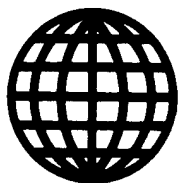


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JPRS-SSA-87-080

11 SEPTEMBER 1987



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SECRET TALKS BETWEEN USSR OFFICIALS, UNITA NOTED

Lisbon AFRICA CONFIDENCIAL in Portuguese 18 Jun 87 p 1

[Text] An unidentified Soviet government official met secretly with a UNITA official--thought to be that organization's representative in Paris, Armindo Lucas ("Gato")--in the French capital in May. Although there are few details, the accuracy of that information is guaranteed by sources whose independence places them above suspicion.

Also according to reports by the same sources, the French intelligence service was involved in preparations for the meeting. The talks between the two parties are considered to have been "merely exploratory," and another meeting has reportedly been scheduled, this time in the Portuguese capital.

Speaking through one of the most qualified members of its hierarchy, UNITA declined to confirm that a meeting had been held in Paris. But the sources in question regard that attitude as reflecting "natural" commitments to absolute secrecy which would have been made in advance by the participants in the meeting.

The establishment of contacts between the USSR and UNITA apparently makes no sense, considering the current and growing Soviet military involvement in Angola on the side of the MPLA government (see page 16 [not included]). In its public statements, moreover, Moscow is continuing to express "total solidarity with the MPLA" and to condemn U.S. military support for UNITA.

Well-informed analysts say, however, that the Soviet move which apparently led to the meeting in Paris is a natural one. For one thing, the Soviet official was presumably from the KGB--whose activity is frequently influenced by the advantages to be gained from drawing closer to opponents of the USSR or its allies.

Building bridges in the direction of UNITA is also natural, considering the existence of some doubt concerning Angola's future. That doubt has been exhibited in private by some high Soviet officials. For over a year, information has been piling up to suggest that the USSR doubts the ability of the MPLA to dominate a solution to the Angolan problem.

At the end of last year (see AFRICA CONFIDENCIAL, No 11, page 16), an official at the Soviet Embassy in Luanda let slip to an official from a Western diplomatic mission his feeling that a military solution to the Angolan problem was no longer possible and that an agreement between the MPLA and UNITA would be essential.

The establishment of contacts between the USSR and UNITA may, therefore, have been in response to analyses in Moscow which, influenced by the realization that military victory over UNITA was impossible, encouraged adjustments to Soviet strategy to bring it into line with developments leading to dialogue between Luanda and UNITA.

Given the chaotic situation existing in Angola, the country has become an embarrassing factor discrediting the USSR, especially in Africa. The Soviets show signs of being aware of that phenomenon and of wanting to overcome it--but without losing all their influence in Angola. They seem to be waiting for an opportunity that will make their decisions a bargaining chip in the event of commitments with the Americans concerning armament and regional conflicts.

11798

CSO: 3442/220

FORMER UNITA MEMBERS DENOUNCE CRIMES

Luanda JORNAL DE ANGOLA in Portuguese 19 Jun 87 p 3

[Excerpt] Lubango--As part of the policy of clemency decreed by the Government of the People's Republic of Angola, an enlightenment meeting was held recently at the Agricultural Secondary Institute in Chivinguiro, 42 kilometers from the city of Lubango, for the benefit of the students and the commune's inhabitants in general. Presiding over the meeting was the party secretary for the Department of Economic and Social Development, Joao Maria Viane.

That official said: "Our policy of harmonization is the most ardent expression of the firm determination to live in peace, the content of which is summed up in national unity. In the new society which we intend to build, we do not want puppets or lackeys. We will act with the objective of healing the wounds caused by the enemies of the Angolan Revolution."

The meeting provided the opportunity to introduce two compatriots who had fought in the ranks of the terrorist group UNITA for many years before rejoining the great Angolan family. They were Rafael Jose, formerly a major, and Avelino Calungulungo, formerly a second lieutenant, who, like many other compatriots, were deceived at one time but are now demonstrating their interest in helping to build the new society.

Rafael Jose, 42, is a native of the municipality of Caluquembe in Huila. He was captured by FAPLA in the vicinity of Cubal in Benguela Province in 1981. Called upon to speak at the meeting, he described all the atrocities committed by the agents of apartheid and international imperialism.

As an accomplice of Savimbi for several years, as he himself explained at the meeting in Chivinguiro, he had played a very active part in the criminal operations that destroyed the Benguela railroad and other enterprises of extreme economic importance to the People's Republic of Angola.

He recalled that in the attacks in which they had been involved, they had not sought out FAPLA but only places where there were defenseless inhabitants, which the bandits massacred ruthlessly, with many ordinary people being taken to the jungle at gunpoint and forced to experience the worst vicissitudes.

Rafael Jose, who said he was very lucky to have been captured and reintegrated--he currently works as a vehicle mechanic--also denounced the lack of love shown for children by the outlaws. Thirteen-year-old girls are forced to have sexual relations. Many "officers" own four women or sometimes even children who are 14, 13, or 12 years old.

Rafael Jose said he had achieved nothing during the time he spent in the jungle. He emphasized: "All I did was cause harm, and that does not mean liberating the country."

11798

CSO: 3442/214

ANGOLA

KITO'S LOSS OF INFLUENCE VIEWED

Lisbon SEMANARIO in Portuguese 25 Jul 87 p 53

[Article by Carlos da Matta: "'Kito's' Star Is Fading"]

[Text] After more than 4 years of attacks, the opponents of Alexandre Rodrigues, "Kito," the minister of the interior of the People's Republic of Angola, succeeded in removing him from the negotiations with the United States.

One can say that the attacks began when the "Lusaka accords" were being prepared, and "Kito" appeared on TPA (Angolan television) to tell about his contacts with South Africa, which began in 1976. The criticisms from within the party in power in Luanda were immediately echoed by SWAPO and the Cubans. The latter made accusations against him that we have previously reported here.

Following the second congress of the MPLA-PT [Popular Movement for the Liberation of Angola-PT], two of its component branches gained new reasons for trying to pull him down--first, the Catete group (named for the region where it originated, but now has supporters outside that region, and operates on racial bases), because they saw a threat in his rise to power, and second, the "Argelians" (a derogatory term applied by the "Catetes" to a mostly mestizo group that controlled the key sectors of politics, the economy, defense, and the police for years), because they considered Kito to be one of the main people responsible for their loss of influence.

A key man in President Jose Eduardo's government-party plan, the minister of the interior became enthusiastic over the successes and over his own performance. He took some steps openly, which, in spite of his later efforts to regain his balance, were to give rise to troublesome questions, immediate criticisms, and finally, condemnation of his behavior during several meetings of the central committee. He was finally removed from the delegation that received Chester Crocker.

It is clear that the matter is not closed, and "Kito" could just as easily begin to recover as see his situation get worse. But the fact that the president of the republic either has been unable or unwilling to defend him is equally significant. In fact, every political party all over the world encompasses diverse tendencies or sensibilities, various ways of evaluating the same program and objectives. In most one-party regimes, however, the smallest divergence is compared to treason, and, in the specific case of the MPLA-PT, its various tendencies, besides assuming racial characteristics in some cases or personal ambitions in others, manifest themselves in terms of "settling accounts" with opponents.

During the time of Agostinho Neto, such a situation provoked imprisonments, disappearances, torturings, and firing squads. Jose Eduardo dos Santos has been using more subtle methods--the times have changed and the internal struggle is being carried out more prudently. But the truth is that many of the leaders and personnel of this one party, with enormous ambitions of all types, are transforming it into a permanently divided apparatus that is seeking to impose itself as the "dominant force" on the whole society. But it is unable to define a coherent, applicable policy, to respect its own decisions, or to unite around pivotal points.

As a consequence, the country is drifting, starving in spite of its wealth, at war, and is the stage for a struggle between foreign powers, in spite of the people's longings for peace and non-alignment.

The People Unaware

Another illustrious figure, Minister of State Pedro de Castro Van-Dunen, "Loy," could also become the target of harsh attacks for reasons not very different from those that were unleashed against "Kito." What is more, the first signals are already noticeable. In the MPLA-PT, those who dare to criticize the all-powerful leader (yesterday as well as today) are extremely rare, but any individual with pretensions of being "number two" is the designated victim of the struggles going on in the wings.

Officially, the people are kept unaware of these conflicts, but in today's Angola, everybody knows everything, thanks to underground information which makes good use of word of mouth to see to it that the news gets around. This activity stimulates the people's constant protests and has paved the way for the formation of small independent circles (informal and non-violent.) One of them, known as "independent democrats," has gained some notoriety in political, technical, and cultural circles, and has even drawn attention abroad.

In the military area, political information and discussions are a constant source of worry for the regime and for the espionage of its foreign allies, because among the soldiers who are subject to obligatory service, the concern is for saving one's life, or purely and simply escaping the war. And, among officials, disapproval of the "politicians' show" is widespread.

Normally, a situation such as this would be unsustainable were it not for the massive presence of foreign troops. One of the basic functions of these troops is to prevent any change that would alter "the framework of alliances," as happened in Egypt and in Somalia. But, for the same reason, given the dangerous deterioration of the regime, the USSR could be tempted to favor changes at the top of the Angolan hierarchy as it did in Afghanistan.

9895

CSO: 3442/0251

EFFECTIVENESS OF HUILA POLICE, FIREFIGHTERS DISCUSSED

Luanda JORNAL DE ANGOLA in Portuguese 25 Jun 87 p 3

[Article by Miguel Filipe]

[Text] Lubango--During an interview in connection with 22 June, the date marking the passing of one more year since the organs for public order were institutionalized in the People's Republic of Angola, the JORNAL DE ANGOLA was told by the representative of the Ministry of Interior [MININT] in Huila Province, Jose de Oliveira Santos, that during their 8 years of existence, those organizations have focused basically on the area of criminal investigation, an activity that has improved since a crime lab for the province was established in this city last year.

Concerning relations with party and government structures in the province, Oliveira Santos said that "considering that the activities of the MININT unit in the province must be subject to directives issued at the local level, those activities have been characterized by an excellent relationship.

"The party and government organs in the province have provided the greatest support possible for the successful performance of our duties."

Summing up the range of activities for which the MININT office in Huila is responsible, Jose de Oliveira Santos said that over the past 8 years, the organization he heads had already succeeded in "organizing the road and traffic system, establishing a cavalry unit, and establishing the province's prison service while also strengthening every aspect of its activity with respect to criminal investigation."

Concerning that last point, the MININT official in Huila Province said that "the establishment of a criminal investigation laboratory has made it possible to improve support for the legal aspects of investigations," since it has resulted in increased crime prevention.

Despite a number of successes in his sector, however, Oliveira Santos made it clear that a few difficulties remain, basically because of the shortage of cadres capable of fulfilling the sector's requirements in the most suitable manner.

The MININT representative in Huila said at one point: "Throughout the 8 years of our existence, we have contended with many difficulties, an important one being the shortage of vehicles and other resources. That, in the final analysis, has a negative impact on the effectiveness of our action to maintain public order in the province, especially in the capital, the city of Lubango."

He said: "But in any event, those factors are being improved, and we can confidently say that although they are not yet as satisfactory as they could be for the performance of our duties, they are precisely where we would expect them to be in our current situation."

On the subject of firefighting and fire prevention, the MININT official in Huila Province said that that sector was involved at the moment in a phase of restructuring and organization so that it could absorb with no great difficulty the rolling stock it needs for making its presence felt in the province.

The province is currently awaiting the arrival of a fleet of six trucks designed especially for fighting fires.

Concerning the fact that most road accidents in Huila Province involve state-owned vehicles, Jose de Oliveira Santos said that the main reason was the current failure by officials in charge of the vehicles owned by the various ministries and state secretariats to exercise adequate supervision, since most of the accidents occur on weekends, which is when those vehicles should in fact be parked.

Another factor pointed to as adding to the many accidents is the lack of proper maintenance on state-owned vehicles. MININT's provincial official said: "We can say, although only in a general way, that after a day's work, private vehicles are parked and subjected to rigorous maintenance, something that does not happen in the case of state-owned vehicles."

Jose de Oliveira Santos said that the above-mentioned situation was possible only because "the state's drivers, taking advantage of a few privileges they enjoy for the carrying out of their duties, do not obey traffic laws and signs as they should." In view of that, he called for the adoption of strict measures to improve compliance with the rules governing the enforcement of discipline and organization with respect to state-owned vehicles.

11798
CSO: 3442/214

MINISTRY OF INTERNAL TRADE REVIEWS 10 YEARS OF ACTIVITY

Luanda JORNAL DE ANGOLA in Portuguese 25 Jun 87 p 3

[Text] The Ministry of Internal Trade [MINCI], whose activities range from the distribution policy for consumer goods to agricultural marketing, tourist and hotel development, and price setting, has just completed its 10th year of existence.

Few sectors make it possible, as this one does, to observe the practical steps taken to improve living conditions for the inhabitants. MINCI "is like the end point of the entire production process: the beginning and end of all actions aimed at improving people's well-being. It is the machine that records, gathers, and catalyzes the value of all production before throwing it back onto the economic scales. It is the filter for a distribution system claiming to be fair because it ensures that as a worker, every citizen will be supplied with that to which he is entitled at our country's current stage of economic development," as Vieira Guedes da Costa, MINCI's provincial director in Luanda, said in an address marking the ministry's anniversary.

Since it has no sure guarantee of goods for supply and distribution--the reasons being low domestic production and heavy dependence on imported goods--and since, moreover, it must contend with theft in the distribution channels, any progress that MINCI has been able to make has occurred mainly in the organization of its economic and administrative apparatus. "Although it has happened slowly," as Guedes da Costa said, considering that the general experience over the past few years has been one of torrents of "expansion" followed by "quiet spells": an "undulatory movement."

Citing data from the results for the period from 1981 to 1985, Guedes da Costa said, for example, that during that time, the trajectory noted in the areas of supply and distribution had followed a descending curve as a consequence of a situation that had been deteriorating year by year until, in 1983, it reached its lowest point since national independence.

In the area of agricultural marketing (during that same period), there was an "undulatory movement" in which, using 1981 as the base year (1981 = 100), gross quantities acquired from peasants in the rural areas varied as follows: 1982: 251; 1983: 162; and 1984: 171.

In the field of collective food service--tourism and hotels--a "peak" was reached in 1982, but slower growth in that sector began the following year. "In fact," said MINCI's Luanda representative, "it was not possible, beginning in 1983, to consolidate the organizational activities begun in 1982 with respect to the quality and quantity of services provided in hotels, restaurants, and workers' dining halls."

In the field of specialized training, there was a sudden drop in activity as early as 1981, but there was a recovery in 1982, "although we have still not returned to the quantitative level of 1980, which itself was already low in comparison to 1979." The number of individuals involved in training activity at MINCI's schools and training centers totaled 465 in 1980, then dropped to only 162 in 1981, but rose again to 169 in 1982 and to 457 in 1983.

Guedes da Costa emphasized that the "slow progress achieved in organization was particularly evident when it came to improving the flow of statistical and accounting data, increasing the central organization's capabilities for supervision and intervention, and stabilizing leadership in the provincial directorates and the enterprises."

But even though there was no major improvement in the warehousing and delivery networks, a few important aspects of the actual establishment of trade in comparison with the situation inherited from colonialism deserve emphasis. The wholesale distribution network has practically been nationalized, and the reorganization of retail trade is underway. In 1984, the wholesale network consisted of 322 warehouses, including 132 for foodstuffs, 99 for industrial goods, and 91 for mixed goods. The commercial network consisted of 7,188 units broken down into retail outlets, hotels, service enterprises, wholesale outlets, and the cold storage network. (During the last years of the colonial period, there was a wholesale network with 1,376 warehouse operators selling various products and one retail network in Luanda alone with 8,207 establishments engaging in various kinds of trade, one service enterprise employing 4,556 individuals, and a hotel network with 3,683 participants.) "The system worked against the working masses: the Angolan people," Guedes da Costa emphasized, and he added that the organization existing at the time, being of the capitalist type, "was based on the delivery of goods on consignment from the producer to the wholesaler and from the wholesaler to the retailer, and every one of them was on the lookout for any opportunity to threaten reasonable profit levels--always searching for a place in the sun."

New Tasks Ahead

At the Second MPLA Party Congress, important responsibilities were assigned to MINCI as a strategic sector of the revolution: one that must meet the requirements for the country's defense and security.

One of those responsibilities is "to guarantee supplies for the inhabitants at an acceptable level beginning in 1988" so that by no later than next year, all sectors of society, chiefly the workers in the enterprises, factories, and institutions and the peasants, "will be able to see the results."

Supplies are then to be improved gradually, steadily, and progressively in subsequent years.

One of the innovative measures outlined calls for directing into legal trade channels (state-operated, cooperative, or private trade) a large portion of the goods now being sold on the black market. This will be done by renting existing stores and sales premises and setting up a system of parallel stores for the sale of products at uncontrolled prices. What the idea boils down to is allowing private individuals to apply for and obtain licenses to sell such merchandise by paying an appropriate tax on their sales. Those licenses can be revoked for nonpayment of rent or taxes.

The guidelines laid down at the congress stipulate that basic products on the state-operated retail market must be sold at centrally established prices, recommend appropriate measures for ensuring that products bought from the peasants reach consumers, and call for combating the "greater danger": thefts and products that are smuggled out of the country.

11798

CSO: 3442/214

STUDENT SCHOLARSHIPS FOR STUDY IN USSR, CZECHOSLOVAKIA

Luanda JORNAL DE ANGOLA in Portuguese 18 Jun 87 p 12

[Text] Luanda--The Soviet Union has granted the People's Republic of Angola 408 scholarships for higher and secondary-level study under the terms of a protocol signed by the governments of the two countries. The protocol provides for the training of Angolan cadres at higher and secondary specialized schools in the USSR.

The protocol, which becomes effective this year and expires in 1995, provides in particular for the training of Angolan cadres in the areas of civil construction, agriculture, stockraising, the mining industry, fisheries, health, and education and teaching.

Granting of the above-mentioned scholarships was confirmed during recent talks in Luanda between a delegation from the Soviet Ministry of Higher and Secondary Specialized Education and the National Scholarship Institute (INABE).

The Soviet delegation, headed by a high official in the USSR Ministry of Higher and Secondary Specialized Education, said during the talks that its country was also prepared to grant Angola trainee scholarships for Angolan senior cadres who have graduated from schools in that socialist country.

The People's Republic of Angola is also going to receive 144 scholarships from Czechoslovakia for higher and secondary study.

Provisions have also been made for Czechoslovakia to grant Angola scholarships for postgraduate courses.

Delegations from Angola and Czechoslovakia, headed respectively by Francisco do Espirito Santo, head of INABE, and Dr Miroslav Merta, head of the Developing Countries Section in the Department of Foreign Relations of the Czechoslovak Ministry of Foreign Affairs, met recently in the Angolan capital and initialed a protocol in which both parties agreed to work toward implementing the above-mentioned scholarships this September.

During its stay in Angola, the Czechoslovak delegation also held an informal meeting with the rector of Agostinho Neto University, Dr Raul Neto, who expressed a desire to see the establishment of direct contacts between that Angolan university and Czechoslovak universities with a view to expanding relations between Angola and Czechoslovakia in the field of education.

11798

CSO: 3442/214

BRIEFS

CUBAN WORKERS HONORED--Four workers of Cuban nationality who had been performing internationalist service in the field of preprimary and children's education for 2 years under the terms of agreements with the State Secretariat for Social Affairs of the People's Republic of Angola were honored on Thursday. The ceremony honoring them was held at the headquarters of the State Secretariat for Social Affairs, and it was the result of a resolution passed by the Council of Ministers of the Republic of Cuba on the recommendation of the Central Organization of Cuban Trade Unions and initialed by the leader of the Cuban Revolution, Fidel Castro Ruz. The ceremony was attended by the secretary of state for social affairs, Rodeth dos Santos. Elsewhere, a farewell ceremony was held in Lunda-Sul Province for Cuban internationalist secondary teachers. It was attended by Colonel Rafael Sapilinha Sambalanga, member of the Party Central Committee and provincial commissioner. [Text] [Luanda JORNAL DE ANGOLA in Portuguese 20 Jun 87 p 12] 11798

CZECHOSLOVAK DELEGATION ENDS VISIT--The delegation from Czechoslovakia's Metalworkers Union returned to Luanda yesterday morning from Benguela Province, where it had been making a working visit. The delegation is headed by its chairman, Frantisok Badin, and has been in Angola since the 27th of last month. In Benguela Province, the delegation had an interview with the first secretary of the Party Provincial Committee, Major Joao Lourenco, and held a meeting with the local secretary of the National Union of Workers of Angola (UNTA). The Czechoslovak union members also visited the municipality of Lobito, where, in addition to meeting with the party's municipal first secretary, Jose Moreno, they visited the Angola Shipyard (ESTALNAVE), a branch of heavy industry. Yesterday afternoon, the delegation met with the National Secretariat for Heavy Industry, where it reported on its visit to Benguela Province. The delegation is scheduled to return to Czechoslovakia late this morning. Before its departure, the final communique will be signed, and a press conference will be held by Frantisek [spelling variation as published] Badin. [Text] [Luanda JORNAL DE ANGOLA in Portuguese 24 Jun 87 p 12] 11798

HUILA GETS ECONOMIC POLICE DIRECTORATE--Huila Province will soon have a Provincial Economic Police Directorate, according to a statement by Melquiades Abel de Kerlan, secretary of the Huila Party Provincial Committee for State and Legal Organs, during the ceremony recently held in that province to

mark the eighth anniversary of MININT [Ministry of Interior]. According to that legal official, establishment of the above-mentioned directorate will diminish to a large extent the crimes of economic sabotage which have recently been occurring in the province. [Text] [Luanda JORNAL DE ANGOLA in Portuguese 25 Jun 87 p 3] 11798

BADEA FINANCES DOCK CONSTRUCTION--This year, the Arab Bank for Economic Development in Africa (BADEA) will finance the construction of a loading dock in the commune of Lucira (200 km north of Namibe) in the amount of nearly \$2 million (more than 60 million kwanzas.) ANGOP [Angolan Press Agency] cites a reliable source for this information, and further specifies that construction of this loading dock will be handled by Construcoes Tecnicas, a Portuguese firm. The dock will be a support structure for the unloading of fish in the commune of Lucira, responding to the boom that the fishing industry is expected to experience in this locality when a fish-freezing facility is installed shortly. This facility, which is likewise to be set up in this commune, will have a capacity of 30 tons of fish a day. Its installation will be handled by the Spanish government, within the scope of an agreement signed with the Angolan authorities in the fishing sector. The complex also includes an ice factory with a production capacity of 15 tons a day. According to the agreement signed with Angola, Spain must install two electrical generators, water tanks, and fuel tanks in the complex by the end of the current month [July 1987]. After that, four Spanish technicians will arrive to oversee final installation of the complex. [Text] [Luanda JORNAL DE ANGOLA in Portuguese 5 Jul 87 p 3] 9895

NEW TELEPHONE MINI-EXCHANGES--Improving the system of internal and external communications in Huambo province is the current focus of the National Communications Company, according to statements made to JORNAL DE ANGOLA by the provincial director of this firm in Huambo, Francisco Esperanca. He went on to say that his company plans to install mini-exchanges shortly in those municipalities where they are now lacking. Presently, just three municipalities in this province have exchanges of this type, namely, Kaala, Longonjo, and Ukuma. Francisco Esperanca stated that Huambo's telephone exchange and outside network are so obsolete that they are beyond local ability to solve the problem. Nevertheless, he asserted that there is already a strategy aimed at improving maintenance capability. He pointed out that this area includes overhauling the transmission lines, so as to reduce interruption of service such as occurred following the rains. Concerning the telex system, which often breaks down, Francisco Esperanca stressed that the shortage of specific personnel is at the root of this problem, which is sometimes corrected with the aid and support of a technician from Luanda. ENATEL-Huambo, with a basic staff of 123 workers in a group where specialized technicians stand out, is currently undertaking efforts to respond to the needs. "We need a new exchange, and we need to remodel our outside network so that we can meet all our people's requirements," said the provincial director of the telecommunications firm.

