduction of the size of the budget deficit through the rationalization of government operations, and the reduction of parastatal deficits, the provision of investment incentives, as I have already mentioned, directed into appropriate priority areas, improvement in the system of price controls, streamlining of the present foreign exchange allocation system, and export promotion through the continuation of the (?appropriate) exchange rate policy, and (?exploitation) of the present export revolving fund.

In this context, I should mention that government has in principle agreed to institute the process of trade liberalization, pending a thorough study of the situation, taking into account conditions which (?exist) in Zimbabwe. The budget which I shall present this afternoon has been constructed with the

intention to move in declared policy directions, and with a view to complementing measures which have already been adopted so far.

Now, before I discuss the 1987-88, let me now turn to the 1986-87 budget [word indistinct]. Members will recall that when I presented the budget for 1986-87 I indicated that total expenditure had (?gone) significantly higher in that year because of certain expenditures which had become a necessity, but were of a once-off nature, and would not therefore necessarily be repeated in the following year.

At the time of the budget, I estimated that total expenditure and net lending would amount to 4,045 million, of which 4,045 million dollars recurrent expenditure constituted a figure of 3,486 million, and capital and net lending constituted the rest. With revenue and international aid grants expected to estimate 2,835 million and 162 million, I had estimated a budget deficit of around 1,048 million. The supplementary estimates which I introduced earlier this year, plus additional constitutional and statutory obligations, increased the total expenditure and net lending figure to 4,273 million. With revenues and international aid grants remaining at the same level as originally estimated, the revised budget deficit figure stood at 1,276 million. In the event, however, the outtake for 1986-87 has been a combination of better performance for revenues than had been estimated and continued efforts to control the growth in recurrent expenditures.

Revenues, excluding international aid grants, at 2,954 million, were some 120 million above estimate. The figures represents a nominal increase of 17 percent of the previous year, or about 5 percent in real terms.

The better-than-expected performance results primarily from the [word indistinct] effective good economic performance in 1985 and continued satisfactory performance during the first few months of 1986. Significant progress has also been made toward improving the revenue collection machinery.

International aid grants as in 1985-86 continued to perform below estimates. The (?outtake) figure was 102 million compared to an estimated 162 million, giving a total figure for revenue and grants of 3,056 million. Recurrent expenditure at 3,552 million showed a saving of about 74 million on the budget estimate. Including supplementary estimates, the (?outtake) figure represents a nominal increase of about 22 percent or 10 percent in real terms compared with the figure for 1985-86. Despite the saving on the estimated budget figure, therefore, the current expenditure (?outtake) figure for 1986-87 points to continued unbalanced trends in the structure of budget expenditures. This is so in particular with the increase of 22 percent as compared with an increase in revenue of 17 percent. This means that our level of consumption is not moving in line with available resources, and we continue to use borrowed funds for consumption purposes. I am, however, still encouraged by the fact that we managed to effect a saving on this item despite the pressures on expenditure in 1986-87.

Mr Speaker, last year I expressed concern about the poor implementation with regard to capital expenditure. During the past year there have been efforts in identifying specific constraints which hinder implementation, and finding possible solutions. I am encouraged by the progress in 1986-87 which clearly points to an improved situation. The (?outtake) figure for capital expenditure at 271 million is about 77 percent of the budget estimate, compared to a corresponding figure of only 67 percent last year. The main constraints operative on these agencies which achieved an implementation rate below 100 percent includes the shortage of foreign exchange and the persistent transport bottlenecks in some areas.

Net lending and investments amount to 230 million, giving a total capital and net lending figure of 501 million dollars. The (?outtake) for total expenditure and net lending was 4,053 million dollars or a nominal increase of 22 percent over 1985-86. Given revenue and grants amounting to 3,056 million dollars, the budget deficit for 1986-87 was 997 million dollars, a much reduced figure from the estimate of 1.2 billion dollars. Compared to GDP, however, this figure represents a proportion of 11 percent, reflecting a small growth in GDP.