Meanwhile, as we verified from Francisco Esperanca, the telephone automatization system for Bie province falls within the company's development guidelines. The only thing lacking to achieve this objective is the installation of an automatic exchange in that province. /Text/ /Luanda JORNAL DE ANGOLA in Portuguese 1 Jul 87 p 12/ /Article by Guimaraes Silva/ 9895

COFFEE AGREEMENT SIGNED--The National Coffee Institute and the Angolan International Trade Company (SACILDA) signed an agreement in Luanda last Wednesday /1 July 1987/ that calls for buying, exporting, and selling Angolan coffee on the international market. According to the specifics of the agreement, SACILDA will buy coffee from producers in the state, private, and family-production sectors, who for varying reasons are unable to sell to Cafangol, the Angolan coffee exporter. Still referring to the purchase of coffee, SACILDA will likewise acquire coffee from Cafangol. With respect to coffee purchased directly from farmers, the Angolan International Trade Company will only pay Cafangol for services connected specifically to product improvement. The agreement furthermore calls for the participation of SACILDA in supporting farmers, mainly in acquiring barter products for trade. Still referring to production, that company is to collaborate in repairing the machinery in the husking factories. The protocol now signed is to last for 3 years, and includes the areas of production and exporting of coffee coming from state firms, and commercialization in the field. Implementation of this agreement should lead to the signing of related agreements, namely with the National Bank of Angola concerning currency exchange operations. Other related agreements should be signed with merchants to furnish and receive products, with state and private companies involved in wholesale merchandising of coffee. All these agreements need to be ratified by the provincial commissariats. The advantages being sought through this agreement spring from the fact that, up until now, the activities of Angolan entities involved in coffee exporting have not resulted in its sale on foreign markets. So Angola has not benefitted from the advantages that derive from such exports. With SACILDA, an Angolan company, participating in the competition for better prices for Angolan coffee on the international market, other advantages will redound in Angola's favor. These advantages will derive from the difference between the sales price charged by the producer and the price charged on the international markets. /Text/ /Luanda JORNAL DE ANGOLA in Portuguese 4 Jul 87 p 1/ 9895

CSO: 3442/229

NATIONAL AIR FREIGHT COMPANY RESUMES FLIGHTS

Ouagadougou SIDWAYA in French 4 Jun 87 p 4

[Article by E.S.]

[Text] Naganagani, the national air freight company, has resumed its flights after being grounded for 4 months by a breakdown.

At the airport of Ouagadougou yesterday morning, Comrade Yoda Alain of the office of the president of the Republic and director of the Naganagani Company, provided information about his company to the press. He informed the press that Naganagani is alive and well. While it was grounded, other cargo planes --from Egypt, Nigeria and Belgium--were used to transport our goods. But now Naganagani is resuming its own flights. To be sure, the company is experiencing some difficulties: There has been a decline in freight traffic between Burkina and France. The decline is general in nature, as the other carriers themselves have also noted it.

Moreover, he added, "we do not yet have the technical and maintenance staff. We hope that one day, the crew will be entirely Burkinabe. At present, there is Comrade Bambara Blaise, a pilot, and Comrade Ouedraogo Dramane, a navigation officer. Another pilot, Sanou Do, will soon begin the training program. For the time being, Naganagani is working with Le Point Mulhouse."

Another Naganagani aircraft, actually from Belgium, is providing charter service to passengers from Burkina to Europe. The company's fares are the same as those charged by Le Point Mulhouse. According to Comrade Yoda Alain, initiatives such as the charter service are to be fostered.

The meeting with Comrade Yoda Alain also provided an opportunity for the representative of Le Point Mulhouse in Ouaga, Mr Philippe Dominiak, to talk to us about Le Point Air.

Le Point works closely with Naganagani. After 5 or 6 years of collaboration, the company will be flying under the Burkinabe flag. The problems that Le Point was experiencing have now been settled: "Little by little, we are returning to normal," said Mr Dominiak.

[Boxed item, p 4] Naganagani, the Burkinabe air freight company--if it can be called that--was set up by the CNR [National Revolutionary Council] to ship our products abroad. But on 26 September, the Naganagani cargo plane broke down

when the landing gear accidentally broke, damaging the forward wheel. For 4 months, the plane remained idle. A London company, ATEL, which specializes in Boeing 707 repairs, was called in. Parts were ordered from the United States.

For the first time since February 1987, Naganagani has resumed its flights, with most of its freight being shipped between Ouagadougou, Libreville, Dakar, Niamey and Marseilles. On occasion, Naganagani is even asked by Air Afrique to handle some of its freight shipments between Europe and Africa. Naganagani has adopted a policy of low rates to reduce the prices the consumer is charged for products and to avoid competing with other carriers. Last year, the company had 1.8 billion francs in business. This year it expects to have 2 billion in business.

12413/12859

CSO: 3419/219

CONTE REAFFIRMS POLICIES AT RALLY

Conakry HOROYA in French 23 May 87 p 2

[Article by Saliou Sampil and I. Sylla: "Dialogue Between Conte and the People--a Direct Form of Democracy"; first four paragraphs and subheads are HOROYA comment]

[Text] This is the will of the people as expressed with placards raised at the rally: "Full Support for the CMRN [Military Committee for National Redressment]," "No to Those Longing for the Past," "Vigilance at All Levels," "Propaganda Is Powerless Against the National Reconstruction Program," "Never Again Will Guinea Be Governed by One Family," "Shame to the Double-Dealing, to Those Who Fish in Troubled Waters."

It was to be an impressive event as the fanfare of the Republican Guard opened the rally at the esplanade of the People's Palace. We watched as Conakry's dedicated citizens converged onto the esplanade from all directions--from the island of Tumbo, the highway, from the southern and northern palisades.

Their will, their commitment, their determination was the same: [in boldface] Guinea will never again be the property of insatiable extortionists.

From the balcony, with the members of the CMRN and the government at his sides clearly showing their satisfaction, President Conte, dressed in white, greeted his people with whom he was about to open a direct and frank dialogue. We publish broad excerpts from that dialogue below.

The Speech by the Head of State

"Young people of Guinea, women of Guinea, workers of Guinea: On behalf of the CMRN and the government, I thank you for coming here this Sunday for this demonstration. But it is God who will reward all those who willingly took the trouble to be here this morning.

"A rally of this sort could be said to resemble prayer hour at a mosque, at which all those attending receive a divine blessing.

"Here too, what you are doing is for your own good.

"You have understood the meaning and purpose of the recent rumors and pamphlets. Their aim is to stir up a revolt among students, women and workers.

"The situation is serious, but we refuse to respond to provocation, even though some think that the newspapers criticizing us should be banned. Everyone is subject to criticism, but our people can distinguish the truth from the lies in the news they hear daily."

To Students

"No one achieves anything without making an effort. If you want to be the managers of tomorrow and not the servants of managers, you must take your studies very seriously, rather than spend the better part of your time criticizing the government.

"If you want your country to forge ahead, you must take your studies seriously."

In response to students who are asking for a reduction in the price of notebooks, the president of the Republic stated that for the administration's part, the matter would be studied. For the rest, students will have to take matters to their parents.

Water and Electricity

"Conakry's utilities were originally designed for a population of about 400,000. Today, the inhabitants of our capital number more than 1 million. Additional facilities will have to be considered and the government is in the process of doing this. But large investments are required and the government cannot raise them without assistance from our foreign friends."

School Transportation

"You do not realize that you are paying for only a part of transportation costs while the State is bearing a large share. For if you had to bear the entire cost charged by the transporters, fares would be unaffordable."

Merchants Are "Djahilis" (Kaffirs)

"Development springs from the nourishing earth. But in Guinea, people refuse to farm the land. We are forced to import rice. Some wrongly perceive working the land as labor beneath their dignity and yet, most come from peasant origins. These people are actually fostering speculation by merchants. It must be realized that Guinean merchants are "djahilis." They pretend to pray and fast for Ramadan, but in reality, they are non-believers. Look at how they raised the prices of basic necessities during the holy month of Ramadan. And it is among the merchants that you will find those who are the most critical of the government."

The Need to Work the Land

"I must repeat: the government is not here to feed the people. Everyone must work. Every father must feed his family."

"The government will do only as much as it can do--build schools, roads, hospitals and the like."

Trimming Down the Civil Service

"There are too many people in the civil service. Moreover, civil servants are underpaid, which means that they cannot decently feed their families.

"Their numbers must be reduced so that those who remain can receive a decent wage. We have said this in writing, in speaking and we will carry it out, despite those civil servants who refuse to leave and who are blocking the implementation of the measures adopted. But whether they like it or not, we will see this through."

Consolidating National Unity

"A country is not built in a day. It must be built by all of its sons, all of whom are equal.

"We are working to build national unity. For this reason, we must not forget the past. We must not have short memories.

"We need to practice positive and constructive competition, not destructive, negative competition. You must always work hard with the goal of accomplishing as much--if not more than--your neighbor, and not envy or destroy what he has done. The country would only be the worse for it.

"All of Guinea's sons are equal, whether they live at home or abroad. Let those who have the means enlist them in building the country."

Rumors from Conakry

"All the rumors now circulating were started in Conakry. Former managers of companies that have closed and laid off employees of banks and the public administration are the source of all the rumors. They have a great deal of time on their hands which they refuse to devote to farming. Instead they play a destabilizing role. Only in Conakry is there fertile ground for rumors. In the interior, the farmer is at work. He does not have time to listen to these falsehoods. He remembers what yesterday was and knows what the present is."

A Lack of Information

"Moreover, these rumors are possible only because information is not reaching everyone.

"The neighborhood councils are not doing their job of informing the people. The government's programs are not being explained to the citizens. If neighborhood officials do not wish to work, they should be replaced. If they were doing their job well, there would be no need for gatherings like today's. We would not be here under the searing sun in the month of Ramadan. From now on, if we ourselves must go to the neighborhoods to explain what we are doing, we will do so."

12413/12859

CSO: 3419/219

WORKERS SHOW SUPPORT FOR GOVERNMENT ON MAY DAY

Conakry HOROYA in French 6 May 87 p 5

[Text] On Friday, in honor of the international labor holiday, workers from the capital gathered on the esplanade of the People's Palace. There, the spokesman for Guinea's workers, Dr Mohamed Samba Kege, expressed his satisfaction with the Military Committee for National Redressment [CMRN] since it came to power on 3 April 1984.

For Dr Kebe, who is the president of the National Confederation of Guinean Workers (CNTG), the union is essentially concerned with defending employment and the worker with a view to sharing responsibly in the management of the nation's patrimony.

Referring to pamphlets that are being circulated in Guinea accusing the Guinean union of being in thrall to the government, Dr Samba Kebe stated that the malicious authors of the pamphlets are merely squandering "time, energy and money."

Speaking on behalf of the CMRN and the government, Major Kerfala Camara, permanent secretary of the CMRN, responded to the speech by the president of the CNTG. He reassured the workers that everything possible would be done to bring about conditions favorable to the well-being of the Guinean worker. This will be done, he said, despite economic difficulties brought on by the world-wide recession.

The capital's workers raised their placards in enthusiasm to acclaim the new concept of trade unionism in Guinea which holds development--as opposed to futile demands--as its goal.

12413/12859

CSO: 3419/219

ANTI-GOVERNMENT RUMORS, PAMPHLETS CONDEMNED

Conakry HOROYA in French 6 May 87 p 3

[Editorial: "Rumors and Us"]

[Text] Our country has of late fallen victim to increasingly virulent pamphlets of all sorts against the national reconstruction effort and its dedicated and steadfast craftsmen. Fresh in our minds are the rumors that have been created and spread from dens of subversion, authored by those who seek to return to the past and by the embittered who were rooted out from positions they thought they would hold for eternity. These prophets of doom, for whom anything is fair game, have a tendency to mistake their demonic vision for reality. Wearying of whiling away the days of the Second Republic, they are overrunning our country with the rage of decadent forces, heaping hatred and resentment on the good sons of our country and on the government that liberated us from 26 years of oppression and terror. The honest citizens of Guinea will not be deluded: After a failed campaign of defamation and libel in the international press, the reality in Guinea was quickly discovered through on-the-scene reporting and direct contact with the people. On 3 April 1984, the CMRN [Military Committee for National Redressment] appealed to all of Guinea's sons to come to the aid of their country. Those who did not come, chose to remain abroad for occupational or material interests. Some returned in the early days, with hopes of being welcomed with fanfare by an army at attention, ready to offer them the highest office or ministerial portfolios. When their ambitions went unfulfilled, they left more quickly than they had come. The CMRN, without discriminating on the basis of gender or ethnic origin, summoned all of its sons and involved them in the conduct of public affairs through a government that is representative of the new Guinea. As of 3 April, all Guineans who left the country, freely chose expatriation. From that time onward, we have had a government of freedom, guaranteeing freedom of movement to Guineans and their property.

We recall that under the former government, countless Guineans lived in neighboring countries, in Europe or in the United States as political dissenters or exiles rightly fleeing the rule of terror of the PDG [Democratic Party of Guinea]. As such, they received aid from their host governments and from international organizations. Accustomed to the ways of social parasites, they seek to rebuild that life. With a pseudo Guinean opposition as cover, these professional exiles seek to justify their residence abroad by claiming to be opposed to the government of their country. Yesterday, it was the PDG; today,

it is the CMRN. The Guinean people who bodily suffered from 26 years of routine purges of its sons assassinated in Boiro, will not be lured by the fabrication of adventure-seekers.

They are trying to twist the knife in a still gaping wound. While the vengeful and the backward-looking push on with their dark task, the CMRN is steadfastly pursuing its efforts to put the country back on track. The fruit of its efforts is already visible and it is enough to disconcert the prophets of doom who have selected workers and young secondary and university students as their targets.

The workers of Guinea are mindful of the low wages inherited from the former government and will not be taken in by the wild imaginings of exiles wishing for adventure.

Students, now free from the grip of "cocolala," which darkened their horizons and mortgaged their future, are more aware than anyone of the achievements that the new Guinean school represents, open to universal dimensions.

Guinea's peasants, free once and for all from the burden of requirements and low prices imposed on their products, will be able to safeguard the people's achievements in their economic battle for recovery.

The new Guinea will be the work of Guineans who know to resist the falsehoods of the enemy. According to one of our proverbs, "a sorcerer does not enter the courtyard without an accomplice."

The CMRN government says what it does and does what it says, with an openness that rules out rumors of the sort that would have the neighbor's dog swallow Mount Kakoulima. Habits are long-lived. But this time, they will not survive in Guinea.

12413/12859

CSO: 3419/219

TENSIONS WITHIN REGIME CONFIRMED

Lisbon AFRICA CONFIDENCIAL in Portuguese 18 Jun 87 p 8

[Text] The existence of serious tensions within the Guinea-Bissau regime-- fueled by a climate of conflict and distrust in relations between President Nino Vieira and his minister of state for defense, Iafai Camara, and his minister of national security and public order, Jose Pereira--has been absolutely confirmed despite the public statements made by Zeca Martins, secretary of state for information, in an attempt to play down the fact.

When he left the country last week on a trip which was only supposed to take him to Senegal but which unexpectedly led to his hospitalization at the Val de Grace Military Hospital in Paris (see "News Briefs" [not included]), Nino Vieira left behind as acting president veteran Vasco Cabral, the regime's number three man, and not, as had always happened before, Iafai Camara (who is also vice president). And he placed Colonel Assumane Mane, commander of the Presidential Guard, at the head of the Armed Forces.

Reliable information shows that in his friction with Nino Vieira, the minister of state for defense is being used as a tool by the Soviets and Cubans and also, although to a lesser extent, by the minister of national security and public order. Although still expressing their support for Nino Vieira, the Cubans and Soviets are using Iafai Camara to put pressure on Nino Vieira in an attempt to fuel a climate of tension that will induce him more easily to make concessions in keeping with their interests.

The so-called Cuban Mission in Bissau has been headed for some time by a high-ranking officer who enjoys Fidel Castro's absolute confidence. His name is Victor Dreck ("Moya"). Involved in the border tensions that shook relations between Guinea-Bissau and Senegal a few months ago were the attitudes being adopted by Iafai Camara, who was probably being manipulated by the Cubans. The head of the Cuban Mission also helped make those tensions worse (see AFRICA CONFIDENCIAL No 17, page 13).

The tension between Nino Vieira and Iafai Camara has already led to violent altercations, including threats of physical aggression. During one of those arguments, Nino Vieira even accused Iafai Camara of "plotting" against him and also of being involved in venal behavior (that is, bribery). All reports also

agree in regarding Iafai as a "bluffer" with neither the stature nor the prestige required for opposing Nino Vieira.

Born in Gambia, Iafai Camara was a manual laborer on a farm in the vicinity of Bissau (Pessube) when Amilcar Cabral, who managed the farm, recruited him for the PAIGC. During the final years of the struggle in Guinea-Bissau, he was in military command of an area on the eastern front, where his performance was considered colorless and mediocre.

Since he was illiterate (he is not fluent in Portuguese), he was sent to Cape Verde following independence to learn to read and write. During the 5 years he spent at a school in Sao Vicente, he barely managed to get through the second grade. On his return to Bissau, he was placed in command of a tank brigade.

He is the sole active survivor among the former members of the Council of the Revolution on which Nino Vieira relied to carry out his coup d'etat in November 1980. All the others have gradually been removed or have disappeared (having died either in prison or in front of a firing squad).

11798

CSO: 3442/220

MOOLLAN DISSOLVES PARLIAMENT

Port Louis LE MAURICIEN in French 1 Jul 87 pp 1, 4

[Article: "Parliament: Dissolution Friday. The Minister and Speaker Remain in Office Until Elections"; first paragraph is LE MAURICIEN introduction]

[Excerpts] Parliament will be officially dissolved this coming 3 July. The dissolution decree (Proclamation No 3, 1987) was signed by the governor-general ad interim, Sir Cassam Moollan, around 1555 hours yesterday. The decree reads as follows: "Now, therefore, in virtue of and in exercise of the powers vested in me as aforesaid, I, acting in accordance with the advice of the prime minister, do hereby proclaim and declare that Parliament shall be dissolved with effect from the third day of July, one thousand nine hundred and eighty-seven." The decree was moreover "given at Government House, Le Reduit, this thirtieth day of June one thousand nine hundred and eighty-seven." Thus, the third Jugnauth government which came into office on Saturday, the 27th of August 1983, or five days after the proclamation of the results of the general elections of Sunday, 21 August, will no longer be in existence the day after tomorrow.

This official dissolution decree is thus putting an end to a fuzziness which had been fostered up to now regarding the holding of by-elections in the south and that of early general elections. As has been foreseeable for some time, by undertaking the dissolution of parliament on 3 July, the government has decided to hold off on the by-elections in the south in order to go directly to early general elections either on 30 or 31 August.

In the "mauve" camp this morning, even if the leader of the MMM, Mr Paul Berenger, refused to make any comment ("I am waiting until this dissolution is official," he explained), the "mood" was one of a certain jubilation hard to contain, since this dissolution and the early elections which are going to inevitably follow show that the Jugnauth government does not have a majority in parliament and that, as the opposition had foreseen, Mr Anerood Jugnauth would not be able to go to the end of his term, i.e. until 1988. An influential member of the MMM even pointed out this morning that the blocking of the by-elections in the south indicates the Alliance's weakness in the field.

Arrangement With the PMSD

The Alliance, on the other hand, points out that, as the terms and methods of the Alliance were concluded with Sir Satcam Boolell's Labor Party and Sir Gaetan Duval's PMSD, there is no reason to delay the date of the elections and that "the earliest would be the best for the country's economic development." The MSM has displayed a certain optimism for some time. Nevertheless, a vagueness still persists with regard to the modalities of an MSM-PMSD "electoral arrangement" (as the prime minister himself termed it at Triolet last Sunday). When it was announced that Sir Gaetan Duval would be on the Alliance's platform for Sunday's meeting, Duval, who had returned to the country the Saturday before, was conspicuous by his absence at Triolet. Let us recall in this respect that the prime minister had put the electoral arrangement with the "blues" in the conditional. At the latest news, the Jugnauth/Duval meeting reportedly did not produce anything early in the week, especially as the PMSD's leader is still looking for a favorable constituency. It was a matter of his initiating "sector-based negotiations" at a certain time with the leader of the PTr so that Mr Clarel Malherbes (PTr) would be "unwedged" from Curepipe in order to yield the seat to him. At the very latest news still, it is now a matter of Sir Gaetan Duval having his eye on constituency No 4, where the new demarcations would be favorable to him. Let us also recall that the problem of the "blue" presence at Rodrigues still remains unsolved.

Upheavals at the MMM

The MMM has not been exempt from upheavals lately. The imminence of early general elections and the numerous alliance possibilities gave rise to a noisy confrontation between two schools of thought on the need for certain alliances last Saturday during the last meeting of the "mauve" central committee. A violent row also pitted Mr Paul Berenger against Miss Jocelyne Minerve, who was rightly asking questions about the modalities of these alliances. It is even said that Miss Minerve left the room well before the end of the central committee's meeting. We hear that a town councillor from Curepipe, exasperated by the tone used during the discussions, submitted his resignation from the party yesterday afternoon. Indeed, the problem is far more serious than it seems. What became apparent last Saturday was a certain tendency to question certain contacts which the MMM has had with other political leaders recently. This item will therefore occupy a choice place on the "mauve" Political Bureau's agenda this afternoon.

13084

CSO: 3419/295

EDITORIAL SCORES JUGNAUTH'S INCONSISTENCIES

Port Louis LE NOUVEAU MILITANT in French 17 May 87 p 7

[Editorial: "Surrealist Prime Minister"]

[Text] Mr Aneerood Jugnauth is an amazing prime minister. Twice in less than 2 weeks he has admitted his weakness: to Parliament when he said that the opposition should assume responsibility for the budget; to the voters with his announcement that the opposition that is forming does not plan to vote for the MMM's [Mauritian Militant Movement] republican bill. Mr. Jugnauth already sees himself in the opposition.

Mr Aneerood Jugnauth's statement in LA LETTRE DE L'OCEAN INDIEN borders on madness. Here is a prime minister who allows his majority to crumble, who recalls 22 of his ministers, or watches them resign, and who, at a crucial moment, makes an appeal to the opposition in order to stay in power. After paying all-too-frequent visits to Sir Satcam Boolell, Mr Junauth has started to think that the opposition is only a fiction, a position of convenience, a ticket on the next government bandwagon. Mr Jugnauth is wrong about the basic constitutional nature of the parliamentary opposition.

One does not have to be a political scientist to understand the fundamental principle of parliamentary democracy: the majority rules and the minority plays its role in the opposition. Mr Aneerood Jugnauth is doubtless the first chief of state to want to reverse the terms of this basic theorem. "The opposition will assume its responsibilities in the event that the government employees should stop receiving their paychecks and die of hunger, resulting from a possible veto of the budget," the prime minister said, Friday 8 May, in LA LETTRE DE L'OCEAN INDIEN. This is probably the first time in the history of Westminster parliaments that a prime minister has put the opposition on its guard while at the same time asking it for a postponement.

Either Aneerood Jugnauth controls a majority in Parliament or his administration is the majority. If Mr Jugnauth believes he has the majority, then he should present his budget by the usual deadline. If he does not have it, he would not really want to suffer the humiliation of being in the minority, but finally accept the fact that his popularity as prime minister has taken a nose dive.

Uncertain of his present majority, however, Mr Jugnauth seems to have a perfectly clear understanding of his situation in the next legislature. As a matter of fact, this week he made his predictions for the upcoming general elections: a simple majority in the MMM. There is no other way for us to interpret the prime minister's Wednesday night announcement at La Flora. Mr Jugnauth stressed with a determined vengeance that his parliamentary group would not vote for the MMM's constitutional amendment bill. Mr Jugnauth believes, therefore, that he will control enough of an opposition to defeat the MMM's republican bill. But the leaders of the MMM, counting merely on their own elected officials, are betting they can put together the three-fourth's majority needed for a constitutional amendment. Be that as it may, Mr Aneerood Jugnauth recognizes that this bill will soon appear on the agenda of an MMM dominated legislature. Which is reason enough to demobilize the troops of the alliance.

Aneerood Jugnauth is taking a risk by asking for a vote of confidence from districts numbers 12 and 13. The voters in the South have learned what it is to trust political friends like Ramsewak, Poonith, Thomas, and Chinien. Aneerood Jugnauth should keep in mind that he has refused a vote of confidence on 8 December 1985. Ever since, his administrations have been shaken up by a drug scandal and a flood of resignations.

Nevertheless, Aneerood Jugnauth is betting all or nothing, going for broke. By saying that a defeat in the South would constitute a motion of blame, and thus raising the stakes, he is revealing the fear that is tormenting him.

13393/13104

CSO: 3419/257

SOVIET CALL FOR DEMILITARIZATION OF INDIAN OCEAN SUPPORTED

Port Louis LE NOUVEAU MILITANT in French 28 Jun 87 p 7

[Article: "Caught in a Vice"]

[Text] The Indian Ocean is taken up by the USSR, the United States and France. Yet, in recent months the USSR has multiplied the statements in favor of demilitarizing the Indian Ocean. The Soviet chief of state, Mr Andrei Gromyko, thus declared on 24 September 1986: "With a view to promoting the earliest convocation of an international conference on the Indian Ocean, we are prepared to reach agreement with the United States and other big naval powers to freeze and substantially reduce any military activity in the Indian Ocean area." A few days later, on 4 October, in a "joint statement" adopted at the close of an official visit to the USSR by Malagasy President Didier Ratsiraka, the USSR and Madagascar promised to seek "the convocation of a United Nations conference for the purpose of initiating a process of demilitarization of this zone." The following month, that is in November of 1986, on the occasion of Mr Gorbachev's visit to India, he and Indian Prime Minister Rajiv Gandhi declared themselves in favor of a progressive demilitarization of the Indian Ocean and noted that if the Indian Ocean had not yet been transformed into a peace zone, it was "because of the obstruction by certain nuclear states." Then, on 19 April 1987, the USSR ambassador to the Seychelles, Mr M. Orlov, declared that the USSR "is ready at any moment to initiate possible negotiations with the United States in particular, in order to reduce military presence and activity in the Indian Ocean." Finally, on 20 June, the Soviet minister of foreign affairs, Mr Eduard Shevarnadze, stated in Belgrade, with one eye turned toward the Indian Ocean and the other toward Europe, that the USSR "is ready to remove ships bearing nuclear missiles from the Mediterranean region."

On the other hand, the United States, after having recently refused to ratify the South Pacific Nuclear Free Treaty sponsored, among others, by Australia, is talking quite another language. Thus, on 16 June, U.S. Secretary of State George Shultz declared: "Our view is that the nuclear free zones are basically not a good idea at this point...." The French Kerguelen bomb, which we talk about elsewhere (see page 18), falls in the midst of all that. It is more than time for the countries bordering the Indian Ocean--India, Australia, Indonesia, Madagascar, the Seychelles and Mauritius at the head--to take their common destiny in hand and induce the USSR, the United States and France to institute a process of progressive demilitarization of the Indian Ocean.

13084

CSO: 3419/296

GOVERNMENT APPEARS TO PROFIT FROM FOOD IMPORTS

Port Louis LE NOUVEAU MILITANT in French 28 Jun 87 p 2

[Article: "Rice and Oil: Malagasy Government Profits to the Detriment of Consumers"; first paragraph is LE NOUVEAU MILITANT introduction]

[Text] The prices of rice and cooking oil should have been going down in Mauritius for several months already, economic observers believe. In fact, far from subsidizing the price of ration rice, the government, through the State Trading Corporation, has realized profits of 25 sous on the sale of each pound of rice. According to the figures published by the government itself, it has been proven that the STC bought the rice at less than 1.25 rupees a pound. Indeed, the Economic Indicators of 10 April 1987 report that the government had in 1986 imported 65,000 tons of rice for a CIF value of 163 million rupees, or less than 1.25 rupees a pound. This share comprises some 65,000 tons of superior-quality rice which sells at a higher price than the ration rice, making the price of the latter even lower.

The government had planned on subsidies in the area of 75 million rupees for rice and flour within the framework of its current budget. But, instead of using these subsidies for keeping the prices low last year, the government chose to maintain the price of rice at 1.50 rupees, which allowed it to realize profits at the expense of the consumers. It was only in February of 1987 that the government lowered rice by 10 sous.

As for cooking oil, the Economic Indicators reveal that the prices fell by 50 percent in 1986 without the Mauritian consumers benefiting from this. In fact, 19 tons of oil cost 193 million rupees in 1985, but in 1986 the country imported 17,000 tons for only 86 million rupees. The drop of 70 sous a quart announced in 1986 does not reflect the fall in the import prices.

13084

CSO: 3419/296

DETAILS ON STRIKE OF SECONDARY SCHOOL TEACHERS

Private School Teachers Strike

Port Louis LE NOUVEAU MILITANT in French 28 Jun 87 p 3

[Article: "The Teachers' Strike Is Continuing Tomorrow"; first paragraph is LE NOUVEAU MILITANT introduction]

[Text] The private and denominational secondary school teachers' strike is continuing tomorrow. Trade-union leaders are upholding the strike order despite the communique released Friday evening by the prime minister's office, declaring this strike "illegal." Gathered for an extraordinary meeting at St Mary's College on Friday, more than 2,000 teachers, as well as non-teaching employees from the same sector, unanimously approved upholding the strike.

The decision to start the strike action was made on Saturday, 20 June during a meeting of the Interunion Organization which covers the Union of Private Secondary Education Employees (UPSEE), the Secondary Preparatory Schools [as published] Teachers Union (SPSTU) and the Union of Non-teaching staff of Aided and Secondary Schools (UNTASS). It was then agreed that the time was favorable for launching a union campaign calling for the standardization of working conditions in all the teaching sectors. The Interunion Organization finds it unacceptable that the employees of the state high schools are better treated than their colleagues in the private sector. The discrimination between the two sectors concerns especially salaries, pension plans and the transportation allowance. "The disparity is all the more unacceptable as the employees of both sectors are remunerated from the same public funds," Mr Karlo Jouan, Interunion Organization leader, declared.

Mr Jouan also pointed out that the main demand of these sectors is not--as the government claimed--putting the PRB [Pay Research Bureau] report into practice, but standardizing working conditions. The UPSEE and SPSTU have in fact for years been initiating negotiations with the ministry of education in order to find an acceptable solution. During a meeting with Minister Parsooramen last Thursday, the Interunion Organization categorically rejected the proposal by the government, which claims it is willing to ask the PRB to look at the possibilities for standardizing working conditions.

The Interunion Organization also looked unfavorably upon the communique from the prime minister's office. According to Mr K. Jouan, this is aimed at misleading the public, and does not explain the demands of private and denominational secondary school teachers in detail. As for the legality of the strike started last Friday, Mr K. Jouan explained that with the advent of the Industrial Relations Act in 1974, no strike is legal. "And we are forging ahead with full knowledge of the facts," he stated. So there is no question of our revising our decision now unless there is another development over the weekend," he declared. Concluding, Mr K. Jouan asked that MBC-TV grant the Interunion Organization air time to reply to the communique from the prime minister's office. "If we do not get it, that will be yet another case where MBC-TV is utilized for making government propaganda," he added.

Explaining this refusal, Mr Jouan stated that it is not a matter of studying one possibility. The Interunion Organization is indeed asking for a fixed and definitive reply. On the other hand, the Interunion Organization accepts the government proposal to the effect that the recommendations of the PRB report concerning the state high schools be extended to the private sector starting the same date.

Strike Ended

Port Louis LE MAURICIEN in French 1 Jul 87 p 8

[Article: "Private Secondary Education: an Agreement Is Reached. Courses Resumed This Morning. The Interunion Organization: 'A Good Workable Package'"; first paragraph is LE MAURICIEN introduction]

[Text] The teachers and non-teaching personnel of the denominational and private high schools resumed work this morning after three days of strike, an agreement having been reached with the government last night. We recall that the movement, widely followed, had been launched to obtain parity with the state educational sector in working conditions, salaries and qualifications. The principal leaders of the Interunion Organization, Mr Karlo Jouan (UPSEE) and John Clifford (SPSTU) think they have gotten a good "package deal," while the minister of education, arts and culture, Mr Armoogum Parsooramen, could be pleased that in the final analysis he was able to settle the problem without too much damage and above all had overcome what has doubtlessly been the biggest crisis which his ministry has gone through since 1983.

The points of last night's agreement, termed "positive as a whole" by the Interunion Organization, are the following: (1) The government will honor all the commitments made by the previous government in 1978, 1981 and 1982 and will request the Pay Research Bureau to examine all the ways and possibilities of standardizing the working conditions, salaries and qualifications etc. of all the employees of state and private high schools (including the denominational ones). With regard to the commitments made by Minister Parsooramen on television, the words "request the PRB to examine ways and possibilities" replace those "to look into the possibilities of uniformising." According to Mr John Clifford, the teachers are thus taking a big step inasmuch as the Pay Research Bureau now has a definite goal, i.e. that it will work within the context of standardization. Still according to Mr Clifford,

the government had not taken such a position until Thursday 25 June. (2) The Pay Research Bureau will submit its report concerning the private high schools within a period of 3 months after publication of the report intended for the civil service, the para-state bodies and local communities. The government is committed to putting the PRB's report into practice immediately. This clause also constitutes a concession on the part of the government in comparison with last Thursday. (3) The government reiterates its commitment that the date for implementing the PRB's recommendations for the private educational sector will be the same as that for the civil service and the para-state bodies.

In addition to these points, the minister of education, arts and culture affirms that the statements which he made to MBC/TV on 28 June 1987 and his statements to the managers' meeting on 29 June 1987 to the effect that there will be "uniformisation" in the private secondary school sector "with reference to the representations made to this ministry by the Interunion Organization" (SPSTU, UPSEE and UNTSASS) can be considered official statements.

For Mr John Clifford, union satisfaction is not total, but nevertheless it can be deemed that there has been a "workable package." According to Mr Clifford, the employees of the high schools now have "some forecasts, some dates from the government." For the Interunion Organization's other big partner, the UPSEE, "a stage is finished, a battle won, but it now remains for the unions to deal with the PRB and make sure that office gives satisfaction to our aspirations." Minister Parsooramen was delighted at the agreement reached. "It is not only an agreement favorable to the teachers and non-teachers, but also puts an end to the suffering endured by the students at the time when they are starting on the second-quarter examination," the minister concluded.

13084

CSO: 3419/295

POLICE SOCIAL ACTIVITIES RESTRICTED

Port Louis LE NOUVEAU MILITANT in French 21 Jun 87 p 2

[Article: "A State Within the State. Do Not Attend Any Party Without My Permission, Kowlessur Orders"; first paragraph is LE NOUVEAU MILITANT introduction]

[Text] The members of the police force will henceforth not be able to attend social functions, whether of a private or official nature, without having informed Commissioner of Police B. Kowlessur beforehand. The latter has obviously made this decision in the wake of what the policemen call "the Dayal Affair." In fact, on Friday, 12 June, Commissioner of Police Bhimsen Kowlessur had accused the commander in chief of the Special Mobile Force (SMF), Mr Raj Dayal, of having made the commissioner's ideas his ("hijack the ideas, steal the show") in order to have himself proclaimed "Young Mauritian of the Year" by the Young Economic Chamber. Mr Dayal was granted this title during a ceremony organized on Tuesday, 9 June. Thus, the next day, Wednesday, 10 June, the commissioner of police issued a communique entitled "Security Instructions" for the members of the police force; instructions which did not fail to irritate the latter: "All members of the force receiving invitations, either in their private or official capacity, to attend functions or taking part in activities or demarches which may have a certain bearing on their official status, are required to inform the Commissioner of Police through the proper channel."

And that is not all. Indeed, Mr B. Kowlessur threatens to take severe measures against police officers who would talk with journalists or who would permit journalists to have free access to police stations. The commissioner of police notes in his circular that "it is evident from certain articles which have of late appeared in the press, without having been released by me, that members of the press have easy access to our stations, offices and branches, when this should not be." He also notes that information which does not appear in the police Information Room communique is regularly published in the newspapers. Thus, Mr Kowlessur has decided "this practice (...) which is a breach of secrecy is to stop forthwith, the proper channeling system to prevail. Stern measures will be taken against those acting in contravention to the relevant instructions."

13084

CSO: 3419/296

LABOR REGULATION CHANGES TO IMPROVE PORT PRODUCTIVITY

Port Louis LE NOUVEAU MILITANT in French 17 May 87 p 5

[Article: "Starting 1 June: Major Changes at the Port to Increase Productivity"; first paragraph is LE MILITANT introduction.]

[Text] Some major changes will be made in the port labor system starting 1 June. Presently under discussion, the changes will affect labor conditions, wage structure, and the recruiting system. "These measures are meant to give a boost to productivity," the Cargo Mandling Corporation (CHC) claims in a 24-page document written last April. Modifications will also be made in the port infrastructure so that all ships will benefit from handling services as soon as they dock. These changes, however, will not be painless.

The changes are described in a document written by a select committee consisting of Messrs P. How Kong Fah, General Manager of the CHC, R. Maunthoora, vice president and general manager of the Mauritius Marine Authority (MMA), A. Lecordier, documentation manager of the CHC, and P. Lam Loong In, senior traffic officer of the MMA. First and foremost, labor conditions in the port sector will be changed. The lunch hour will be from 1000 to 1100 instead of 0900 to 1000, as it is presently. Overtime which starts at 1500 will be extended until 1900. Next, the recruiting system will be modified. In the future, recruiting will take place on the day prior to the work day so that workers can be at their work sites by 0700. This change, however, will require better coordination between the MMA operations center, the control center, and the three recruitment centers.

Minimum Wage to be Changed

Starting in the morning, according to the MMA/CHC report, the present system of remuneration fails to offer an "incentive" to productivity. At present, the workers receive a guaranteed minimum wage for work done throughout the day. As for overtime, workers are paid per task, or receive double their daily wages. "This is why the work gets done faster in the afternoon," according to the report, which considers it "vital" to change this system.

Therefore, it has been proposed to revise the guaranteed minimum wage and to introduce a "piece rate" system from 0700 to 1500. The "piece rate" would be higher between 1500 and 1900. This will be added to payment of an amount set according to the work hour.

When it is impossible to unload or load merchandise on ships for reasons that are not the fault of the workers, they will receive all benefits and payments as expected. The same system of payment, along with an hourly rate, will apply to Sundays and public holidays, as will be the case after 1500 on weekdays.

Increasing Productivity

The General Manager of the CHC claims that this system will make it possible to unload merchandise when the ships dock, even on the same afternoon (instead of the next morning). "These measures are meant to boost productivity all day long. With this arrangement, no changes must be made for those workers not affected by the piece rate. After a 3-month trial period we will be able to determine whether this new system is worth putting into general use," the select committee says.

The authors of this document go on to say that "the objective is to allow the port to function like an airport. The idea is to provide the handling services to ships at any hour between 0700 and 1900."

Artificial Congestion

In the chapter on infrastructures, the select committee feels that the available facilities, such as the docks and hangars, are suitable. However, they have not been used due to full advantage for the following reasons: productivity level; the system for allocating forklifts; and the fact the hangars often serve as "warehousing depots" for importers.

Also, "artificial congestion" has been observed in Containers Park, because imported merchandise is left there longer than the free storage period, which is 6 days. This abuse causes congestion.

At the present, Containers Park can hold 25,000 units. An expansion over 5 acres would increase its capacity by 50,000 containers, the maximum per year until 1990. It has also been proposed to extend the delivery and storage time for containers until 1800.

As for handling equipment, the MMA has set up a renewal program to keep up with needs over the next 15 years. The committee still acknowledges that once these changes are implemented an equipment shortage could still occur.

A Pension Plan

After proposing practical training for CHC and MMA personnel to supervise all operations especially at key points in this sector, the select committee is examining the issue of a pension system which would be based on the one presently used in the public sector. This issue has been under discussion for several years, and the non-contributory pension plan proposed by the State Insurance Corporation (SI-COM) has apparently been finalized. Only the CHC

will be contributing at a rate of 6.5 percent of the wages annually. "With the introduction of these new measures, the time is right to implement the SI-COM pension plan," says the select committee.

Moreover, the creation of a "Health and Safety Committee" has also been proposed because the risk of accidents will increase with the accelerated work rate. Also proposed are a cooperative boutique, a club house, a subsidized cafeteria, and loan grants for purchasing houses.

All of these proposals will be discussed by the parties concerned. The authors are careful to point out that the report deals with "concrete solutions to problems at the port and is not to be used for further considerations."

13393/13104

CSO: 3419/257

MAURITIUS

BRIEFS

POONOSAMY VISITS USSR--Mr Rama Poonosamy, member of the Central Committee of the MMM [Mauritian Militant Movement], who just returned from Moscow after attending the Congress of the Komsomol, the Soviet Union's largest youth movement, said Friday in LE NOUVEAU MILITANT that he had made productive contacts in meeting with representatives from India, France, Australia, New Zealand, Burkina, Nicaragua, and Guyana. He also met with representatives from SWAPO and the ANC. [Excerpt] [Port Louis LE NOUVEAU MILITANT in French 17 May 87 p 5] 13393/13104

CSO: 3419/257

MOZAMBIQUE

FRENCH AMBASSADOR PRAISES COOPERATION

Maputo NOTICIAS in Portuguese 14 Jul 87 p 8

[Report on press conference with Gerald Cors, French ambassador to Mozambique, in Maputo, date not given]

[Text] Gerald Cors, French ambassador to our country, said yesterday in Maputo that relations between Mozambique and France are on an ascending path. The French diplomat said that the contacts and the exchange of official visits between the governments of the two countries have become continuous and commonplace, but he pointed out that political contacts alone are not enough to create the bilateral relationship that both governments desire, so concrete action is required.

Cors was speaking at a press conference marking the occasion of the National Day of the French Republic, which is celebrated today and commemorates the fall of the Bastille, some 200 years ago.

After noting that Mozambique is second in importance to France, since it is outside the French-speaking African zone, the ambassador said that cooperation between France and our country is effected through the Foreign Ministry in Paris and the Central Fund for Economic Cooperation [CCCE].

He noted that, through these two organs, his country has channeled 300 million French francs to Mozambique, in addition to the cooperation provided by the EEC, of which France contributes 20 percent of the total. He explained that this money is invested in our country in areas in which "foreign exchange can be generated for Mozambique, What we are seeking is efficacy and results in what we call economic recovery programs," he said.

In this regard, he said that, based on this type of cooperation between his country and Mozambique, it has been possible to initiate the recovery of cotton farming.

Discussing the financial area in greater detail, he noted that the CCCE invests in Mozambique in areas which are profitable, but on favorable terms.

In this regard, he reported that this financial institution opened a line of credit for Mozambique in the amount of 1 billion French francs, of which 500 million has been used to date, in accordance with the bilateral arrangements.

Again regarding the economic area, Gerald admitted that "in some areas, we have some shortcomings that we are trying to correct."

He cited the project for the rehabilitation of the Nacala rail line, which was initiated early in the 1980's, with French participation, and should be completed within 2 years.