Greater and sustained efforts will have to be made in order to move in the direction of our planned target, namely to reduce the budget deficit to about 6 percent on GDP by 1990. The budget deficit of 997 million dollars was financed through the external borrowings amounting to 207 million dollars, which is higher than the original forecast of foreign financing of 132 million dollars.

The reasons for this increase are the higher than anticipated residual influence from 4 percent bonds coming from suspended dividends, transfers of [words indistinct] from the National Development Plan and loans for aircraft procurement. The resulting picture of net inflows is misleading as it does not represent (?cash) foreign currency (?inflows), which were in fact negative.

Net domestic financing was lower than forecast, as a result of the lower deficit and higher foreign financing. The main reduction on gross borrowing, however, was on overdraft borrowing, which, although lower than forecast, is still unacceptably high, at (?154) million dollars. The current overdraft, when added to last year's brought forward overdraft of 248 million dollars, means that the consolidated revenue fund is starting the 1987-88 period with a negative cash balance of 402 million dollars. This is a trend I plan to reverse, as I will indicate later in my statement, because bank financing, particularly central bank financing through overdrafts, is a sure sign that we are not only spending what we cannot finance from revenues but also what we cannot finance from domestic savings and external (?borrowings), setting off an inflationary spiral which will be difficult to control. I will (?address) this [word indistinct] critical matter.

We now turn to the 1987-88 budget. Mr Speaker, I have on previous occasions discussed at length the problems facing us with regard to pressures of budget

expenditures. Last year I recapitulated the major policy concerns of government and the desired policy direction on budget in the context of medium-term planning. The policy to cut back on the growth of expenditures, particularly those of the recurrent category, as we [word indistinct] vigorously pursue [words indistinct] of the current year. This is necessary in order to allow economic recovery by releasing more resources for purposes of investment, and to contain inflationary pressures in the economy. For the medium term, I intend to continue [words indistinct] the reduced growth in recurrent expenditure to enable us to move towards our target of [word indistinct] budget deficits by 1990.

I have allocated a total of 3,869 million dollars for recurrent expenditures. In nominal terms, this figure represents an increase of about 9 percent over last year's (?outurn). This compares with a nominal increase of 22 percent during the last year. The slower increase has been facilitated by a number of factors, which include the recent wage and salary freeze and the fact that last year's expenditure included lots of items which have not been included in this year's budget. But most important, of course, there has been a deliberate effort to keep expenditures within control, particularly if there are (?postponements).

The present year's increase of recurrent expenditure is partly attributable to deliberate efforts to provide adequate maintenance to the infrastructure built since 1980, and to government's commitment to provide drought relief to persons in drought stricken areas. Given the substantial (?amount) of development programs that have taken place since independence, namely, construction of state roads, bridges, and buildings, (?GDF) projects in communal areas, irrigation, and water conservation and supply works, it is surprising that adequate maintenance services are provided to avoid deterioration of our national assets.

In an effort to alleviate the problem created by drought, the drought relief program which will be carried out partly through food-for-work projects will be stepped up. While this should assist those affected by drought, the projects will also assist (?albeit) [words indistinct] to develop irrigation schemes, road construction, and [word indistinct] works. Of the total recurrent expenditure of (3,809) million dollars, an amount of 782 million is for constitutional and statutory [word indistinct]. Of this amount about half is accounted for by interest (?payments), pointing to the increasing drain on our resources of our debt servicing obligations.

An amount of 364 million dollars has been allocated towards subsidies for parastatals and agricultural and transport sectors. These allocations still leave a backlog of more than 260 million dollars to be carried over into 1988-89. I have reluctantly left this figure to be carried over into the next year because of the pressures related to this year's budget. There is, however, real problems [words indistinct] in order to reduce losses which are [words indistinct] resources. I should at this stage mention that because of continued government's commitment to support ZISCO's [Zimbabwe Iron and Steel Co.] operations I have allocated a figure of 100 million dollars to cover the

company's losses. However, for purposes of after the budget, I have this year included this figure under investments rather than recurring expenditure because the funds allocated to ZISCO go towards increasing government's interest in the company.