He noted that "we are making efforts in the area of training, particularly in the railway sector." He said his country is interested in expanding cooperation in the area of satellite communications, a matter which he said will be evaluated at the next meeting of the Joint Cooperation Commission.

"We appreciate the Mozambican Government's decision to make a place for our language in your school curriculum," the French ambassador said, noting that the cultural area was also a focus of attention in relations between the two countries.

"We condemn any kind of foreign interference in Mozambique's internal affairs, including the destabilization by South Africa, using the armed bandits," said Ambassador Cors, in reply to a question about the French Government's position on the armed banditry in our country.

Regarding military cooperation with Mozambique, Gerald Cors said that, in the past, France had sent war material to our country, in what he called "a very specific matter."

"Now the possibility is being discussed of more regular cooperation and we are having exploratory conversations," he said.

In reply to another question on French policy in southern Africa, he began by stating that the French presence in the region dates back only 10 years and he then noted that "in principle, we condemn the policy of Pretoria in the region." He observed, however, that the French policy with regard to "apartheid" is based on a concern to avoid a blood bath and, therefore, France advocates dialogue among all the parties involved in the southern African conflict.

He argued that it was within this spirit that Mm Danille Mitterrand, wife of the French chief of state, had helped to organize the first meeting between the ANC and representatives of the white South African community, last week in Dakar, Senegal.

He also pointed out that France advocates putting pressure on the Pretoria regime, as long as this does not mean cutting off the channels of communication with the regime. He added that it was in this sense that Paris joined with other EEC countries in adopting restrictive measures against South Africa.

6362

CSO: 3442/240

REMOVAL OF WHITES FROM POWER CONTINUES

Lisbon AFRICA CONFIDENCIAL in Portuguese 18 Jun 87 p 17

[Text] There is a growing movement in Mozambique to remove white and Indian nationals from positions which, because of their importance, were enabling those individuals to play an active role in the country's politics and administration. By that process, which has been going on inconspicuously, Joaquim Chissano has been meeting the strong demands to put blacks in positions of political power, where the influence of nonblacks has been a well-known fact until now. In the document entitled "We Veterans" (see AFRICA CONFIDENCIAL No 15, page 15), which was circulated in Mozambique at the end of last year and which prominent figures in FRELIMO helped write--it was demanded that "non-native" Mozambicans be removed from political, economic, and military power and that they devote themselves simply to their professions or to private activities.

President Joaquim Chissano is apparently carrying out the suggestions made in the document--and incidentally, they seem to reflect a kind of collective feeling among Mozambique's inhabitants. The white and Indian cadres being removed from the area of power are being placed in management positions, particularly in enterprises covered by the World Bank's industrial rehabilitation program, where their salaries are being paid in hard currency.

The following are known cases, among others. Costa Campos, one of the most influential cadres at the Bank of Mozambique, has just been transferred to an enterprise called TEXTOM. Francisco Carrilho of the Ministry of Public Works has been assigned to the STEIA. And Jose Marques, formerly a cadre in the Ministry of Security, has gone to a trading company based in Europe. Another method consists of inviting white and Indian cadres to take training courses abroad--examples being Vasco Ferro, formerly the LAM [Mozambique Airlines] representative in Portugal, and Joaquim Carvalho, the former minister of agriculture.

At a recent meeting with cadres of European and Asian origin, President Joaquim Chissano admitted that a sizable sector in FRELIMO was in favor of putting political power in black hands and distributing jobs in a more balanced manner based on racial, ethnic, and regional factors.

At that meeting, which is believed to have been held to inform people of the extent of the steps being taken, Chissano pointed out that even toward the end of Samora Machel's time as president, cabinet reshuffles and appointments to important posts had taken into account the need to consider "native Mozambicans" regardless of their competence.

One example that was mentioned was the appointment of Avelino Paulo Muiange to the State Secretariat for Education. Appointed at the end of 1984 even though it turned out that there had been a mix-up in names, that official from the Ministry of Agriculture was not fired, and he is still at his post.

The growing movement to remove whites and Indians from power may soon start affecting the hierarchy of FRELIMO itself.

11798

CSO: 3442/220

MOZAMBIQUE

PEOPLE'S INSPECTION BRIGADES CREATED IN INHAMBANE

Maputo NOTICIAS in Portuguese 20 Jul 87 p 3

[Text] A commission for the inspection of state companies, schools, hospitals, prisons and the state apparatus itself was created just days ago in Inhambane; it will include deputies at various levels, secretaries of the ODM's [Mass Democratic Organizations] and members of the public.

The 51 members of the commission are divided into work brigades, which, in a first phase, will act together and later separately and will finally come together again to draft the respective final reports to be presented at the next session of the provincial government, which will meet from 28 to 30 July.

The people's inspection brigades in Inhambane have the statutory and legal mandates to evaluate and monitor the execution of decisions approved by the Provincial Assembly and the government of Inhambane, to verify and analyse the use of work sign-in books, the office hours, the efficiency charts and the diligence of the workers in the sectors to be covered.

The people's inspection brigades will also observe the extent of implementation of the goals of the Central State Plan (PEC), the Territorial Program and other decisions or periodic directives of the Provincial Government of Inhambane.

Also, as part of their duties, the people's inspection brigades will assess the impact or effectiveness of the work performed in the sectors to be visited, in terms of the Economic Recovery Program in effect in the country.

Their agenda will also include a survey of the training which the workers are receiving in their respective work places and the degree of involvement and the relationship of the political and social organs with the administrative directorates in the sectors to be visited.

The people's inspection brigades in Inhambane will also examine the use of state funds and budget allocations during the first half of the year and the prospects for this second half.

Popular Participation

According to a source in the Inhambane Provincial Government, the conditions have already been created so that the general public and the workers in

particular may offer their suggestions and proposals, criticisms or recommendations, through interviews or letters directed to the inspection corps, which will be coordinated by the office of the first secretary of the Provincial Committee of the party and by the office of the governor of Inhambane.

The same source explained that the present inspection should in no way be confused with the Political and Organizational Offensive, since the inspection process in progress in Inhambane is popular in nature and is meant to galvanize various socioeconomic sectors in the province, within the framework of the measures of the Economic Recovery Program.

6362

CSO: 3442/247

MOZAMBIQUE

MORE RED CROSS AID FOR DISPLACED PEOPLE IN INHAMBANE

Maputo NOTICIAS in Portuguese 20 Jul 87 p 3

[Text] In the next few months, the International Committee and the League of Societies of the Red Cross will increase their material assistance to the victims of the natural disasters and of the war in Inhambane, this newspaper recently learned from Antonio Cumbe, provincial secretary of the CVM [Mozambican Red Cross].

An exhaustive survey should be conducted this month regarding the current situation of the victims of the drought and of the armed bandits in Inhambane, which will make it possible to determine how much aid is to be dispensed to the drought and war victims.

The survey of the victims in Inhambane, estimated at more than 500,000 people, will be coordinated directly by the CVM in Inhambane, under the auspices of the International Committee and the League of Red Cross Societies, the major donors of the goods and clothing for the victims.

The survey will also involve organs of the Inhambane Province government and the Department for Prevention of and Combat against Natural Disasters [DPCCN], among others.

According to Antonio Cumbe, the purpose of the survey is to evaluate and determine priorities with regard to the needs of the afflicted population, in terms of food and clothing and other types of urgent necessities.

Antonio Cumbe named Jangamo, Fanda, Homoine, Funhalouro and Mabote districts as those with the largest concentration of victims of the drought and the armed bandits.

The second group comprises Massinga, Zavala and Mabote [sic] districts and the third group, the least affected, takes in Vilanculo and Inhassoro districts.

Emergency Aid

Meanwhile, more than 2,000 people from different parts of Inhambane have benefited from the assistance of the CVM in Inhambane. This aid consisted in the distribution of thousands of articles of clothing and dozens of tons of powdered milk, among other unspecified items.

"Of about 2,000 people, more than 600 are residents of the cities of Inhambane and Maxixe," Antonio Cumbe explained, adding that this is explained by the fact that in recent times the two cities have taken in a large number of displaced people.

He said the above-mentioned articles and goods were distributed in an emergency aid operation which the CVM conducted during the first 6 months of this year.

Speaking further of the activities of his organization, our interviewee said that during the first half year, six courses were conducted in Inhambane, to train 85 rescue workers.

The Red Cross also sponsored the creation of two blood banks in the Provincial Hospital of Inhambane.

The blood bank in the Provincial Hospital of Inhambane has been witnessing an influx of donors and has collected more than 200 liters of blood in the first half of this year.

The CVM in Inhambane currently has 2,050 members, 164 of whom joined the organization in the first 6 months of 1987.

6362

CSO: 3442/247

MOZAMBIQUE

RURAL EXTENSION PROGRAM TO BENEFIT SMALL FARMERS

Maputo NOTICIAS in Portuguese 17 Jul 87 p 3

[Report on interview with Eros Marion Mussoi, rural extension specialist with the MONAP-1 Project, by Jorge Morais, in Beira, date not given]

[Text] There are plans to expand the Rural Extension Program throughout Sofala Province, primarily to benefit the peasants in the family sector, so as to achieve a substantial improvement in food production and larger yields through the introduction of simple techniques.

Eros Marion Mussoi, rural extension specialist with the MONAP-1 project, in an interview with a reporter in the NOTICIAS bureau in the Sofala capital, said this initiative should be carried out within this year, as soon as the conditions permit; more precisely, after the arrival of a Mozambican technician, who has gone to Brazil for training. As Marion Mussoi explained, "the technician will be responsible for the Rural Extension Program in the province.

According to Eros Mussoi, this is a project which will help the peasants, not only in the family sector but also the cooperative and private sectors and even the state sector, to improve their production capacity, since, up to now, these peasants (except for those in the city of Beira) have been farming without employing any agricultural technology.

The possible expansion of the Rural Extension Program to the other districts in Sofala Province, the technician said, is because priority has been given to his sector, which at one time functioned only through offices as a sector solely for rural distribution (of production means and tools, seeds and other items) and no one took the trouble to go to the grass roots, to explain the agricultural techniques to the peasants, "which is also a function of rural extension programs."

As in the city of Beira, other districts could soon have rural extension posts, agrarian houses and small demonstration plots, used by the specialists to show the peasants all the alternative agricultural techniques for increased production.

Specialist Eros Mussoi explained that the rural extension sector is something new in Mozambique. In view of its importance, namely, in creating the methods and technical conditions to increase agricultural production, particularly in the family sector, the rural extension program is already having some success in achieving the goals for which it was created.

Today, the Rural Extension Program already has 20 extension agents at intermediate, basic and elementary levels, with the added advantage that they are all Mozambicans, distributed among the agrarian houses and the rural extension posts in the city of Beira, the only region in Sofala Province where the sector is functioning so far.

Significant Results

The rural extension sector was created to lend support to agricultural development in the Green Zones and to bring about an increase in food production.

This support, which consists in draining small farm areas, installing small irrigation projects, distributing seed and seedlings and explaining agricultural techniques (through classes), is provided primarily to the peasants in the family sector, explained Eros Mussoi, who said that this in no way means that it cannot also benefit the state, private and cooperative sectors.

The program started with drainage projects as the principal activity. Today, however, the rural extension service is attempting to combine this work with small irrigation projects, with systems that can easily be managed by the peasants without need of continuing intervention by technicians.

The rural extension sector is also involved with urban sanitation, through the installation of a system of gates separating the drainage ditches, which makes it possible to direct the rain water from the Palmeiros discharge directly to the city of Beira. The rural extension sector is also responsible for organizing the region covered by its activities, namely through the continuing training of local cadres, experimental farming and plant and seed propagation.

Following the decentralization of the activity of this important sector, "which at one time was confined to the office, functioning only as an instrument of rural distribution," the rural extension program began to assume greater importance, particularly in the training of skilled technicians, who are not limited to distributing materials today, but are also teaching the rules and techniques of agriculture.

Thus it is that, from 1985 to date, the number of peasant farmers has grown from 150 to 2,400, in addition to the 300 in the private sector. This quantum increase in the number of peasants in the two sectors is owing to the improvement in the assistance, in all the aspects of dissemination of agricultural techniques and the improved distribution of the agrarian houses and rural extension posts throughout the agricultural zones.

Other measures have included the continuing training of extension agents, practical demonstrations, lectures, seminars and field trips and the subdivision and distribution of land, which have also contributed significantly to the increasing number of farmers, particularly in Beira.

In the Sofala capital, the rural extension sector has five extension posts and three agrarian houses distributed over the agricultural zones in the city, according to the needs of the farmers. There is also an experimental station functioning in Munhava.

Whereas the purpose of the agrarian houses is to teach agricultural techniques to the farmers, through practical demonstrations, the extension posts have the same function, but they do not have their own production plots; the demonstrations are conducted on the peasants' land. The basic function of the experimental station is to propagate rice seed (so far), to be distributed to the peasants, and also to conduct rural extension work and small experiments in coordination with the INIA (National Institute for Agricultural Research).

The rural extension post in Macurungo, for example, is currently opening primary and tertiary ditches for the irrigation system, following the rhythm of the different phases of the rice crop, which makes it possible to detect possible abnormalities in the terrain. The Macurungo extension post serves the areas of Chota, Matucuané and Macuti, including Macurungo itself (Zone 1), extending over 2,000 hectares, with assistance provided by five extension agents.

Just the drainage operations in Zone 1 (Macurungo) will benefit an estimated 1,500 families. The first phase of this drainage work will cover 1,000 hectares and it is reported that 350 hectares will be drained by the end of the year. Meanwhile, the possibility is being studied of using this drainage system (using the water from the drainage ditches) to irrigate the second season crops.

Meanwhile, the Nucleus for Agricultural Hydraulics is analyzing the salinity of the waters that flow into the "machambas" (farm plots) and is also analyzing the soil, which is thought to have a high salt content, because of the poor rice yields observed in the last campaign in some rural extension areas.

Our Beira bureau correspondent learned that the agrarian houses are being reorganized, to provide them with real demonstration capability; they are being turned into training farms for the peasant sector and for the training of technicians, and they are expected to be economically sound and profitable. With this reorganization, the agrarian houses will provide a practical demonstration to the peasants that a particular crop can be grown throughout the year, if the proper conditions are created.

Training

In what Eros Mussoi called "in-service training," because the present situation does not allow for a cessation of activities "just to devote time to the courses," the rural extension training program is conducted as part of the normal work rhythm, or on weekends. According to the specialist, the idea is to train enough Mozambicans in rural extension work so that, at a certain point in the future, the sector will no longer depend exclusively on foreign specialists.

Courses are not only conducted inside Mozambique, but also abroad. Thus, Mozambican cadres will be trained in Brazil, Zimbabwe, Lesotho and Botswana. Beira currently has 20 extension agents.

Also with regard to training, which is vital to the country, a school will be established in the Savane Agrarian House, where general agricultural courses will be offered.

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CSO: 3442/239

MOZAMBIQUE

SHIPPING FROM VILANCULO TO IMPROVE WITH NEW BOATS

Maputo NOTICIAS in Portuguese 11 Jul 87 p 3

[Article by Bento Niquice]

[Text] Cargo transport between Vilanculo and other parts of the country will improve in the very near future, thanks to the construction of a ship of very large tonnage in this part of Inhambane Province.

The ship, which will have an engine, will hold about 97 tons of cargo and will be outfitted with all the equipment needed for navigation on the open sea.

At this time, no date has been named for when the cargo ship will go into operation, but it is known that construction work has been halted for want of two centerboards, essential to an undertaking of this kind.

Suleimane Amugy, a warehouser in Vilanculo who commissioned the ship, told our reporter that construction of a heavy cargo ship came of the need to make the most economical use of the few overland means of transport available to the district.

"We feel that we will save money using a ship to distribute merchandise, particularly considering the precarious conditions on most of our highways because of the terrorist actions of the armed bandits," Amugy explained.

He said that, in the beginning, the new ship will be outfitted with everything necessary to dock at any Mozambican port; it will put in regularly at the ports of Beira, Nacala, Inhambane and Maputo.

According to the speaker, the freighter will support fishing activity, since the coast of Vilanculo has potential for fishing.

Past and Present

"If we look at some factors in the past, we can say that construction of the first cargo ship in this area of the country since independence is the first step in restoring the fleet of large-tonnage ships which, in times past, were the pride of Vilanculo," remarked the NOTICIAS correspondent.

"'Organizacoes Joaquim Alves' alone, which owned the tourist hotels in Vilanculo, Inhassoro and Santa Carolina, used to have three large-tonnage cargo ships," continued our correspondent, adding:

"These ships, among others, were partially or totally abandoned by their owners, who fled from Mozambique just before or following the declaration of independence. Until they were taken over by the government, most of these ships were deteriorating for want of maintenance."

Now, 12 years after independence, there is not a single heavy cargo ship in Vilanculo. In view of this grim fact, warehouseman Suleimane Amugy decided to invest about 25 million meticals in construction of a cargo ship, which is so needed in that district.

Construction and Maintenance

According to Suleimane Amugy, "Building a ship means creating the conditions so that things will last for a long time," For example, he feels that the lack of maintenance idled a fleet of some half dozen large freighters which were operating in Vilanculo in the final days of the colonial government.

To minimize the problem, Amugy has already set up a mini-shipyard. When the freighter is built, the shipyard will be used for minor ship repairs.

The idea was born of the fact that, in Vilanculo, many fishing vessels are out of commission because of minor breakdowns.

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MOZAMBIQUE

CANADA FINANCES WATER PROJECT IN MAXIXE

Maputo NOTICIAS in Portuguese 11 Jul 87 p 3

[Text] The Canadian Embassy in Zimbabwe recently made credit in the amount of 25,000 Canadian dollars available to the CUSO-SUCO organization in Mozambique, to complete the installation of a plumbing supply and maintenance yard in Maxixe, basically for the manufacture of the lengths of terra cotta pipe for new wells and the repair of the water intake pumps, as well as the trucks involved in the water supply project in the central and southern region of Inhambane Province.

To repair the idled trucks which will be used in the project, there are hopes of obtaining another 15,000 Canadian dollars in financing, this newspaper learned from Rene Desjardins, the CUSO-SUCO representative in Mozambique.

The Maxixe yard is also used by the United Nations Children's Fund (UNICEF) and by Community Aid Abroad, organizations which are also taking part in the undertaking.

CUSO-SUCO, a private Canadian organization, entered the program in September 1985 for a 2-year period, with 139,000 Canadian dollars (about 42,000 contos) in financing, made available primarily by OXFAM-Canada.

This fund has been used up, although not all the plans have been carried out, because of changes in the cost of materials. Hence the need to request additional funding to complete the installation of the system. Further funding is now needed to rehabilitate trucks.

Adding to the cost is the expenditure for Canadian technical personnel--a hydraulic engineer and a mechanic--at a salary of 20,000 Canadian dollars a year for each cooperant.

According to Rene Desjardins, CUSO-SUCO representative in Mozambique, the delayed arrival of the Canadian technicians held up the start of the well-drilling until January 1986. "Despite this setback, however, the work has been moving along at a satisfactory pace--an average of five wells per month. By March 1987, we had dug 56 wells and repaired 4," he said.

Some 25 workers have been trained to perform this work; they operate in 7 brigades in Massinga, Panda, Jangame, Zavala and Inharrime districts and the

city of Maxixe. It is estimated that 150,000 people will benefit from the project in these districts.

Rene Desjardins said 139,000 Canadian dollars were spent to acquire equipment for the maintenance yard, construction materials, 50 manual pumps and the respective spare parts. He noted the support lent by the Inhambane Provincial Directorate of Construction and Waters in the execution of the project.

On the other hand, he considered the shortage of Mozambican technical personnel to continue with the project as one of the problems encountered, although CUSO-SUCO had made an effort to train Mozambican cadres, both for the yard and for the opening of wells.

Community Education

To ensure the long life of the wells which are being opened, a training course for monitors was initiated last month, attended by 21 individuals selected in the locales that are benefiting and will benefit from the opening of the wells and the installation of the manual pumps. In the future, the monitors will encourage the involvement of the public in the preservation and maintenance of the wells.

The monitors being trained now will also educate the people regarding the rules of hygiene to observe, to avoid contaminating the water sources. Another course is planned, with similar objectives.

To develop this community education program, the CUSO-SUCO has received 48,000 Canadian dollars (about 15,000 contos) in funding from the Embassy of Canada in Harare. In addition to the training of monitors, the money was used to purchase teaching materials.

Rene Desjardins stressed the importance of community participation in the preservation and maintenance of the wells and water pumps, as essential in keeping this precious fluid flowing for a long time. "However, to ensure public participation, the local organs must be involved in this effort," he said.

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MOZAMBIQUE

INHAMBANE PROVINCE GOVERNMENT APPROVES IRRIGATION PROJECT

Maputo NOTICIAS in Portuguese 20 Jul 87 p 3

[Article by Bento Niquice]

[Text] The Inhambane Provincial Government recently approved a drainage and irrigation project to improve about 3,000 hectares of land by 1990. The undertaking should alleviate the drastic food shortage in the province, commented a provincial government source.

The first phase of the drainage and irrigation project involves repairing the irrigation pipes and digging irrigation canals in some low zones that have been identified in the cities of Maxixe and Inhambane and in Panda, Jangamo, Morrombene, Homoine and Massinga districts.

In some cases, the drainage will be aided by motor pumps, 37 of which have been made available to the producers by the Provincial Office of Agricultural Hydraulics, an organ recently created as part of this project.

To guarantee this first phase of the project, the Inhambane Government has allocated 40 million meticals, which will be spent basically on the repair works and the opening of water pipes and irrigation ditches and also to acquire production tools, such as plows, hoes, axes and scythes.

In the first phase of the project, priority is being given to the irrigation pipes and ditches in lowlands. It is estimated that at least 800 hectares in various parts of Inhambane will be irrigated by the end of this year.

A source in Inhambane's provincial government told NOTICIAS that in this undertaking, priority will be given to such crops as grains, vegetables and fruits, among others.

Meanwhile, incentives will be continued for planting drought-resistant crops, such as cassava, which is already under cultivation in almost all areas of the province and has contributed decisively in lessening the effects of the drought that has raged in vast regions of this part of the country.

Other Notable Actions

Along with this project, noteworthy activities in the agriculture sector are in progress in various parts of the province, the purpose of which is to help to ease the severe food shortage in several zones.

One of these measures, the first to be carried out, was to divide the province into "agrarian regions," to facilitate supervision and control of the implementation of this agricultural production program.

In Homoine, for example, important agricultural programs are underway in Chinginguir and Inhamussua, including the propagation and improvement of several varieties of seed.

With the support of some international organizations, projects are in progress in Morrumbene and Massinga, which encompass, in addition to the agriculture sector, those of water and health.

Moreover, two agriculture-livestock enterprises were recently created in the cities of Maxixe and Inhambane; their principal function is to ensure the inclusion of the family, cooperative and private sectors in the drainage and irrigation program in progress in Inhambane Province.

Beneficiaries

Some peasants contacted by our reporters said that this project is a great conquest, particularly considering that, up to now, agricultural production in Inhambane has been dependent on rainfall and, if the rains are torrential, the floods destroy all the crops.

"Since 1984, I have not known what is to buy corn or rice, because I produce these grains on my own farm plot. With government aid, I think I would be able to sell a surplus to people who, for various reasons, are not directly engaged in producing food," said a farmer in Macuamene, in the city of Maxixe, one of the locales which will benefit from the drainage and irrigation project in progress in Inhambane.

Other peasants contacted by our "news team" in the lowland areas of Macuamene said they were quite excited about the program, calling it "the first large-scale action by the party and government in Inhambane Province to stimulate and encourage production."

A Little About the Past

Inhambane Province covers 68,470 square kilometers. It has a coast line of about 700 kilometers and its climate is described as maritime tropical.

The [land contours] in the province have tropical characteristics, commonly known as savannahs. In the west, where rainfall is more regular, the plants have subtropical characteristics, with large trees and wood of good quality for all types of construction.

Most of the soils in the province are red and yellow, with a high iron content, particularly in eastern Inhambane, and they are generally quite sandy.

According to historical documents regarding the province, it was always one of the areas "forgotten" by the colonial government.

Incidentally, Inhambane was one of several provinces in the country known for the recruitment of cheap manpower for South Africa's mines.

As happened in so many other areas of the country, agriculture in Inhambane was dependent on rainfall and was limited to the family sector.

To cite one example, according to some statistics available to us, until November 1986, the area under irrigation in Inhambane Province was no more than 3 percent of the total area of arable land.

The most common crops are corn, peanuts and cassava.

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MOZAMBIQUE

INHAMBANE BENEFITING FROM UNICEF-FINANCED WATER PROJECT

Maputo NOTICIAS in Portuguese 17 Jul 87 p 1

[Text] An estimated 62,000 people in Inhambane Province are already benefiting from the program financed by the United Nations Children's Fund (UNICEF) to supply water to the rural areas of the province. As part of this program, 96 wells have been drilled and 29 have been repaired. About 80 percent of the wells are located in the [central] and southern regions of the province and the rest are in the northern zone. In addition, 40 manual pumps have already been installed, 27 in wells and the rest in "furos" [deep wells], our reporter learned from Juan Carlos Espinola, an official with the UNICEF program in our country.

For this project, which was designed by officials in our country for the recovery of water sources which had been silted up or destroyed by the actions of the armed bandits, UNICEF granted \$1,000,800 in financing: \$1 million for the drilling and repair of "furos" and the rest for wells.

The project was initiated in December 1986, to run until July 1989. It is planned to dig 160 wells and to drill 72 "furos" and restore another 60. The population to be benefited from the project is estimated at 146,000 people, or an average of 500 inhabitants for each water source.

Juan Carlos Espinola reported that the Mozambican authorities are drafting a proposal for an extension of the project. He added that an engineer, who coordinates the project, and a mechanic are engaged in opening the wells. A hydrologist, a geophysicist, a master sounder and a sounding mechanic are involved in drilling the "furos."

To support the project to open and repair the wells and "furos," two plumbing supply and maintenance yards have been established, one in Maxixe and one in Vilanculo. The Maxixe yard supports the activities of the brigades that are operating in the central and southern parts of the province and the Vilanculo yard serves the project in the northern zone. Throughout the province, 12 brigades are engaged in the project.

For the work of opening and repairing the wells, the brigades are equipped with two tractors, two trucks and four traction vehicles. The drilling and repair of the "furos" is the responsibility of the GEOMOC [Mozambican Geological Enterprise] delegation in Maxixe, which has received a drilling rig mounted on a truck, sounding equipment, five traction vehicles and various materials.

In the southern and central regions of Inhambane Province, the CUSO-SUCO and Community Aid Abroad are involved with the project, providing 139,000 Canadian dollars and 60,000 Australian dollars, respectively. Community Aid Abroad is conducting an integrated development project in Morrumbene District; one component of the project is to supply water to the region.

Participation of Women

Juan Carlos Espinola told our reporter that community participation is an important part of the project. He stressed that it is primarily the women who are providing invaluable support for the brigades engaged in the undertaking.

He added that the location of the "furo" or well is always discussed with the people, giving consideration to such factors as the distance from the village or settlement which the well will serve.

"Insofar as possible, the people provide the brigades with food and lodging. They always make two people available to work with the brigade in digging the well" added Juan Carlos.

He also explained that, on completion of the well or "furo," a resident of the community is designated to be responsible for maintenance and preservation.

"In this activity, there is close cooperation with the local organs of the OMM [Organization of Mozambican Women], which have worked tirelessly to enlist the women in the activities of the brigades engaged in the project," concluded Juan Carlos Espinola.

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MOZAMBIQUE

ANGLICAN CHURCH DONATES FUNDS TO DRILL WELLS

Maputo NOTICIAS in Portuguese 20 Jul 87 p 3

[Text] The Anglican Church in Inhambane Province has made 3 million meticals available for the execution of a project to tap springs and drill wells to supply water to various points in this province, in support of the victims of the drought and of the armed bandits.

The donation was used to purchase 40 manual pumps and parts for the Emergency Water Supply Program, to serve the inhabitants in the neediest areas.

Of the 40 manual pumps purchased with the Anglican Church donation, 25 are already in operation, supplying water to 12,500 people in Zavela, Funhalouro, Vilanculo and Inharrime districts.

There are also plans to install other pumps soon in Morrumbene and Mabote districts and in the Tome Administrative Post, where soundings are already being taken in the respective locales.

It is estimated that, by its completion, the program could benefit about 20,000 people in various parts of Inhambane.

The project will also have a second phase, which will begin in the very near future. It consists in opening another 45 wells activated by manual pumps, as well as 80 open wells. According to a reliable source, this action will require the acquisition of more manual pumps and the respective parts.

The source added that the first works will be concentrated in the locales of Govuro, Mabote, Inhassoro, Villanculo, Massinga, Funhalouro and Panda and some regions in the southern zone of Inhambane, considered as belonging to the group of regions most affected by the water shortage in the province.

In these zones, it is estimated that 400,000 people should benefit from this emergency program.

To assess the present situation, it need only be noted that about 500,000 people, including some 100,500 children, are seriously affected by the drought and [the actions of] the armed bandits. The figure illustrates that more than half the population of Inhambane is suffering from the effects of the drought.

Moreover, it is estimated that more than 20 percent of the population (or about 160,000 people) have left their native areas for the cities and towns, because of the drought and the terrorist actions of the armed bandits.

In fact, in recent times, the migratory movement from the country to the cities and other urban centers has been creating severe problems with supplies of essential products in Inhambane.

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CSO: 3442/247

AIR FORCE EMPLOYS NEW TACTICS AGAINST RENAMO

Lisbon AFRICA CONFIDENCIAL in Portuguese 18 Jun 87 p 10

[Text] Mozambican government forces, supported especially by troops from Zimbabwe, have entered a new phase in their fight against Renamo. Instead of land operations involving the movement of many troops, the current tactic consists of launching intensive air bombardments against positions and areas controlled by Renamo. The town of Mutarara, which Maputo reported having retaken from Renamo, was subjected only to bombing.

Thanks to this new tactic, the government forces are no longer exposing their troops to the effects of the only operations of which Renamo is capable (ambushes and harassing actions). There was the further difficulty that the government troops were suffering heavy casualties because of their poor training and low morale. On the other hand, Renamo is relatively powerless against air attack.

It is also becoming increasingly obvious that Renamo has been growing less indiscriminate in selecting its targets and that it has been treating the inhabitants more mildly. In nine districts of Nampula Province that were recently attacked by Renamo, only military and administrative targets were hit.

Renamo's reorientation with respect to its operations is being pointed to as one reason why it is now being increasingly preferred by the inhabitants, especially in the war zones. The clear lack of popular support confronting the Army is one of the big obstacles to its effectiveness. In Buzi, the inhabitants voluntarily sought refuge in Renamo's areas "because there is a lot of food there."

That popular support for Renamo, which is noted by absolutely independent sources, explains why the rebels were able, in response to the increased pressure being placed on them in Zambezia, to withdraw to Tete and Nampula with practically no casualties or loss of equipment.

It is also well known that the Army still has no will to fight and that the troops are poorly fed and poorly uniformed. That reluctance to fight is also due to the fact that Mozambican soldiers feel somewhat inferior in the face of

the fair degree of organization, leadership, and discipline they see among Zimbabwean troops. To make the situation worse, the spirit of "resignation" is also visible in the Mozambican commanders themselves.

Another problem, and one that is growing, concerns the difficulties being faced by the Army in recruiting young men to serve in its ranks. One example: in the Buzi District, enlistments have not exceeded 500. With the help of their families, young men are sent into the jungle as soon as there is any suspicion that a recruitment operation is about to begin.

Except in Zambezia Province, where the military situation has grown somewhat calmer (see AFRICA CONFIDENCIAL No 17, page 10)--but where Renamo nevertheless remains in control of a few border posts--the rebels are still very active throughout the country. Since the beginning of the year, every district in Sofala Province except the city of Beira has been attacked. In Gaza and Inhambane, a new surge of Renamo operations is continuing (the well-protected Bilene Ranch has already been attacked).

Another noteworthy fact about the military situation is that the Malawian troops stationed in Malema to help protect a section of the Nacala rail line are now suffering their first casualties in contacts with Renamo.

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CSO: 3442/220

MOZAMBIQUE

BRIEFS

ITALIAN RICE ARRIVES IN BEIRA--In response to an appeal by UN Secretary Javier Perez de Cuellar, four Italian ships carrying various merchandise should dock at the port of the Sofala Province capital in the next few days. Meanwhile, on Friday, 10 July, another Italian ship left the port of Beira, having unloaded 1,300 tons of rice and four 7-ton Fiat trucks. This ship, the "Assia," was headed for the port of the capital of Zambezia Province, where it should unload 2,500 tons of rice and 11 Fiat trucks. It has been reported that the Italian Government will donate 15 Fiat trucks and 4,800 tons of various essential products (not included in the Geneva conference) to Sofala Province; the shipment should soon be unloaded in Beira. It is noted that, last May, a large Italian donation, consisting of 2 tons of freeze-dried foods, was unloaded in Beira, all destined for the patients at the Central Hospital of Beira. This was the first lot of a donation of food aid which Italy made available to our country as part of the Emergency Program and which is valued at \$20 million. This figure represents only the food products, we were told by Alfredo Bastianelli, charge d'affaires of the Italian Embassy in Maputo. Among other items, the products include powdered milk, sugar, refined oil, rice and freeze-dried foods. [Text] [Maputo NOTICIAS in Portuguese 17 Jul 87 p 3] 6362

CABO DELGADO GOVERNOR RECEIVES BISHOP--Antonio Simbine, governor of Cabo Delgado Province, had an audience last week in his office with Dom Januario Nhangumbe, bishop of the Diocese of Pemba. A government spokesman informed the press that "the meeting took place in an atmosphere of openness, understanding and similar feeling regarding the social and economic problems in the province, particularly regarding the people displaced by the war waged by South Africa, through the armed bandits." In this first meeting, described as an informal courtesy visit, Dom Januario Nhangumbe offered Governor Simbine "wishes for good health and success in his activities as leader of Cabo Delgado Province." On that occasion, the bishop of the Diocese of Pemba reiterated his own readiness and that of the Church which he represents to support the provincial government in its efforts to improve the social life of all the people. In the name of the Diocese of Pemba, the bishop offered a grain mill and a tractor, with the respective agricultural accessories, and proposed that they be delivered to the people of Macomia District. [Text] [Maputo NOTICIAS in Portuguese 11 Jul 87 p 3] 6362

CSO: 3442/240

UN MOVES TO HALT ROSSING MINE URANIUM ENRICHMENT

Johannesburg BUSINESS DAY in English 17 Jul 87 p 4

[Text] LONDON — The United Nations Council for Namibia has taken the unprecedented step of issuing a writ against the Dutch government in an attempt to stop the enrichment of uranium from the Rossing Mine in Namibia, the Independent newspaper in London reported yesterday.

The newspaper said the legal action was based on a decree the council issued in 1974 to protect Namibia's natural wealth while the territory remained under SA control.

"The council has spent 12 years preparing its litigation. Even Soviet bloc members had their reservations, possibly because they were wary of allowing the UN to interfere in a sovereign state.

"Lawyers in each of Namibia's seven main Western trading partners investigated the feasibility of legal actions.

"Only the Dutch government recognises the council and accepts the decree as part of its own domestic law.

"So, ironically, the European country most amenable to action against

SA, has been singled out."

The Independent said State-owned British Nuclear Fuels and a private West German firm were indirectly involved through a consortium with the Dutch, which runs the Urenco enrichment plant at Almelo.

Rossing Mine is controlled by the British Rio-Tinto Zinc company.

The British government is reportedly watching developments.

The Independent said one problem facing the council's lawyers would be to prove that the uranium actually came from Namibia.

"By the time it arrives at Urenco, it has gone through several processing stages, and even been mixed with uranium from other sources," said the newspaper.

The Independent said that if the council was successful in The Hague District Court hearing, which could begin by November, the Dutch government and two associated Dutch companies would face heavy penalties if Urenco continued to handle Namibian uranium. — Sapa.

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CSO: 3400/278

MOSLEM REJECTS ARMY SERVICE BECAUSE OF RELIGION

Johannesburg WEEKLY MAIL in English 17-23 Jul 87 p 5

[Article by Gaye Davis]

[Text] IT is *haram* — forbidden — for a Muslim to serve in the South African Defence Force or the South West African Territorial Force, religious leaders said in Cape Town this week.

A 26-year-old Namibian, Rashid Rooinasie, who has refused to be conscripted into the SWATF, explained his stand at a press conference. A national campaign to inform and mobilise Muslim youth in South Africa against conscription was announced.

In Namibia, men of all races aged between 16 and 25 have been eligible for compulsory military service since 1981. In South Africa, only white men are conscripted — but a recommendation that this be extended to all races was contained in a recent report by a President's Council committee.

Rooinasie, of Katutura township near Windhoek, said he appeared before Windhoek magistrate Frikkie Truter in March this year, when he pleaded not guilty to failing to report for military service. He said he was called up under the Defence Act of 1980 for two years' service.

His lawyer, David Smuts, submitted that South Africa's President PW Botha, parliament, the administrator-general and the minister of defence had exceeded their powers in making the Defence Act applicable to Namibians. Smuts asked that the matter be referred to the supreme court to test the validity of the laws in question.

The matter has been referred to the

attorney general for consideration and it is expected the case will resume in the supreme court.

Rooinasie said his objection to serving in the SWATF — "an extension of the SADF" — stemmed from Islamic laws which stated the role of a Muslim in a society ruled by an "oppressive government".

Quoting an Islamic scholar, Imam Al-Ghazzali, Rooinasie said: "He who associates with tyrannical rulers commits sin for, by his activities, silence, words and invocations he commits disobedience to Allah."

"Why defend the system responsible for the war in my country?" Rooinasie asked.

The International Court of Justice had ruled in 1971 that South Africa's occupation of Namibia was illegal. "I believe the matter should be referred to the International Court of Justice to establish whether black Namibians are morally obliged to serve in this immoral and illegal force," he said.

Imam Rashid Omar, president of the Muslim Youth Movement, warned the South African government against any attempt to conscript Muslims. "Islam views apartheid and the present government as an embodiment of evil and immorality. On the basis of our religious conscience, no Muslim is allowed to participate in the apartheid army — the same army which kills and maims innocent people in the townships and neighbouring territories. It is *haram*," he said.

CRACKDOWN ON ANC SPREADS ACROSS BORDERS

Mystery of 'Comrade September'

Johannesburg THE WEEKLY MAIL in English 24-30 Jul 87 p 5

[Text]

FEAR is rife in exile circles in Swaziland after disclosures that a former top African National Congress member is now working with South African authorities.

"Comrade September", whose real name is thought to be Lephath Sedibe, was kidnapped from a rural Swaziland prison last August. He has been seen in Swaziland since then — some say in the company of South Africans.

It is believed that September has a house in Ermelo.

ANC members and supporters have been warned to watch out for informers in their ranks. ANC supporters have volunteered information to the movement about "suspicious" people.

The former military commander

knows names and addresses of ANC people living in Swaziland. Since September's abduction the wave of attacks on ANC members has risen. Sources claim some of the attackers worked directly with September.

Swaziland police are known to be looking for September, but will not say why.

In spite of police pledges to intensify security, some ANC supporters question the local police's sincerity.

South Africa's increasingly violent "silent war" against the ANC in Swaziland has produced an upsurge of popular sympathy for the organisation. Ordinary Swazis are suspicious of strangers, especially whites driv-

ing South African registered cars.

ANC members have taken measures to protect themselves against attack, changing houses since the wave of terror which started in May.

Public support seems to have swung in the ANC's favour, providing covert assistance to ANC members despite police requests to report the organisation's activities.

ANC members were arrested on the day the police announced their new strategy during the height of the hunt for the "death squad".

The Swazi government was silent and the police reluctant to blame anyone for the latest wave of political murders.

Police said they were taking the hunt for the killers seriously and were still holding the taxi driver.

'Undeclared Civil War' Cited

Johannesburg THE WEEKLY MAIL in English 24-30 Jul 87 p 5

[Article by Patrick Laurence]

[Text]

SOUTH AFRICA'S undeclared civil war is being fought increasingly in the shadows as security force agents and guerrillas operating under false names try to outmanoeuvre and eliminate one another.

The killing by anonymous gunmen of two top African National Congress men in Swaziland a fortnight ago is a reminder of the secret nature of the conflict. Both ANC men, Cassius Make and Paul Dikeledi, were using guerrilla code names.

If the ANC had not chosen to acknowledge their assassination by what it called "South African agents", they may have been buried without acknowledgement or recognition in a foreign country.

Another reminder came last week with the appearance in court in London of four men on charges of plotting to kidnap top ANC men in Britain. Two of the four men, Frank Larsen and his son, John, were expatriate white Zimbabweans.

Appraising the situation the ANC chief representative in London, Solly Smith, said: "South African hit squads have been very active ... They are going all out."

There are signs that the secret war has intensified in recent months. Eleven ANC members have been killed in Swaziland alone in the past eight months. But the use of anonymous assassins — by both sides — is not new.

As far back as 1981 Joe Gqabi, the ANC chief representative in Zimbabwe and, like Make, a member of the ANC national executive, was shot dead by a hit squad.

Later unidentified saboteurs placed a bomb in a car in Botswana, killing the son of John Nkadimeng, another member of the ANC executive and a top man in the South African Congress of Trade Unions. Exiled former journalist Nat Serache narrowly escaped death when his house in Gaborone was blown up.

Several attempts were made, again by unknown men, to kill Chris Hani, the number two man in the ANC underground army, Umkhonto we Sizwe, while he was in Lesotho.

More recently anonymous gunmen using pistols equipped with silencers attacked "ANC targets" in Lesotho in December 1985, and Maputo in May 1987. They killed nine people in Lesotho, six of whom were ANC members or sympathisers. In Mozambique the victims were three Mozambique nationals, including a husband and wife.

The use of parcel bombs, another form of the secret and deadly war against ANC operatives or sympa-

thisers, has an even longer history. Victims include Jeanette Schoon and her young daughter, Katryn, and Ruth First, wife of Joe Slovo, general secretary of the SA Communist Party and former Chief of Staff of Umkhonto we Sizwe. Schoon was killed in Angola in 1984 and First in Mozambique in 1982.

Even earlier, in 1974, exiled student leader Abraham Tiro was murdered in Botswana when a parcel bomb exploded in his face.

These assassinations co-existed with open raids by South African commandos, of which strikes against "ANC targets" in Maputo in January 1981, in Maseru in December 1982 and Gaborone in June 1985 are key examples.

But assassinations by shadowy men are not the prerogative of suspected South African agents. ANC guerrillas who by definition operate under aliases carry out strikes of their own.

To cite examples: the car bomb killing of four white policemen outside the Johannesburg Magistrate's Court in May, the "execution" for alleged treachery in 1984 of black activist Ben Langa by two ANC men, the gunning down of black security policeman Phillipus Selepe in 1982, and the killing in the same year of B Hlapane, a renegade ANC member who gave evidence for the state in several security trials.

Another aspect to the secret war is the attempt by both sides to infiltrate one another in a protracted and perilous game of espionage and counter-espionage.

Not much is known about these intrigues. The recent display by the ANC of seven unmarked security police plants to the international press, and the current trial of two black security policemen for allegedly passing information to the ANC, hint at an on-going struggle for supremacy.

If the use of anonymous agents by South Africa's security forces is not new, it does appear to have intensified in recent months.

Leaving aside a raid into Swaziland shortly before Christmas last year, there has not been a major cross-border raid by uniformed South African security forces since May 1986. On that occasion South African forces made a tri-pronged and simultaneous attack at "ANC targets" in Botswana, Zimbabwe and Zambia. Since then,

however, the killings have continued, indicating, *prima facie*, the use of incognito agents and perhaps even of mercenaries.

The raid into Swaziland last December is a special case. South Africa did not acknowledge its role until Switzerland complained about the abduction of two of its citizens, Daniel Schneider and Corrine Bischoff, reportedly by white gunmen.

The complaint by Switzerland — whose relative friendliness to South Africa is greatly valued in official financial and diplomatic circles — precipitated a defiant admission of responsibility by Foreign Minister Pik Botha. Appearing on television, he warned that South African agents would even kidnap ANC men from Lusaka if South Africa's security was at stake. Botha's belated acknowledgement of South African responsibility for that raid, and his hypothetical justification of a kidnapping foray into London has made subsequent denials of involvement in undercover action in neighbouring states suspect.

The use of incognito assassins and saboteurs has clear advantages over undisguised cross-border raids, a well-placed source told *Weekly Mail*. International condemnation is usually more muted. Agents can usually move more quickly than, say, a commando unit. Their intelligence is thus less likely to be out of date (as it was in the December 1982 raid in Lesotho when 30 Lesotho nationals were killed).