For the rest of recurrent expenditures, the Ministries of Education, Defence, (?Health), Home Affairs, Transport, Lands, Agriculture, and Rural Resettlement continue to be major spending ministries. Total recurrent expenditure between or among these ministries constitutes almost (?70) percent of the total recurrent expenditures excluding subsidies that constitute [word indistinct] statutory appropriations.

I have allocated 771 million dollars to education [word indistinct] which is a 6 percent nominal increase over the 1986-87 outturn. This includes salaries for allowances for teachers who have been transferred from the United Teaching Service [UTS] following the formation of a single teaching service. Although in theory, the incorporation of teachers from the UTS into the public service merely constitutes transfer of funds from one (?agent) of expenditure to another, in practice it has been found that there are, let's say, there are [words indistinct] effective from budget expenditure to more effective control by government on how funds allocated for salaries and wages are utilized [words indistinct].

Because of the continued threat to the security of Zimbabwe, transport continues to increase. My allocation of 780 million dollars including defense [word indistinct] represents the nominal increase of about 14 percent on the 1986-87 [words indistinct]. Apart from the procurement program, operational expenses of the Zimbabwe National Army and Air Force of Zimbabwe continue to claim higher budget resources to some extent because of rising costs.

The Ministry of Health has been allocated 260 million dollars which is an 11 percent increase over 1986-87 outturn. Of this amount 44 million dollars is being proposed for health-related activities of local authorities, missions, and voluntary organizations. Disease control operations are being stepped up and 7 million has been allocated for this purpose. A further 30 million dollars has been allocated to augment health supplies. The need to provide adequate medical and nursing staff in our medical institutions is imperative. We have to contend with health expansion programs started at independence. To this end, the ministry's establishment will be accordingly increased.

Included in the Ministry of Home Affairs allocation of 186 million dollars is an amount of 2 million dollars for a certain phase of establishment of a trust branch. This vote continues to receive priority in order for government to strengthen existence of local activities in all parts of the country. The Ministry of Land, Agriculture, and Rural Resettlement has been allocated a figure of 103 million dollars excluding subsidies representing a 16 percent increase over the previous year. The ministry's provision is as in previous years directed towards agricultural production and maintenance of essential services suggestive [words indistinct] a healthy agricultural industry.

Mr Speaker, I now turn to the public sector investment program [PSIP]. The PSIP has been compiled in the context of the 1st 5-year National Development Plan. As far as is possible, given the present structure of the PSIP, there has been an attempt to align priorities and targets to those of the annual plan for 1987-88 which is operational instrument of the 5-year national government plan. [Words indistinct] for the rest of the planned period will be contained in the forthcoming volume two of the plan. The allocation of the total PSIP in 1987-88, excluding the 100 million dollars allocated to ZISCO, is 909 million dollars representing an increase of 26 percent over last year. This provision compares favorably with the planned [word indistinct] and has been determined taking into account expenditure levels achieved in the previous year. Most of the allocations for the current year are pegged to levels achieved in 1986-87, taking into account [words indistinct]. As I have already mentioned there was some improvement with regards to the speed of implementation of (?public authorities) for 1986-87. Of the total PSIP, government's contribution amounts to 600 million dollars, an increase of 12.5 percent over last year. Of this amount, 190 million dollars will be financed from external sources of which 83 million dollars is in the form of grants and 107 million dollars are loans. Government's contribution [word indistinct] to the extent [words indistinct] will be 31.5 million dollars. Funding through the old resources of parastatals and other public institutions is 309 million dollars compared to 194 million dollars in 1986-87 and 123 million dollars in 1985-86.