The deployment of secret agents has another advantage. It can be more terrifying than cross-border raids. As a strategy for "terrorising terrorists," it may be more effective.

Once a commando raid is over, there is usually a lull. International anger ensures that South Africa will not embark on another attack immediately. ANC operatives can breathe easily again. But agents can strike at any time. There is a perpetual sense of unease.

Using trained agents to thwart ANC plans to intensify its "armed struggle" appears to have been given priority over cross-border raids in the past year in South Africa's corridors of power.

But it is only one in a range of counter-strategies deployed by the South African state against the ANC and its allies. These stretch from the deployment of proxies — vigilantes

in South Africa itself and dissidents in neighbouring countries — to the co-option of black notables at home and in the smaller and vulnerable adjoining states such as Lesotho and Swaziland.

Professor Mike Hough, of the Pretoria-based Institute of Strategic Studies, estimates that the ANC has lost

550 men killed and captured in South Africa in the last 10 years. He calculates that another 200 have died in cross-border operations by commandos and agents.

But it has neither stopped the flow of recruits to the ANC nor stemmed the explosion of bombs by its saboteurs. The "little war" is becoming very nasty.

Hit Squad Tactics Expected To Spread

Johannesburg THE WEEKLY MAIL in English 24-30 Jul 87 p 5

[Article by Howard Barrell]

[Text]

THE ANC expects the pattern of attempted assassinations and abductions of its members in Swaziland to spread to most countries giving shelter to it.

Senior ANC guerrilla commander Cassius Make, assassinated a fortnight ago, was the 11th person in eight months in Swaziland alone to have been associated with the ANC and to have died in what appears to be a series of closely organised assassinations.

Another six people, also all alleged ANC members or supporters, have been abducted from Swaziland over the same period. And most of them — a Swiss couple, Ebrahim Ismael Ebrahim (alleged by government spokesmen to be a top ANC intelligence operative) and Thomas Shongwe — have since reappeared in the hands of the South African police.

A fifth person, Sheila Moipone Nyanda, abducted from her home at Ukutula Estates outside Mbabane on the night of May 25/26, is currently being held at John Vorster Square and is to be used as a state witness in the pending trial of Ebrahim, according to the ANC.

Swazi police have yet to apprehend a single assassin or abductor.

Hit squad-style assassinations, in which silenced firearms have been used, have also taken place in Lesotho and Zimbabwe.

And four men are facing allegations in Britain of planning to abduct locally-based ANC exiles.

The ANC holds South African government agents responsible for the assassinations and abductions. It views the assassinations as an indication that the government "knows it does not have a political solution and that its resort to military repression has not worked".

As a result, "its bankruptcy has led it to employ state gangsterism and assassinations on a wide scale", a senior ANC military source who preferred not to be identified charged in a long-distance interview.

The source said the ANC saw no difference between the assassination of its members outside the country and of leading anti-apartheid activists inside the country, which had become particularly noticeable since September 1984.

"The same objective applies in both cases: eliminate by any methods your opponent.

"What has happened in Swaziland has provided the regime with a model. We expect the Swaziland model to

be employed more widely, and we have already seen the first signs of this. The model involves the use of hit teams who target specific refugees. These hit teams are serviced by an in-place structure of resident agents which can provide a relatively high degree of mobility and security to them," the military source added.

ANC sources have reported a marked increase in recent years in South African government attempts to penetrate its ranks. The government toll in numbers of its agents captured by the ANC has been high, the sources add.

The military source said his organisation was taking counter-measures but, he said, "you will understand we cannot comment on these".

In the case of Swaziland, the ANC's only recourse is to appeal for intervention by the Swazi government and the international community to secure both a release of the abducted people and an end to hostile actions against South African refugees living there — and it has done so.

Elsewhere, South African refugees show signs of believing they have no rational course other than to arm themselves and to stalk still darker shadows than those coming to look for them.

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CSO: 3400/0233

INCREASED CRACKDOWN ON ANC EXPLORED

London AFRICA ANALYSIS in English 24 Jul 87 p 4

[Article by Anthony Sampson in "The Sampson Letter" column]

[Text]

THE meeting of 50 Afrikaner intellectuals and politicians with the ANC in Senegal, followed by their welcome in Burkina Faso and Ghana, was only part of the broader strategy of the ANC in seeking to isolate Pretoria from every direction.

Thabo Mbeki, the leader of the ANC team, stopped in London on his way back to Lusaka; he says he was encouraged by the personal relationships that developed in Dakar. Many Afrikaners slipped easily into discussing their common future, and had received support for their visit from friends at home - as well as threats from their enemies.

But the more significant of the ANC's contacts remain the less publicised ones, by Afrikaners who prefer to move stealthily: such as Peter de Lange, the former head of the Broderbond, who has kept in touch with the ANC since he met them in the US last year; or Johan Heyns, the moderator of the Dutch Reformed Church, who met ANC delegates in New York last month.

The ANC has also been extending its reach into Western circles: a month ago, Mbeki was invited to speak at the Royal

College of Defence Studies, where he received a sympathetic hearing from British and Commonwealth military officers for his arguments about the necessity for the armed struggle.

The ANC is also (as I suggested in my last letter) becoming more sophisticated in its contacts with international business.

Within South Africa there remains a serious deadlock between business and black leaders. This week's meeting of the trades union federation COSATU, contrary to many businessmen's expectations, endorsed both full sanctions and total disinvestment, condemning the recent American withdrawals as mere 'corporate camouflage'.

But outside the Republic the ANC (as it made clear to the US Council for International Business in New York in June) has been putting much more emphasis on the need for collaboration with big business in the long-term, and South Africa's dependence on international trade and investment. The ANC is also becoming more interested in using corporations to provide business and banking training for its officials.

But as the diplomacy of the ANC's leaders is increasingly effective, their physical survival clearly becomes in greater danger. The recent killings of ANC people have included a member of the executive, Cassius Make who was shot and killed in Swaziland. It is undoubtedly part of a new determination in Pretoria to obliterate the ANC.

Recent evidence shows that, with this in mind, Pretoria has been recruiting mercenaries from foreign countries, including Pakistanis and Egyptians as well as British and other Europeans.

Foreign mercenaries have the advantage of being less suspect in black states and also being less subject to domestic pressures inside South Africa if they are caught, since Pretoria can simply disown them.

The most serious known attempt was last December, when a 23-year-old New Zealander in the SADF, Sergeant Martin, was caught in Lusaka after a bungled attempt to assassinate Mbeki. While the ANC leaders enjoy some protection in their journeys abroad, their safety within the front-line states is now much more at risk.

It is significant that the more the West, and liberal Afrikaners, see the ANC leaders as relatively moderating influences on black violence, the more Pretoria wants to wipe them out, and to prevent any possible negotiation.

But President Botha faces an obvious danger: that his more ruthless tactics will compel the West to give greater support to both the ANC and the front-line states.

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CSO: 3400/0228

ORGANIZATION, KEY PERSONALITIES IN PARALLEL GOVERNMENT DESCRIBED

London AFRICA CONFIDENTIAL in English 8 Jul 87 pp 1-4

[Text]

Convinced that South Africa faces a total Marxist onslaught from within and without, President P.W. Botha and Defence Minister Magnus Malan have, in reply, developed a new apparatus to ensure the cohesion of all departments of state. This is the National Security Management System, at the apex of which rests the State Security Council (SSC) and its complex labyrinth of committees.

The National Security Management System (NSMS) is an elaborate shadow state charged with combatting the revolutionary forces ranged against the state. Under the cover of the year-old national State of Emergency, it has usurped the functions of local councils and downgraded the role of parliament and the *National Party*. The SSC operates a parallel government, whose existence is unknown even to many whites. It is controlled by President Botha and his security chiefs.

After the failure of Botha's 1984 constitutional experiment, a security apparatus designed to resist radical change is now pouring money into the townships in an effort to buy off revolution with better housing, sewerage, electricity and the like. This is reform by stealth, carried out away from the eyes of a world press which the government both fears and despises.

The SSC was established by the Security Intelligence and State Security Council Act of 1972. According to this, its brief is to 'advise the government on the formulation of national policy and strategy in relation to the security of the country.' It is also responsible for determining national intelligence priorities.

Under the government of J.B. Vorster, the Council was not especially active. Its functions were performed on an informal and ill-defined basis by Vorster's intelligence chief General Hendrik van den

Bergh. But with P.W. Botha's arrival in office - and especially in the wake of the collapse of Portuguese authority in Angola and Mozambique - the SSC was upgraded from an advisory body to the main instrument for security policy-making.

Two former Defence Force chiefs, Gen. Magnus Malan and Gen. Constand Viljoen, played a leading part in this transformation. Military men are prominent not only on the SSC but also throughout the NSMS. Their high profile exemplifies the triumph of the Defence Force (SADF) over the National Intelligence Service and the Security Police. Indeed, the SSC's powerful secretary, Lt.-Gen. Pieter van der Westhuizen, is a former head of the SADF's intelligence arm, the Directorate of Military Intelligence (DMI).

As chairman, President Botha convenes weekly meetings of the SSC, usually just before cabinet sessions. The SSC can thus present recommendations to the cabinet with the president's stamp of approval, and the cabinet is consequently unwilling to turn down SSC proposals. Sometimes as many as ten cabinet ministers - half the total - have attended SSC meetings. This gives credence to claims by Pretoria that the delineation between the SSC and the cabinet is not as sharp as conspiracy theorists sometimes like to suggest.

Nonetheless, the SSC concerns itself with virtually every aspect of domestic and foreign policy. This means its military members are strategically positioned to influence discussions on a wide range of economic and constitutional matters, often to the intense irritation of the civilian ministers chiefly concerned.

The role of the military and police in foreign policy-making has increased dramatically in the past three years. On occasions, this has led to acrimonious

clashes between **Roelof 'Pik' Botha** and the generals, the latter taking a consistently tough stance on foreign matters. Numerous armed incursions into neighbouring states – the most recent involving Major-General **K. van der Waal's** Special Forces into Mozambique – testify to the hawkishness of the military in this sphere.

At times, there have also been reports of intense competition between the chiefs of the three intelligence agencies, partly the consequence of an ill-defined division of labour within the republic's intelligence community and partly the result of professional jealousies and personality clashes. There is evidence that the intelligence services use information selectively to strengthen their positions in the top councils of state.

Other individuals with specialist knowledge are sometimes co-opted from government and industry for particular sessions of the Council. If weapons procurement is on the agenda, the *Armaments Development and Manufacturing Corporation* (ARMSCOR) chairman **P. Marais** might be asked to attend. Another man with ARMSCOR connections as chief executive general manager between 1982 and 1986, **Fred Bell**, has also been included in SSC discussions. Bell recently left ARMSCOR to head a top secret sanctions-busting committee. Others may be co-opted when matters directly concerning their portfolios are under discussion, such as transport and trade.

The State Security Council

The membership of the SSC is as follows:

- President **P.W. Botha**, chairman.
 - Gen. **Magnus Malan**, defence minister.
 - Gen. **'Jannie' Geldenhuys**, chief of the SADF.
 - Lt-Gen. **André 'Cat' Liebenberg**, army chief.
 - Lt-Gen. **Denis Earp**, air force chief.
 - Vice-Admiral **Glyn Syndercombe**, navy chief.
 - Lt-Gen. **Kobus Niewoudt**, chief of army medical services.
 - Vice-Admiral **'Dries' Putter**, director of military intelligence.
 - Lt-Gen. **van der Westhuizen**, SSC secretary.
 - **Roelof 'Pik' Botha**, foreign minister.
 - **Adriaan Vlok**, law and order minister.
 - **Chris Heunis**, minister of constitutional development and planning.
 - **Barend du Plessis**, finance minister.
 - **H.J. 'Kobie' Coetsee**, justice minister. Coetsee, a former deputy minister of defence, has for long been a special adviser to P.W. Botha on intelligence and security matters. He is a rising star of the security establishment. On 1 April President Botha transferred the administration of certain security acts to Coetsee's justice ministry.
- In addition, the SSC includes the top officials from the five departments named above, plus **Dr J.P. Roux**, director-general of the State President's department. Other officials are:
- **Dr Lukas Neil Barnard**, director of the National Intelligence Service.
 - **Hennie de Witt**, police commissioner.
 - Major-Gen. **Johann van der Merwe**, chief of security police.
 - **André Bosch**, director of security legislation. Bosch is increasingly important as the legal apparatus of the emergency is tightened.

Apart from the Council, the NSMS has four basic structural components: the SSC Work Committee; the Secretariat; inter-departmental committees; and the Joint Management Centres.

The Work Committee is the engine of the SSC, designed to provide expert back-up. Its main function is to discuss all matters which are to be put before the Council and to make recommendations regarding the advice the SSC should give to the cabinet. It also reports on the implementation of policy mandates given by previous SSC meetings.

Its membership is composed of the highest-ranking officials of relevant government departments. Its chairman is Lt.-General **van der Westhuizen** who is also secretary to the SSC and the Secretariat's director. The Work Committee meets weekly, a few days before scheduled SSC meetings, with an average attendance of a dozen.

It has 13 inter-departmental sub-committees, the very titles of which suggest the extraordinary scope of programmes that have been included under the security umbrella. These are Manpower, Transport, National Economy, Civil Defence, Government Funding, Science and Technology, Cultural Affairs, Community Services, Security Forces, Telecommunication and Electrical Power Supply, National Supplies and Resources, Political Affairs, Security. To ensure that national strategy filters down throughout the state bureaucracy, military advisors sit on all 13 committees. Many of the national security policy recommendations that reach the SCC originate in these inter-departmental bodies.

The SSC Secretariat has its headquarters at Byron Place, an eight-storey office block bristling with antennae located in the business centre of Pretoria. Here preside **van der Westhuizen** and his deputy, Lt.-General **Alex Potgieter**. A brilliant career soldier – and the youngest ever officer to be appointed to the rank of both colonel and brigadier – Potgieter took up his post in 1986. As one of South Africa's former armed forces attachés in Washington, Potgieter has a wide-ranging approach to security and defence matters.

He replaced Major-General **J.F.J. van Rensburg**, a hardline cavalry officer with a formidable reputation as an in-fighter. Van Rensburg has a finger in every pie. A graduate from the University of the Orange Free State, he has remained at the centre of the NSMS, staying on to work in the Secretariat.

The Secretariat functions to support both the Work Committee and the SSC in the performance of their duties. It coordinates between departments and ensures implementation of SSC/cabinet security decisions. At the same time, it coordinates and evaluates the work of the South African intelligence services.

There are four branches of the Secretariat:

- **Strategy:-** responsible for the overall formulation of strategic options. It also has a coordinating role in monitoring the implementation of policies by the executive departments.
- **National Intelligence Interpretation:-** this does not generate its own intelligence. Rather, it interprets material provided by DMI, NIS, the Security Police and the Department of Foreign Affairs. It has responsibility for evaluating intelligence on a national level through a joint effort of members of the intelligence community.
- **Strategic Communications:-** focuses on 'combating the war of words', a clear hint that it is engaged in psychological warfare, propaganda and - as some critics allege - disinformation.
- **Administration:-** this fourth branch handles purely administrative tasks.

The Secretariat has a staff of about 90, drawn from various government departments. Of these, almost 65% are thought to be SADF personnel (mostly from DMI), some 25% are NIS and almost 10% are from Foreign Affairs. The South African Police (SAP) representation is presently limited to two or three officers. However, there is a numerical preponderance of NIS over Defence Force staff on the Secretariat's National Intelligence Interpretation branch. This can be explained by the Secretariat's preoccupation with intelligence evaluation - the NIS's bread and butter. It is also known that in recent months NIS director Dr. Lukas Neil Barnard has had a closer working relationship with the state president than hitherto.

SSC boss van der Westhuizen very rarely appears in public and - like the NSMS itself - is virtually unknown to most South Africans, black or white. But he is a man of formidable organisational talent and intellect. In practice, the ex-DMI chief occupies a pivotal position through which all important recommendations must flow before submission to the SSC. He is uniquely placed to regulate input to the republic's highest strategic decision-making body.

Yet it would be misleading to overplay the institutional origins of key figures in the National Security Management System. Officials within the NSMS are beginning to identify with the system as a whole.

Below the national level are regional Joint Management Centres. The system is known loosely as GBS, *Gesamentlike Bestuursentrum*. There are 11 of these - conforming to the boundaries of the SADF area commands - but they are presently being reduced to nine, to coincide with the country's new economic development areas. This reflects the high premium placed on development issues by the government.

Overall political responsibility for the GBS (and its Action Committee for tackling urgent problems in the townships) is in the hands of Roelf Meyer, a rising star in the *National Party* ranks. He took over this task, together with the deputy defence minister portfolio, when Adriaan Vlok moved up to replace Louis Le Grange in last November's reshuffle. Le Grange is now the speaker in the white National Assembly.

Centred in the main cities, and chaired by a military or police brigadier, each JMC is composed of some 55-65 officials and security service officers. All government departments are represented on them.

One step down are 60 sub-JMCs. These roughly coincide with the 'super-municipalities' - Regional Service Councils - being established by the government in the major metropolitan population areas. Sub-JMCs consist of city officials, together with the local SADF and SAP commanders.

At the bottom of the pyramid, at the grassroots level, the GBS takes the form of mini-JMCs. There are 448 of these. Some of them are very active; others are little more than a shell, ready for active operations should the necessity arise. At this juncture, they correspond to local authorities, such as town councils. 'Minis' are made up of a wide cross-section of local officials, including fire chiefs, postmasters, civil defence officers and councillors. They report upwards to a sub-JMC which in turn reports to a JMC and so on up the line.

Thus, to illustrate with one example, the JMC responsible for the Witwatersrand coincides with the Witwatersrand Command of the SADF. Four sub-JMCs report to it: East Rand, Johannesburg, Soweto and West Rand. In turn, the turbulent township of Alexandra is one of several 'Minis' reporting to Johannesburg.

In this fashion, the entire country has been enveloped within the burgeoning embrace of the NSMS. Colin Eglin, leader of the liberal *Progressive Federal Party*, recently described the development of this mirror hierarchy as 'a very sinister political development'. And in the view of Frederik van Zyl Slabbert, Eglin's predecessor as head of the Progressives, the GBS edifice is aimed at crushing black rebellion through a policy of coercion and co-option: 'We are going to have an executive president governing in conjunction with the military and security apparatus...The party's no longer important; it's the structure that matters.'

The Alexandra Effect

The township of Alexandra, home to 110,000 blacks outside Johannesburg, has been the subject of a massive effort by the local organ of the National Security Management System to improve material conditions and remove radical agitators.

Set up in August 1986, the 'mini' committees operating in

Alexandra at first concentrated on law and order. This involved a search by thousands of troops. Searchlights and arc-lamps were installed to light up the streets at night. Hundreds of suspected radicals were detained for interrogation. At the same time, the government announced a Rand 90 mn. programme to upgrade the town by 1990.

The Alexandra Joint Management Committee, which has overseen this initiative, has a security committee which meets daily. It is dominated by army and police officials. The political, economic and social committee, on the other hand, is composed of local officials (none black) under Alexandra Administrator **Steve Burger**. The Communications committee, crucial to the success of the whole operation, is chaired by a representative of the Bureau for Information. Since June 1986 the Bureau for Information's national head of planning and research has been Major-General **P.J. 'Tienie' Groenewald**, a top military intelligence man.

Each JMC - at regional, sub or mini level - has three specialist committees:

- The security committee (VEJ-kom, from the Afrikaans acronym).
- The political, economic and social committee (PES-kom).
- The communications committee (KOM-kom).

JMCs concentrate on developments in their own particular areas. Lists of local grievances are drawn up, ideas on introducing or improving community facilities are compiled and tabs are kept on important local figures, especially agitators. At the same time, incidents involving stone and petrol-bomb throwing, boycotts, and other forms of anti-apartheid resistance are monitored for upward transmission. Strenuous efforts are made to anticipate and identify potential flashpoints before they build up into major problems. Vast sums of money are being poured into the townships for such purposes.

The GBS system is intended to identify and neutralise activists in the black townships, but also to win their hearts and minds - an indispensable dimension to any counter-insurgency campaign. By providing services such as water, electricity, sewerage and clinics, the purpose is to portray the government and its agents in a favourable light.

In the process, intelligence on the activities of black militants is gathered through the security forces' extensive *impimpi* (informer) network. This network is being steadily rebuilt after suffering serious setbacks during the height of the 1985/86 unrest. A key figure in this process of reconstruction is Major-General **Charles Lloyd**, a former military supremo in Namibia. A leading proponent of the 'hearts and minds' approach to counter-revolutionary strategy, Lloyd has been appointed to the newly-created post of SADF chief of Internal Security covering the black townships. Soldiers are more acceptable than the police to many blacks. The SAP is universally despised in the townships.

In their bid to ensure maximum cooperation, KOM-koms have been given the dual function of carrying out disinformation campaigns, while at the same time keeping residents fully informed on devel-

opments which strengthen the government's position.

Via newspaper coverage and pamphlets, the benefits of stability and peace are stressed. No opportunity is missed to credit black councillors with improvements in the quality of life. In some townships, cartoon characters depict the 'comrades' as rats, whilst the nice guy ('Alex' in Alexandra township) is portrayed as a law-abiding and forward-looking character with the true interests of the people at heart.

Yet the real nature of this counter-system has, interestingly, been emphasised from within the JMCs themselves. In the Stellenbosch 'Mini', for instance, friction has existed not so much between the military and the police, but rather between the security forces on one side and civilians on the other. Some white councillors have charged that the JMCs are anti-democratic, that they dilute the authority of elected politicians and that the system militarises the country.

Security establishment officials such as Colonel **J.C. du Preez**, assistant chief of Military Intelligence at Western Province Command headquarters, counter by arguing that the system is a peace corps with no independent budget, that it makes no political decisions and that civilians outnumber military personnel at every level of the GBS. But as one senior SADF officer in the SCC candidly put it: 'Numbers aren't everything'.

This is underlined by the fact that Stellenbosch JMC actually includes two or three blacks on its board of some two dozen. Their identity is a closely guarded secret. Along with substantial representation of both the SAP and the SADF, there are also a couple of businessmen, local members of the *Afrikaanse Handelsinstituut*, the Afrikaans Institute of Commerce. The business community plays a vital role in the National Security Management System.

Farmers, too, have been drawn into the NSMS. This is to counter the increasingly daring activities of *Umkhonte we Sizwe*, the military wing of the *African National Congress* (ANC), whose military commander is **Joe Modise**.

There has been greater emphasis recently on area defence, in which the military infrastructure is being hardened in the rural areas. Emergency services and locally based militias - the Commandos - given the task of protecting their home areas, have been placed on a 365-day-a-year alert. The streamlining began in 1983 but has been accelerated during the last 18 months. Contingency arrangements include plans to resettle rural blacks in fortified or protected villages. Greater border security measures include building electrified fences, installing electronic warning devices and creating depopulated free-fire zones.

After the border regions, farmland in the northern and northwestern Transvaal is regarded by the SADF

as its second line of defence. Maj.-Gen. **Georg Meiring** has recently replaced Charles Lloyd as commanding officer of the sensitive Northern Transvaal command. Fresh from three years' service as security supremo in **Namibia**, Meiring is a man with considerable counter-insurgency experience under his belt.

With a 30% decline in the white population of some of these areas, ANC active service units' operations have become easier in abandoned *bushveld* sectors. Subsidy inducements aimed at preventing the exodus and resettling deserted farmsteads have therefore been stepped up.

Farmers incorporated into police and army area defence units have been linked to each other and to the SADF by the Military Areas Radio Network (MARNET), a system along the lines of **Rhodesia's** 'Agric-Alert' in the 1970s and a similar network in **Namibia's** 'Murder Triangle'. The system keeps farmers in areas which have been identified as vulnerable in constant communication with a permanent control station at the local Commando headquarters.

Because their manpower resources are stretched, the army and paramilitary police have chosen to train and arm the farming community. For the past two years, SADF and SAP officers have been visiting border regions of the *platteland*. Farmers and their wives are trained to use a variety of firearms and also receive instruction in basic tactics. With their fieldcraft and intimate knowledge of the terrain, farmers are supposed to bear the primary burden of tackling and containing local insurgency. The regular forces are then available as a quick reaction backup. However, in the areas bordering **Botswana**, **Mozambique** and **Zimbabwe**, localised vulnerabilities, related to drought, urbanisation and a growing number of guerrilla attacks, remain. Yet there is little evidence to date of ANC success in establishing rural-based cells in South Africa itself - though this may be less true in the scattered territories of the homelands.

The role played by the business community in the National Security Management System will be the subject of a future article ●

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CSO: 3400/0228

SHELL SPELLS OUT SOCIAL, COMMERCIAL REASONS FOR STAYING

Social Responsibility Cited

Johannesburg FINANCIAL MAIL in English 17 Jul 87 pp 30, 31, 32

[Text]

What a pity the main news this week was the visit of the 40 wise Afrikaners to the African National Congress in Dakar. A far more important event went relatively unnoticed back at

home.

Shell is staying on in SA. In spite of no short-term advantages, they feel they have a social responsibility in contributing to a new South Africa.

This is an unequivocal commitment to fostering economic wellbeing, as well as significant social and political change, from one of the world's largest corporations. And it comes in the face of a general flight of the multinationals, some of whom were protesting their commitment up to and including the eve of their departure. It comes, too, after formal boycotts of Shell products in 11 countries and vandalism of its petrol outlets.

But why, it might well be asked, should Shell be different? What is to stop it simply uprooting when the anti-apartheid heat becomes too hot?

The answer to that must be sought partly in a major document released last week spelling out in detail Shell's reasons and aspirations in this country. Simply put, we understand it to mean that Shell is a giant multinational that has been a player for a long time and has learnt to take a rather different and extended view of geo-political opportunities.

It has learnt from extensive operations in 150 countries, with very different characteristics, and from the vagaries of scientific

advances, that it pays to transcend the follies of parochial governments.

Shell wants to be part of the process of change in Africa's richest and dominant economy — and thereby be around to reap eventual rewards. Few would argue that the potential for them is anything but substantial. As executive chairman John Wilson tells the *FM* (see *Face to face*): "Once you're out, you're out."

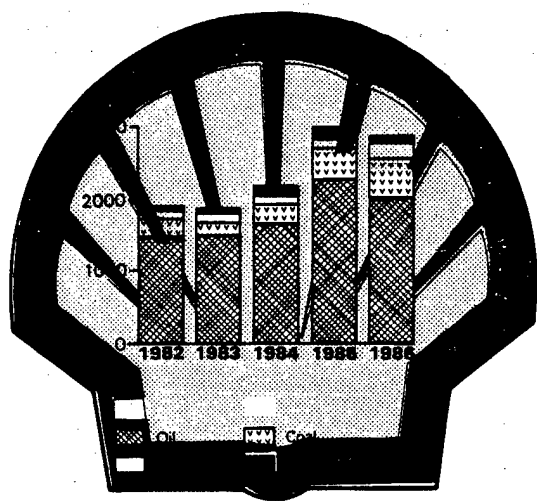
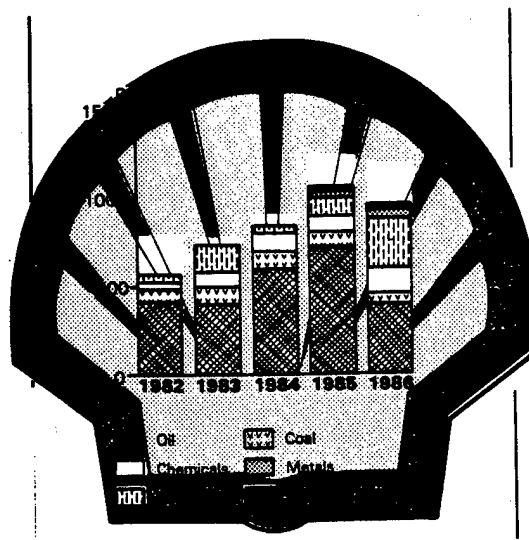
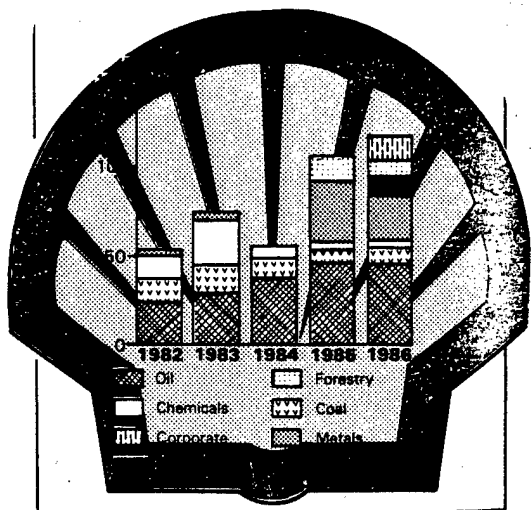
This commitment is no less real or significant because there are few companies besides Shell which are large enough or sufficiently prescient to make it. Nor is it less so because boycotts haven't hit its sales (so far they've actually risen) and because its South African operations represent only 1% of its net earnings (see next leader).

But there is a further point of no mean importance. The strong anti-apartheid position it plans to adopt is going to attract political controversy, if not the full weight of President P W Botha's ire. There is enough potential trouble in that to serve as an earnest indication of genuine intentions.

It is safe to say that no business grouping has ever served such strong notice on a South African government, that its race policies are both morally unacceptable and politically unsound.

Thus, speaking at a senior staff conference held in Cape Town in August 1986, Wilson said: "I nailed Shell's political colours to the mast. I stated that this business condemned apartheid, and would do all within its power to eradicate this unjust system." And: "We are totally committed to the concept of freedom for all in an equal society."

If Shell's policy stance — on the reasoning derived above — is to be taken at face value,



then there is a great deal to commend in the package. It hardly needs to be stressed that Shell is correct in contending that its withdrawal from SA could not effectively advance the black cause.

Lo van Wachum, the senior group MD of the Royal Dutch-Shell group of companies issued a policy directive in September 1986 which put the argument against disinvestment rather effectively. He said: "Shell SA is a mature company, managed and staffed by South Africans, and making no calls on its shareholders for funds. Its fixed assets cannot be physically removed. Therefore withdrawal or disinvestment would mean no more in practice than selling the title to the assets.

"Crude oil supplies to SA would not be affected either, because no Shell company outside SA is involved with them ... I believe that the sale of Shell assets in SA for political reasons would be no more than a symbolic act."

Withdrawal "would not be a demonstration of moral rectitude but of moral weakness. It would be washing one's hands of any further social responsibility, let alone any continuing responsibility for Shell employees in SA."

To bolster its overtly political stance within SA, Shell is addressing the issue of black deprivation in a great number of practical ways. Shell SA's *Business Report* for 1986 describes the group's "social responsibility programme" — which includes a number of valuable commitments. A new effort is the "technikon option," a programme to support black students at technikons, where they can acquire "practical career-orientated qualifications."

And 1986 was the second year of operation of Shell's independent Mathematics & Science Resource Centre (under the direction of Dr Philip Botha) on Natal University's Durban campus. The centre, which is run on entirely non-racial lines, concentrates on providing in-service training courses for black teachers, and curriculum extension and pupil enrichment programmes for black secondary school pupils.

Shell also supports the Centre for Continuing Education at Port Elizabeth University, other similar university projects, as well as scholarships and bursaries. And Shell has made a donation of no less than R1,5m to UCT to purchase a block of flats for additional residential accommodation — which, of course, would be open to students of all ethnic groups.

The group is also making important efforts to promote black small business devel-

opment. Shell's recently acquired forestry project in northern Natal (the Loring Rat-tray Forests) incorporates an associated cottage industry in a converted warehouse.

The group is investigating the establishment of industrial parks for black entrepreneurs in various centres, and a community project is in the pipeline at the Pering lead and zinc mine. Shell is also a contributor to the Urban Foundation — to provide black housing — along with a host of other charitable commitments.

Where the *FM* has some modest reservations is perhaps in the area of rhetoric rather than action. Some of the words chosen by Wilson on recent occasions tend to give the impression — if taken at face value — of uncritical endorsement of some of the policy goals of black radicalism.

He has used the phrase "a unitary democratic state" for post-apartheid SA while Shell subscribes to the principles of the SA Federated Chamber of Industries' Business Charter of social, economic and political rights — which endorses the principle of universal franchise. But Wilson tells the *FM* that he did not exclude the application of federal principles or of a qualified franchise if negotiations about the future of SA arrived at these approaches. He also conceded to the *FM* that redress of economic inequalities might better be achieved through black upliftment rather than through outright "redistribution."

But it would not be in anyone's interest if black radicals came to believe that Shell supports uncritically some of its more questionable demands, such as redistribution of income or an untrammelled universal adult franchise in a unitary state. It can hardly be in the interests of the largest industrial company in the free world (on assets, the claim is true) to give the impression of unlimited support for such ultimately inimical and even dangerous aims — in the context of SA as it stands today, with its multiplicity of racial and interest groups and fears of race domination.

Finally, Shell may well end up in an ambiguous position. Implicit in the political and social role it intends to play is the assumption that it can significantly thwart the policies of a sovereign government and that it is right to do so.

That would tend to lend credence to the belief — hitherto unproven and probably wrong — of misguided economists like John Kenneth Galbraith, that multinationals are capable of subverting, and have subverted, the sovereignty of Third World states. The evidence for that is not yet in — and whether SA, with its developed First World sector, will prove the exception is open to question. Otherwise, Shell must be commended for its practical and dynamic approach to doing business in and with SA. ■

Interview With Shell Chairman

Johannesburg FINANCIAL MAIL in English 17 Jul 87 p 31

[Text]

John Wilson is chairman of Shell SA, and known for his concern that business should be socially responsible. As chairman of the Federated Chamber of Industries he helped oversee the FCI's Business Charter of Rights in 1986.

FM: In your latest *Business Report* (BR) you make a strong commitment to remaining in SA. Cynics may say that IBM and General Motors did the same and then pulled out. Why is Shell any different?

Wilson: Firstly we've been in SA for 75 years; and secondly we've looked ahead and see ourselves in business in perpetuity. We're a profitable company — we make no bones about it — but we believe we should make profits in a socially responsible fashion.

Shell is looking to entrench its position in SA, and to do so we have to be aware of the composition of the total population. We see SA as one people, one country. We try to get this message across to our own staff. Our feeling is that if we pulled out of SA we would be pulling out of what we believe is going to be a very lucrative market. SA is a growth country with enormous potential, and once you're out, you're out. We've worked in many countries where there have been upheavals, but business has continued.

How important is Shell SA to the Shell Group, and at what stage would the balance tip away from the advantages of remaining in SA?

That's difficult to answer. The shareholders have a strong commitment to Shell SA because we've been operating for so long, we're profitable, and we're staffed almost exclusively by South Africans. Less than 1% of our 4 000 staff members are expatriates. The MDs have a tremendous commitment to the Shell SA "family." The Group has been prepared to put up with the "hassle factor" for probably the last 10 years. Formal boycotts of Shell products have now been launched in 11 countries.

The strong political statement in the BR is obviously aimed partly at countering the criticism Shell is facing overseas. Is this a strategy devised by the Group, or purely a Shell SA initiative?

I have never been coerced into saying anything I've said by the Group. Sharehold-

ers have always been surprised at what we have said when we've said it. We, as an operating company, and my own executive board, have expressed our views not only in the way in which I have done so in this particular *Business Report*, but on a number of other occasions. We believe that if there is to be a strong and vibrant economy, we've got to break away from many of the restrictions that currently exist.

You refer in the BR to the need for strong economic growth in SA in order to generate greater income for redistribution, but you offer little if any criticism of government economic policy. Why is this?

Political policy is totally overriding. Until we solve the socio-political problem, we're not going to generate the level of credibility SA requires first of all to attract capital — which we really do need as an under-developed country — and then to create jobs.

You state in the BR that multinationals should not abandon the South African ship even though some may "drown" in the process. Isn't this rather a harsh attitude, particularly in the light of your own group's general business principles which include criteria for investment which presumably will be used to decide whether to leave or stay in a particular country at any given point?

If it becomes totally impossible to stay, I think you've got to recognise that you won't get back in. But when I look at the spectrum of those who have withdrawn, I find it difficult to understand what justification some of them could have had. I'm not going to mention names, but the roundabout fashion and the obvious ruses that have been used don't create any confidence in that company in the South African community.

Do you believe the strong political stand, particularly on disinvestment, will influence other multinationals?

I hope so. I hope people will appreciate that we can't afford to be silent. We don't want a situation to develop once again as we've seen in Western Europe in a certain country where people said "we didn't know it was going on." Take for example the sudden onslaught (by the authorities) on the trade unions. Who in the business community has said anything about it? You can count them on half the fingers of one hand ...

P W Botha recently showed how easily a powerful businessman can be humiliated if he

dabbles in politics. What of the intimidation aspect?

He tried the same with me last year when I was president of the Federated Chamber of Industries. I don't believe we can allow ourselves to be intimidated and bullied. ■

Price for Decision To Stay

Johannesburg FINANCIAL MAIL in English 17 Jul 87 p 32

[Excerpt]

The price the Royal Dutch/Shell group is paying for its decision to stay and fight in SA is, as yet, unquantifiable. There is no sign that sales have been affected by the boycott campaign which started in the US 19 months ago and has since spread, principally to Holland, Denmark, Sweden and Britain.

Indeed, according to Michael Le Q Herbert, "all the evidence suggests sales are increasing in the boycott countries." It is a limited affair, according to him, and Herbert disputes the anti-apartheid movement claim that a dozen countries are participating.

Outside the first five there is "some activity" in Australia.

But the group has encountered no official pressures in any Commonwealth nation in spite of their demands for disinvestment and an oil embargo. "There has been the odd newspaper article, but really nothing at government level," Herbert says.

Nonetheless, Royal Dutch-Shell is concerned, and is devoting an increasing amount of management time to pleading its case for staying on in SA. Violence against it has so far been limited to Europe: for the most part, filling stations daubed with slogans and pump hoses slashed — 29 were hit in one night in Denmark. In five cases attacks have been more serious with fires started and petrol flushed into sewers. While the minor picketing and distribution of leaflets — also suffered by food retailers — which manifests itself in most of the campaign is merely an embarrassment at this stage, Shell is obviously "worried that sooner or later someone will get hurt."

At official level Shell has yet to suffer the loss of business which Barclays Bank endured when Labour-controlled local authorities switched accounts elsewhere. In the UK, Shell has said it will take councils to court if they boycott its products for the reason that to buy Shell is to infringe the Race Relations Act. Leicester County Council has withdrawn its threat. But the London borough of Lewisham has yet to do so, although it has not implemented a ban.

Patently, the group does feel hard done by for being singled out of the quintet of oil multinationals operating in SA. This is put down to a combination of factors, including a trigger point provided by the Rietfontein strike and possibly the size of Shell, a foreign company, in the US market, SA and worldwide where it rivals Exxon. In addition, there is the existence of a highly active anti-apartheid lobby in Holland.

The net effect, however, is to leave Royal Dutch-Shell feeling a little lonely on occasion with its head well above the political parapets in SA — vide its full-page advertisements in the *Weekly Mail* — and outside. Herbert concedes that SA is probably the only Shell market in the world where it would make such highly political statements. It is not, for example, being boycotted because it operates in Chile. "It's a very peculiar situation," he notes.

While Shell's stance within SA is decided by the local management, it has the full support of the parent group. "We do feel that the business of business is business and not politics," says Herbert.

MOSSEL BAY DRAWS ON EUROPEAN EXPERTISE

London AFRICA ANALYSIS in English 24 Jul 87 p 8

[Text]

TWELVE European companies are developing the \$2.5bn oil-from-gas project in Mossel Bay, South Africa. When the conversion plant is fully operational in five years' time, it will provide about 5% of South Africa's oil needs. Most of the companies involved - six British, five West German, and one French - have been prominent in North Sea exploration and development, according to a newsletter published by the Amsterdam Shipping Research Bureau.

The British companies include Crawford and Russell, controlled by the Trafalgar House group, and Brown and Root, a subsidiary of Halliburton, an American engineering firm. Others are ICI, which is tendering for the gas processing plant, Northern Engineering Industries, the Howden Group, and Humphries and Glasgow - also controlled from the US. Several of these companies are acting through subsidiaries in South Africa.

The West German involvement comes through Lurgi, a subsidiary of Metallgesellschaft, which is closely linked to Hoechst. The company which was involved last year in the transfer of submarine blueprints to South Africa, Howaldtswerke-Deutsche Werft, is also hoping to be a participant in Mossel Bay. The French tube-producing concern, ETPM, has formed a tie-up with the SA steel company Dorbyl, a part of the Rembrandt group.

Contracts have already been given out for design work on offshore platforms to a joint-venture firm believed to have British expertise behind it.

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CSO: 34000238

NEW BETASEAL PLANT OPENED

Johannesburg FINANCIAL MAIL in English 19 Jun 87 p 84

[Text]

This week SA is taking one step further along the road to import substitution and self-sufficiency in speciality chemicals, with the opening of a new R2m Betaseal plant at Chemical Services' Chloorkop factory in the Transvaal.

Betaseal is the trade name for a chemical compound used for fitting windscreens to cars where the windscreen is flush with the bodywork. The majority of new model cars on the market are now designed along these lines, with the windscreen and rear window forming part of the structure of the car itself. Typical examples are the Toyota Cressida and Corolla ranges, the Audi 500 series and the Ford Sierra range. In fact, all SA motor manufacturers produce at least one model of car that employs this technique.

Up to now local motor manufacturers have had to import Betaseal from Europe. The compound is widely regarded as the market leader in the application of flush-mounted glass in the automotive industry.

Since 1982 Chemserv has sold (under li-

cence to Gurit-Essex of Switzerland) the company's sealants and bonding system in SA. But late last year the two companies decided to improve the service to the local motor industry by setting up an SA manufacturing facility.

Supervision of the plant is under SA management who will, in the technical area, report to the licensor Gurit-Essex. Quality control at the plant is directly supervised by the quality assurance management of Gurit-Essex. The technology behind Betaseal was first developed by Essex Chemicals in the US and subsequently further developed by Gurit-Essex.

The plant should save around R500 000 a year in foreign exchange. Local content of the product will start off at around 40%, rising to 90% over the next two to three years. AECI has a 57% interest in Chemserv which concentrates on speciality chemicals and last year turned over close to R160m. ■

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CSO: 3400/0229

CISKEI AIRCRAFT ASSEMBLY LINE TO START OPERATION

Johannesburg FINANCIAL MAIL in English 17 Jul 87 p 76

[Text]

From December a Swiss-funded, R7,7m factory, being built in the Ciskeian capital of Bisho, will begin manufacturing Austrian-designed HB23 Scanliner and HB23 Hobbyliner light aeroplanes with an 80% local content.

The planes, to be manufactured under licence at the rate of 10 a month, will roll off the only privately owned aircraft assembly line in southern Africa — and could well lead to an expansion of aircraft-building in the region.

Ciskei Aircraft Industries (CAI) director Tony Stylianou says the only imported components will be specially modified Porsche engines and items such as tyres and instruments. The engines will be further modified in SA to meet Department of Civil Aviation requirements. The balance of the plane will be made from local materials.

CAI already has 60 planes on its order books, most of which will be exported. The Wonderboom Flying School has signed up for one, while government has also expressed interest. The licensor, HB Aircraft Industries of Haid, Austria, has already presold its own full production up to the end of 1988 and is keen to take the bulk of CAI's production.

Botswana

A few planes will also be sent to Botswana in completely knocked-down form. These will be assembled and sold either in Botswana or in countries further north.

The Bisho-made planes will be cheaper than their European counterparts. The Hobbyliner will sell for R105 000, compared

with R150 000 in Europe, while the Scanliner will go for R135 000, as opposed to R180 000. Stylianou maintains this is because labour in Ciskei is cheaper than in Europe.

The two-seater aircraft have mid-mounted, pusher-type propellers consuming 15 l/hour — either aviation fuel or normal high octane car fuel. Maximum range with the standard two tanks is 850 km, and 1 600 km with a third tank. The planes are also made to glide, but while gliding they lose some 1,3 m/second.

Stylianou says with their low stall speed of 75 km/h and maximum speed of 200 km/h "they are intended to complement the helicopter. They are, of course, much cheaper than helicopters."

The planes are being used in Europe, Pakistan, India, the Middle East and other countries for pilot training and as observation aircraft for forestry, crop and powerline inspection and traffic control. The Egyptian government recently issued an international tender for 160 similar aircraft and has based its specifications on those of the HB.

Ciskei was chosen because of the favourable financial rand, which considerably stretched the R6m that came in from overseas and because, subject to a withholding tax, there is no company tax.