This upward trend representing 34 percent of the total PSIP budget is encouraged but it is still short of planned [word indistinct] of 46 percent. Mr Speaker, while the medium- and long-term objectives of the PSIP are promoting economic growth and [word indistinct] through investment into growth and revenue-generating areas, in short term PSIP provisions are constrained by the need to fund ongoing projects until completion. In this respect 362 million dollars or 60 percent of the government resources have been allocated to ongoing projects, with 239 million dollars to new projects. The total provision of 600 million dollars related to government's contribution to PSIP [words indistinct], including housing, schools, technical colleges, hospitals, clinics, office accommodation, workshops, etc., 175 million dollars or 29 percent of total; long-term loans to parastatals, local authorities, and mining and manufacturing sectors, 152 million dollars or 25 percent of total; civil engineering works including roads, bridges, railway construction, dams, canals, etc., 108 million dollars or 18 percent of total; land development in areas of agriculture, forestry, parks, parks development, natural resources, resettlement, etc., 59 million dollars or 10 percent of total; investment, including government's participation programs, 52 million dollars or 9 percent of total; land purchase of resettlement and public purposes, 8 million dollars or 1.3 percent of total; plant equipment machinery, 7 million dollars or 1.2 percent of total; other areas including research, 17 million dollars or 3 percent of total, but other areas also include research into these control and other public administration areas.

In an effort to improve on the capacities of implementing development programs and projects, my ministry initiated discussions with implementing agencies

with a view to identifying the implementation constraints. These constraints include inadequate project preparations of planning resulting in delayed project-starting, lack of a system of project monitoring and poor reporting resulting in inefficiency and high project costs, transport shortage problems resulting in delays and uneconomic project implementation and, of course, foreign exchange shortages. A number of corrective measures have been recommended and implemented in certain cases. Technical support and consultant services have been recommended to redress the problems associated with poor project planning. More use of technical support both for local and external sources will be made in the preparation of investments studies and project documents. It is important to prepare complete project documents, particularly for large and expensive projects in order to assess the cost in relation to the benefits from the projects. Large costs resulting from a poorly planned project may prejudice the resources available to other priorities ssectors.

Mr Speaker, project monitoring and the reporting on expenditure by the majority of the implementing agencies remains disappointing. With reference to donor-funded projects, where government spends money first and then submits claims for reimbursement, the implementing agencies have a duty to provide these reports in order that government is promptly reimbursed by the respective agencies-donors. The delays experienced in submitting complete reports do prejudice the inflows of funds for development projects. My ministry has taken measures to ensure that these reports are up to date and that they are submitted in time. It is expected that with the confidence in project planning, monitoring, and implementing and thus enhancement of objective capacity more funds [words indistinct] be available for projects and programs.

I will now lay the estimates of expenditure for 1987-88 upon the table.

Finance and proposals: Mr Speaker, the budget which I have just presented gives total figure for expenditure and net lending of 4,616 million dollars. Taking into account the measures which I shall shortly announce I estimate that revenue, excluding international aid grants, will amount to 3,470 million dollars. With international aid grants estimated at 150 million dollars, this gives a total for revenue and grants of 3,628 million dollars resulting in a budget deficit of 988 million dollars. The proposed budget deficit of 988 million dollars, which is below the 1986-87 outturn of 997 million dollars, is still on the high side and will impose severe financial strain. It is expected that the net foreign inflow will continue to be more, amounting to 81 million dollars.

The rest of the budget deficit, 907 million dollars, will have to be financed from domestic sources. After taking into account projected stock issues, the estimated deficit of 988 million dollars implies additional overdraft requirements with 383 million dollars which, when added to 402 million dollars carried from last year, will come to 785 million cumulative overdraft at the end of the financial year.

Mr Speaker, this level of public borrowing is unsustainable. It is ruinous. In my last year budget statement I underlined the dangers of a high budget deficit and the need to direct financial resources into growth areas and to ensure more than before that borrowing is incurred only to finance investment. As indicated earlier in this statement, Mr Speaker, I plan to reverse the tendency towards reliance on borrowing, and in particular bank borrowing and/or overdraft. It is my intention, therefore, to introduce legislation in the course of this fiscal year so that parliament sets maximum limits for government's borrowing each fiscal year, thus ensuring financial prudence. This is an issue of absolute national importance.

Mr Speaker, before outlining the revenue measures for the current year let me at this stage briefly discuss progress of some of the measures which I introduced last year. Members will recall that in last year's budget I provided for a reduction in the general rate of sales tax from 15 percent to 12.5 percent, and I expressed the hope that this would benefit the economy through increased trading. Notwithstanding this decrease, I estimated that receipts from sales tax would rise to 488 million dollars from 462 million dollars in the previous year. The outturn has been somewhat better than expected at 498 million dollars, some 10 million dollars above the estimate. However, there are indications of a leveling-off in sales tax revenue as receipts for the last 3 months of 1986-87 have totalled the same as in the last 3 months of 1985-86, and I have taken this into account in estimating sales tax revenue for 1987-88. I also provided for the issue of special Class C permanent shares to be issued by building societies and the interest paid on these shares to be free of tax if the shares are held for at least 2 years. This measure was intended to attract monies to the building societies in order to provide them with finance for home loans and a portion was earmarked for low-cost housing. I should also inform members at this stage that 97.7 million dollars has been received for these shares up to end of June 1987, and the indications are that some 88 million dollars will be invested in the current year.

Mr Speaker, I have already referred to the tax commission report earlier in this statement, and mentioned that government has completed its study of the report and taken decisions relating to various aspects of the report. The current budget incorporates some of the recommendations of the tax commission report in three areas: namely individual taxation, company taxation, and capital gains tax. With regard to individual taxation last year I indicated that government had in principle agreed to the introduction of separate taxation for family taxpayers. The new system will be introduced with effect from the beginning of the next tax year on 1 April 1988. The system would involve separate taxation for all and a single-rate structure will be introduced. The rate structure will have a zero tax rate [word indistinct] up to a level of income of 1,800 and a top rate, 60 percent, on incomes of over 33,000 dollars with a total of seven (?berths) corresponding to different tax rates. In line with the new system and to simplify the system of taxation a system of credits in place of abatements will be introduced. Thus a family credit amounting to 360 dollars and a credit of 120 dollars per child will apply. In addition, all taxpayers will receive a dependents credit of 50

dollars. The legal arrangements are complex. They will require a lot of drafting, hence the commencement only in April 1988. It is expected that the new system for individual taxation will reduce tax shortfalls considerably.

I am, however, concerned about the large amounts of tax outstanding so far, due largely to shortfalls on pay-as-you-earn or to unpaid penalties. I am, therefore, anxious that the outstanding tax be cleared as soon as possible before the introduction of the new system. To this end I am proposing that the present harsh penalties equal to twice the unpaid tax commissioner of taxes and the attorney-general to take action to clear as much outstanding debt as possible. I have included a nominal amount of 20 million dollars in my revenue estimates for these tax recoveries. There will be no change to tax rates for individuals for the year of assessment ending 31 March 1988, and the present surcharge of 15 percent to 22 and 1/3 percent on the highest incomes will remain in force.

Turning to the issue of company taxation, I have already indicated that it is government's intention to introduce incentives as far as possible in order to encourage investment. To this effect it has been decided in line with the recommendation of the tax commission that with the effect from the beginning of the tax year from 1 April 1988, the present tax surcharge will be [word indistinct] together with the income tax rate to give a fixed company tax rate of 50 percent. However for the year of assessment ending 31 March 1987, I am proposing that company tax rate of 45 percent be subject to surcharge of 20 percent. This surcharge will be made up of 17.5 percent currently applicable plus 4.5 percent for purposes of drought relief. Thus the proceeds from the additional 2.5 percent surcharge will go towards financing the drought relief program which is claiming a substantial amount from the budget this year for the year of assessment ending on 31 March 1988, the company tax rate will remain at 45 percent and the surcharge at 17.5 percent. Current practice is that companies are to pay their estimated tax before actual assessment in (?three) before installments during the year.

I am proposing to change these (?extra) installments so that the first installment is 50 percent at the estimated tax and the other two installments are 25 percent of the estimated tax. Mr Speaker, on this proposal on company taxation I expect to get an additional 91 million dollars in the fiscal year 1987-88.

Turning to the issue of capital gains tax. I recognize the hardships experienced by those who sell their residence in order to buy another residence and become liable to capital gains tax in the process with effect from 1 April 1988 I am, therefore, proposing in line with the recommendations of the tax commission, the introduction of [word indistinct] in respect of capital gains tax for principal private residences. This if the principal private residence is sold for purposes of buying capital gains tax will not be due within that year until the second residence is sold.

Mr Speaker, with respect to customs duty I am proposing that Zimbabwe should adopt the GATT system of valuation of imports of goods into the country. This

will mean that the value of goods will include freight and insurance in addition to the basic extra cost of goods. This system is used worldwide and particularly amongst our neighbors, and we will be following into line with the current practice in most other trading nations. The proposals will come into effect as from 1 January 1988. I expect additional revenue from customs duty as surtax as a result of this measure amounting to 19 million dollars up to the end of this financial year.

My further proposal in the area of customs is a concession, taking into account the erosion of the value of the Zimbabwe dollar in relation to other currencies as a result of inflation. For this reason I am proposing to increase the customs rebate for travelers, from the present 150 dollars per person to 200 dollars with effect from 1 August 1987. In addition, for import licensing purposes, I propose to increase the allowance for goods brought in by travelers to an amount of 500 dollars with a balance of 300 dollars over and above the 200 dutiable rebate. Similarly, gifts, up to an amount of 500 dollars may be brought in without necessity for any [words indistinct] and the minister of trade and commerce is taking the necessary steps to [word indistinct].

My last proposal, Mr Speaker, is for the current budget taking into account both revenue and foreign exchange considerations. With the effect of 1 October 1987 the airport departure fee will become payable in foreign currency amounting to 10 U.S. dollars, as opposed to the present 10 Zimbabwe dollars. In addition, all nonresident hotel bills will become payable in foreign currency.

Mr Speaker, I now lay the financial statement for 1987 upon the table. Mr Speaker, in concluding my statement I must underline two matters I consider of critical national importance. The tremendous effort we have put in educating our people is a farreaching investment that is virtually unique in the history of (?all young nations). It is ironical, however, that this investment has not been matched by growth in requisite employment opportunities. This predicament, inherrent in the fact that increasing members of young graduates and school leavers walk our streets with their intellectual equipment but without jobs and unable to find a role to play in the economy, strikes at the very heart of our society. It is imperative that this investment in manpower is fully utilized to realize returns of corresponding proportions. We have called for concerted action in the public and private sectors. The 5-year National Development Plan articulates the modalities of such an arrangement whose objectives to provide an expanded and solid production base. Related to this is the challenge to mobilize domestic savings into direct resources into employment-creating ventures. Government is taking measures to promote investment by individuals, cooperatives, and companies in our efforts to expand the production base and we will welcome foreign investment in selected programs of projects on agreed conditions in promotion of government's task.

The urgency to increase the productivity of rural areas, which is my second point, and turn them into areas of growth has become critical and more pressing than ever. The 5-year National Development Plan gives focus first in

this respect to achieve development and prosperity in our rural areas which can no longer continue to be the backyard of poverty and dependence.

All in all, that is why I have placed so much emphasis on the need for a correct balance between current and capital expenditure, and on the need to reduce the fiscal deficit to manageable and sustainable levels so that the nation saves and invests. Mr Speaker, ideals inspire and we must espouse them, but hardheaded management is their [word indistinct]. Thank you.

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CSO: 3400/234

BRIEFS

ELECTRICITY AGREEMENT WITH ZAMBIA--Zimbabwe and Zambia have signed an agreement in Harare granting the Zambezi River Authority the functions of the Central African Power Corp., CAPCO. The Zambezi River Authority responsible for the Kariba Dam will now be in charge of the general (?composition) and distribution of power under ZESA [Zimbabwe Electricity Supply Authority]. From the Zambian side, the Zambian side, the Zambian Electricity Supply Corp. will also execute the functions of CAPCO. The agreement was signed by the minister of energy and water resources and development, Comrade Kumbirai Kangai, and the Zambian minister of power, transport, and communications, General Kingsley Chinkuli. [Text] [Harare Domestic Service in English 1600 GMT 28 Jul 87] /9599

FUNDS ALLOCATED TO TEXTILE INDUSTRY--The government has allocated 8.5 million dollars in the last 8 months to modernize the textile industry so that it remained competitive on world markets. This was said by the minister of industry and technology, Comrade Callistus Ndlovu, when he addressed the annual general meeting of the Central African Textile Manufacturers Association in the capital today. Comrade Ndlovu said Zimbabwe will soon commission a plant to produce textile chemicals locally. This new development, he said, will increase the competitiveness [words indistinct] the country, which is now totally dependent on imported chemicals. Comrade Ndlovu also called on manufacturers to generate more wealth for Zimbabwe's high quality cotton by exporting it as yarn, fabric, and garment instead of as lint. [Text] [Harare Domestic Service in English 1600 GMT 29 Jul 87] /9599

SELF-SUFFICIENCY IN ELECTRICITY NOTED--The minister of energy and water resources and development, Comrade Kumbirai Kangai, has said that Zimbabwe is now self-sufficient in its electricity requirements. Comrade Kangai said the old agreement under which Zimbabwe imported power worth 133 million dollars from Zambia ended on 30 June this year. This minister was briefing local journalists on developments in his ministry. He said the recent commission of the second phase of the Hwange power station ensured that Zimbabwe's power needs would be met up to 1991, and were sufficient to meet the expected growth in electricity demands in the country's 5-year development plan. Comrade Kangai also said that his ministry has embarked on large-scale drilling of bore holes throughout the country to alleviate the drought situation. [Text] [Harare Domestic Service in English 1115 GMT 27 Jul 87] /9599

ZBC TO INSTALL TV TRANSMITTER--The Zimbabwe Broadcasting Corp., ZBC, will soon install a 5 kilowatt television transmitter and a radio signal at Chiredzi. This was announced by the ZBC director general, Comrade (Tirivavi Kangai), in Bulawayo yesterday. He said the ZBC will also boost its radio signal at Rutenga, in the Lowveld to counter negative propaganda by South African-sponsored RENAMO bandits. Comrade (Kangai) said the project is part of a nationwide program being undertaken by the ZBC to expand its services to all parts of the country. He added that these projects are part of the ZBC's 5-year development plan, expected to cost millions of dollars. [Text] [Harare Domestic Service in English 0400 GMT 30 Jul 87] /9599

RECORD CROPS REPORTED--The prime minister, Comrade Robert Mugabe, says Zimbabwean farmers have managed to produce record crops despite the drought. Opening this year's (Lomagundi) agricultural show, Comrade Mugabe said figures from the Grain Marketing Board, the GMB, show that production of soya beans has increased by 21 percent to more than 100,000 tons. The figures show that 83,422 tons were produced last year. The prime minister said farmers in Zimbabwe once again proved that they can increase the production to satisfy market requirements when given the right incentive and a conducive environment. Comrade Mugabe added that the government's major objective in agriculture is to achieve self-sufficiency in basic foods, increase foreign exchange earnings, and encourage rural development and employment through increased production. [Text] [Harare Domestic Service in English 1600 GMT 1 Aug 87] /9599

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