CAI's R1,7m 4 000 m² factory is financed by the Ciskei People's Development Bank and will start up in November. Solet Fundus AG of Zug financed the machinery and equipment. Training of the 160 Ciskeian employees by three Austrian experts will start in September. ■

SISHEN MINE STILL PRODUCING NEAR CAPACITY

Johannesburg FINANCIAL MAIL in English 19 Jun 87 p 84

[Text]

The Sishen-Saldanha scheme, commissioned by government a decade ago at a then cost of R700m, may never have fulfilled the great expectations set for it. But, after recent rationalisations, it is still far from being a white elephant.

Originally Iscor hoped to export up to 18 Mt of iron ore a year through Saldanha. But even in the early halcyon days no more than around 15 Mt a year passed through the port. Today that figure has fallen right back to 8,88 Mt a year.

However, the mine is still producing over 16 Mt of ore a year with 7,2 Mt now being either processed by Iscor's own mills at Vanderbijlpark and Newcastle, or sold on the local market.

The old south beneficiation plant has been closed down and all production is now centred on the much more modern north plant that was the basis of the original export scheme. This plant has the capacity to treat up to 18 Mt a year and is consequently currently running at close to full capacity.

Iscor tells the *FM* that, in view of the decline in steel production in the Western world, it can be expected that the existing iron ore surplus will continue until at least 1995. "This situation creates little hope for higher sales volumes from Sishen. In fact, there is no likelihood that the original export target of 18 Mt a year will ever be met," says Iscor.

Nonetheless, trains are still leaving Sishen at a rate of three a day, though the length of the trains is regulated in accordance with demand and optimum electricity consumption.

Meanwhile, Iscor's seemingly evergreen Thabazimbi iron ore mine is still producing 2,3 Mt a year, virtually all of it going to the old Pretoria works. ■

MORE WORK NEEDED FOR EXPLORATION TO AID GOLD MINING FIRMS

Johannesburg FINANCIAL MAIL in English 19 Jun 87 pp 36-37

[Article by Brendan Ryan]

[Text]

Market reaction to single borehole results from the area known as the Potchefstroom Gap recently sent one exploration company's share price soaring. It then plummeted as investors blew hot and cold on whether there is a new gold mine in the offing. Such share price movements, and the accompanying speculation, should not confuse the bottom-line issue: a potential new goldfield is under examination — but it will take another three to five years and a lot more boreholes before the picture becomes clear.

However, if you believe a golden egg is about to be laid in the Potch Gap, there are seven shares which could be affected by the exploration work. These are Anglo American Corp, Gold Fields of SA (GFS), Anglo American Gold Investment (Amgold), New Central Witwatersrand Areas (NCW), New Wits, Potchefstroom Gold Areas (PGA), and Rand Extensions (Randex).

Three to five years is not long to wait, given the nature of the exploration game and considering that drilling of the Potch Gap — the area lying between the western end of the West Wits line goldfield and the eastern end of the Klerksdorp goldfield — started in the 1940s (see map).

"I am fairly certain we are looking at a new goldfield here," says one authority on the area, Mervyn Steyn. "The pattern of drilling taking place is similar to that which preceded the discovery of the Free State, Free State south extension, and Evander goldfields. Results being obtained from the Potch Gap are more favourable than those obtained at the corresponding stage in the discovery of those goldfields."

Steyn is an independent consulting geologist who, before having started to work for himself in 1984, was involved in exploration of the Potchefstroom and Klerksdorp areas, over some 30 years, for Anglovaal, Gencor and Rand London.

He is not the only one who takes a positive view. "The results of the drilling work done so far have advanced the Potch Gap area from being a possible new goldfield to a probable one," says geologist Ted Grobicki, MD of exploration company Randex.

Grobicki points out that the Potch Gap consists of two distinct geological regions lying north and south of Potchefstroom, divided by a major east-west fault line — the Sugarbush fault — which runs from Botswana to Heidelberg, south-east of Johannesburg.

The hottest exploration target lies north of that fault, where the bulk of the drilling is concentrated at present, aimed at ascertaining whether there is a viable goldfield on what appears to be a previously unknown stretch of the Vaal Reef. This is the most important reef exploited by highly profitable mines such as Vaal Reefs and Hartebeestfontein on the Klerksdorp goldfield.

The area south of the Sugarbush fault is divided by another fault — an extension of the Jersey fault line — which curves northwards from the Klerksdorp goldfield towards Sugarbush. In the area west of the Jersey fault, any Vaal Reef should be at relatively shallow depths because the fault line has pushed it towards the surface.

East of the Jersey fault the presence of any Vaal Reef should be at relatively great

depths on the downthrow side of the fault. However, this area is geologically complex, and it's possible that isolated blocks of Vaal Reef may have been thrown up by other faulting to shallower levels where they could be mined. Exploration workers are looking for such blocks of ore.

The significance of the drilling north of Potchefstroom is that payable values, on what appears to be the Vaal Reef, have been picked up in boreholes on the farm Gerhardminnebron and also in borehole VH1 on the farm Vyfhoek, about 20 km south of Gerhardminnebron. This implies the existence of a gold reef with a strike length of 20 km, about the same as the strike length of the Vaal Reef in the Klerksdorp field. Further drilling along the strike is already underway to try to confirm this.

Implied existence of this reef is more important than quibbles over whether the grades shown by any one borehole are good enough to justify a new gold mine. Grades shown on Gerhardminnebron and VH1 are encouraging, but many more boreholes are going to be sunk before definite plans for a mine or mines are formulated. Gencor put 27 boreholes into the Beatrix lease — the exploration equivalent of turning it into a Swiss cheese — before it started sinking shafts for the mine.

However, the exploration tempo in the Potch Gap is accelerating rapidly because of the initial favourable borehole results.

NCW chairman Mike King told shareholders in his 1986 review, published last October, that five boreholes were being drilled on Gerhardminnebron. Phase one of the drilling was expected to be completed only by 1991, while a full evaluation would not be possible before the mid-Nineties. In his 1987 interim report, published in April, King changed his tune. He said the prospecting programme had been accelerated, another three rigs were on site, and it was now estimated that phase one would be completed by the first half of 1989.

"If you go to a party and don't like the trifle, the last thing you do is go back for eight helpings," is how one analyst summed that decision up. What he, and others, would like to get their hands on are the unpublished results Anglo has obtained from boreholes situated just south of Gerhardminnebron, on the farm Stompoorfontein.

Rumours about those results have been rife. Mathison & Hollidge geological consultant Toby Antrobus, who was a consulting geologist in Anglo's gold division until he retired and moved to Diagonal Street, wrote in a February 1986 report that values of

20 000 cm g/t were rumoured to have been obtained from a reef that was tentatively correlated with the Vaal Reef.

Running up some rough guidelines, Antrobus guesstimated that, if 50% of the 20 000 ha area of interest contained well-mineralised reef, and 65% of that proved mineable, then some 293 Mt of ore could be milled at an average grade of 9 g/t to produce some 2 635 t of gold. On the assumption that a significant discovery had been made, he said at least four new gold mines could eventually be formed in the area. Antrobus confirms he has not changed his opinions since publication of that report.

The spread of companies that could benefit from Potch Gap developments should meet all types of investor purses and risk profiles. Combinations of the companies could be involved, depending on which mineral rights are incorporated into the final mine leases. The corporate finance arrangements could be complex.

"The Potchefstroom Gap resembles a Persian carpet of different mineral rights holdings," says Bruce Forsyth, GFSA executive in charge of new business. "Even if the geology turns out right, the corporate arrangements are going to be horrific in parts of that area other than the sections that have been held for 30 years by the major companies."

The heavies in the Potch Gap scenario are Anglo and GFSA, which have taken up the bulk of the mineral rights in the region. GFSA holds the farms Blaauband, Kiel, Kleinfontein, Varkenslaagte, and Turffontein; while subsidiary New Wits holds the northern section of Gerhardminnebron. Anglo/NCW has the southern portion of Gerhardminnebron while Anglo and GFSA hold mineral rights and/or options on portions of Buffelsvlei, Stompoorfontein, Boschoek, Naauwpoort, Sandfontein and Oudedorp.

They are the safest investments because the diversity of these group's interests as major mining houses means that a complete flop in the Potch Gap would not affect their overall fortunes. The share prices reflect that, with Anglo currently at about R80 a share and GFSA at about R78.

Amgold is Anglo's major gold investment company and, as Antrobus points out, is certain to participate in all new ventures, although its interest in the Potch Gap is not

known at this stage. The share is rated a key investment in most institutional portfolios, but its hefty price tag of R377 puts Amgold in the investment preserve of the institutions and well-heeled individuals.

NCW has attracted considerable attention, but is difficult to acquire because of its limited issued capital and the fact that Anglo is after all the shares it can get.

NCW's share price has had a tremendous run from below R20 two years ago to current levels above R70; a confirmed hit at Gerhardminnebron must push the price higher still. However, NCW has already hived off 50% of its interests to parent Anglo. Indications are it could sell the rest in return for a 25% subscription right at ground-floor terms in any mine that might be developed incorporating the mineral rights.

NCW's justification for the sale of 50% of its interests was the high financial risk involved for a company of its financial resources. This is rejected by a number of JSE analysts who feel the deal was engineered at less than arm's length to the benefit of big daddy Anglo, and that NCW parted with half its rights in a potential gold mine for a song. In return for NCW's 50% stake Anglo is required to complete the first exploration phase of eight boreholes at a cost of about R9,45m.

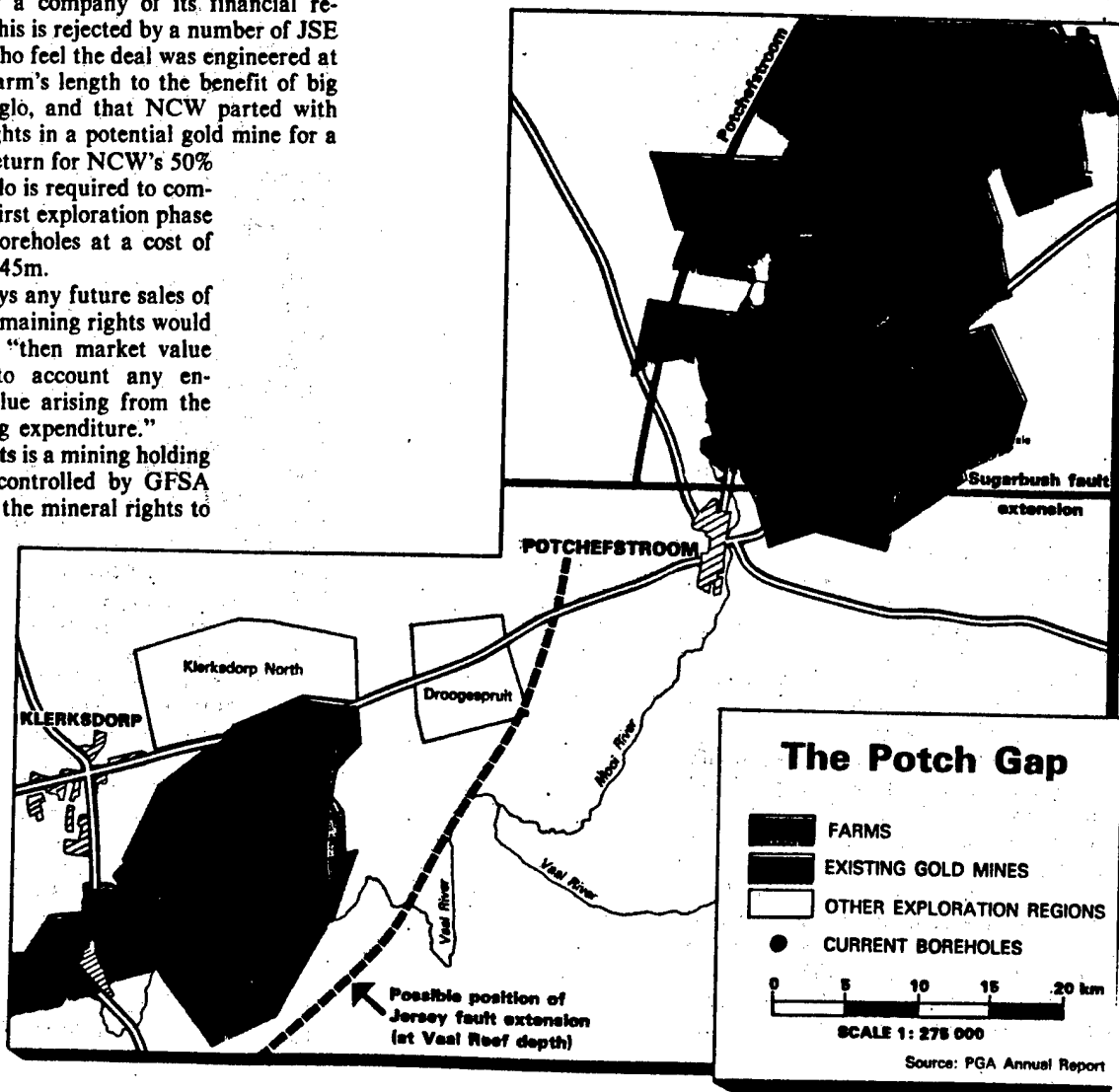
King says any future sales of NCW's remaining rights would be at the "then market value taking into account any enhanced value arising from the prospecting expenditure."

New Wits is a mining holding company controlled by GFSA which has the mineral rights to

the northern sector of Gerhardminnebron; its price tag of about R38 a share brings it within the grasp of the smaller investor. This region was drilled in the mid-Sixties, but it is not clear to what extent New Wits ground might be included in any new mine development resulting from the Anglo work.

PGA's price bounced like a yo-yo following the release of the VH1 borehole results, rocketing from 350c to 550c before dropping back. At these price levels it is a cheap stock for those wanting to take part in the Potch Gap elephant hunt — to use the geologists' favourite phrase. That makes for price and trading volatility.

After deals to pool mineral rights, it has a 10% subscription right with Anglo over some



11 000 ha of ground north of Potchefstroom, in the key area running south from Gerhardminnebron to the farm Vyfhoek. PGA calls this area the Mooirivier venture.

PGA also has a 20% contributory participation interest — it has to pay that portion of the exploration costs subject to a R20m ceiling in March 1983 money — and a 6% subscription right over 33 206 ha of ground extending from just north of Potchefstroom to the south in what it calls the Vyfhoek venture.

Randex holds an 8,6% stake in PGA, following deals through which its interests in the Droogespruit region were sold to PGA. Droogespruit sits east of Gencor's Stilfontein mine and PGA traded the rights to Gencor in return for a 40% subscription right to any mine that may be developed there.

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CSO• 3400/0229

PROBLEMS NOTED IN BLACK TAXI GROUP'S PLAN TO BUY PUTCO

Johannesburg FINANCIAL MAIL in English 17 Jul 87 p 29

[Text]

The growth of a black entrepreneurial class is clearly basic to a peaceful transition to a nonracial SA. But that does not mean that any extension of black business activity is to be welcomed uncritically for its own sake; and the possibility that the SA Black Taxi Association (Sabta) may buy from the Carleo family a controlling interest in mass transport operator, Putco, in particular needs careful scrutiny.

Putco's last balance sheet disclosed gross assets of R266m. Its market capitalisation is within a whisker of R100m. It is no disrespect to Sabta to say that it could not swallow this whale. It would strain the resources of any group of small, under-capitalised, relatively unsophisticated businessmen.

Putco's image among its black commuter customers leaves much to be desired, and it is tempting to suggest that a transfer to black ownership would help the image and depoliticise the issues. Alas, it is just as likely to transfer resentment to the new owners.

Will announcements of higher fares be any more palatable in black mouths? Will black-owned ex-Putco buses no longer be stoned or burnt? And will Sabta be as successful in negotiating with the (white) public sector the subsidies on which Putco has relied so heavily — and increasingly inadequately — to shield its intrinsic unprofitability?

The whole question of financing commuter transport needs a major rethink. Economists would surely agree that subsidies should be phased out. But they cannot simply be scrapped unless the hidden wage subsidy they in effect amount to is somehow replaced. Sabta would be unwise to get involved until this problem is sorted out.

The fact is that black taxis have prospered through Putco's inability — whether the weaknesses are its own or inherent in the system is immaterial — either to satisfy its customers or earn reasonable (indeed, in recent years, any) profits. The real — and valuable — entrepreneurial skills Sabta's members have shown are totally different to those needed to run a bureaucratic organisation.

And how will they finance it? Sabta says the Carleo family is asking R200m, which is close to nominal net asset

value but a staggering (and cheeky) 100% premium on market capitalisation.

Whoever theoretically owns Putco, professional management will be needed. If to that is added a high degree of loan finance (for it is inconceivable that Sabta and/or its members could put up R200m equity), what will Sabta actually have acquired?

It will run the risk of simply becoming an unpopular front while real power remains in the hands of the money men.

Even should a Sabta-owned Putco succeed, what of the capital already invested in members' mini-buses? Almost by definition, the market will not profitably support both a capital-intensive mass transport commuter service and an unsubsidised, higher-priced private commuter service.

The success of one means the failure of the other; and vice versa. In economic terms, Sabta "taxis" (somewhat of a misnomer for a commuter service) provide a marginal service. To assume that merging the two interest groups will end competition and allow rationalisation of services is facile.

Those who believe in the mumbo-jumbo of "own affairs" will clearly welcome the apparent removal of black commuter transport from the political arena. Those who want a more efficient service to black commuters must be supported in principle. Alas, it is far from clear that a Putco-Sabta tie-up will in practice achieve either aim.

Those who salute the enterprise Sabta's members have already shown, and would like to see it have room to develop further, can be forgiven if at first sight they find the thought of taking over Putco attractive.

But they should beware. Both politically and economically, it could be a poisoned chalice. ■

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CSO: 3400/0231

MKAPA DEPLORES GROWING ISRAELI PRESENCE IN AFRICA

Dar es Salaam TANZANIA DAILY NEWS in English 20 Jul 87 p 1

[Article by Peter Masebu]

[Text]

TANZANIA has deplored the increasing Israeli presence in Africa and pledged to abide by the 1973 standing OAU resolution on the severing of relations with the Zionist state.

The Minister for Foreign Affairs, Ndugu Benjamin Mkapa, said this in Dar es Salaam yesterday before departing for Addis Ababa to attend a ministerial meeting of the OAU.

He was commenting on whether the recent visit by Israeli Prime Minister Yitzhak Shamir, and the resumption of diplomatic relations with a number of African countries would not be a source of division in the Organisation of African Unity.

"I hope we will come to the point where we can discuss it because it does not conduce to Africa's respect when we have a standing resolution of the Organisation, which calls for severance of relations with Israel, and yet Israel continues to establish and increase its presence on the Continent by stealth, so to speak", he said.

Ndugu Mkapa emphasized that the Organisation must either resolve anew to annul the standing resolution or those who have re-established relations with the Zionist state be asked to reconsider their position.

African countries broke diplomatic relations with Israel en masse in the wake of the 1973

war with Egypt which has, however, resumed relations with its former foe.

Explaining Tanzania's position, the Minister said it was based on the pact that nothing had substantially changed in the policies of Israel with regard to the question of Palestine as well as its attitude towards its Arab neighbours.

On the performance of the Africa Priority Programme for Economic Recovery (APPER) launched two years ago with the endorsement of the UN, Ndugu Mkapa expressed disappointment because the external infusion of funds envisaged had not been forthcoming.

The APPER envisaged that African countries would raise two thirds of the funds required by savings and local investments while the remainder would come from outside.

As a result, about 20 African countries, including Tanzania, had reached agreements with the International Monetary Fund (IMF) to restructure their economies.

"The really alarming part of the APPER is that while the Africans have shown a will to restructure and reform, there has not been the corresponding inflow of external resources to make this programme successful," Ndugu Mkapa said.

On why meetings of the southern African Frontline

States had been rare since the retirement of former President Nyerere as Chairman of the six-nation grouping, Ndugu Mkapa said this had been due to individual national problems in the state and the problem of finding suitable dates.

He said, however, that the new Chairman, Zambian President Kenneth Kaunda, was planning to hold a summit of the Frontline leaders of Botswana, Tanzania, Mozambique, Zimbabwe, Angola and Zambia before or simultaneously with SADCC Summit in Lusaka this week.

On the vote by the US Senate to ban aid to southern African countries supporting South African liberation fighters, Ndugu Mkapa said: "We think the United States has been misdirected or misinformed."

"I understand it (the Senate resolution) has been amended to say that the President of the United States should satisfy himself that countries in the region do not support this phenomenon called 'necklacing'. Now, none of us has ever supported necklacing. It is a cruel form of punishment."

He hoped that the US senators would be better informed because the former position was inconsistent with their decision to impose sanctions south Africa.

He pointed out that it was not proper for the US Senate to try to put conditions on other people's ways of supporting the

liberation struggle.

Asked to clarify on the US grant of 40 million dollars announced by Ms Maureen Reagan, daughter of the US President, who visited Dar es Salaam recently, Ndugu Mkapa said it was a grant given to Tanzania but not to the Tanzania-Zambia Railway.

On the Chad-Libya conflict, which is likely to be one of the hot issues at the forthcoming OAU Summit, Ndugu Mkapa said Chadians now had a better chance to resolve their problems if they could resolve to look at themselves rather than outside.

"If they keep looking outside, they will be encouraging big power interests and presence in the area and that could inflict a great deal of damage to the prospects for national reconciliation," Ndugu Mkapa said.

On the problem of Western Sahara, recognised by the OAU but still occupied by Morocco, Ndugu Mkapa said the interest of the OAU should be directed back to the decolonisation problem in the phosphate-rich country.

He said it was wrong to think that because SADR was a member of the OAU, "there is no longer a problem of Western Sahara."

"The occupation by Morocco is there. It is part of our Continent and decolonisation is still a matter of concern for Africa, whether the colonial power is African or extra-African," the Minister stressed.

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CSO: 34000275

LIBERALIZING TRADE SAID NOT TO MEAN END OF SOCIALISM

Dar es Salaam TANZANIA DAILY NEWS in English 18 Jul 87 p 1

[Text]

MINIMISING trade barriers under the trade liberalisation policy does not mean contravening the Arusha Declaration or abandoning Socialism and Self-Reliance.

The Minister for Industries and Trade, Ndugu Daudi Mwakawago, told the National Assembly in Dar es Salaam yesterday that the move was geared towards promoting exports, both traditional and non-traditional, by businessmen and public institutions towards increasing foreign exchange reserves.

"In minimising trade barriers.. the Government is simply implementing a Party directive while adhering to the norms of building a socialist and self reliant nation," he explained.

He was winding up the debate on his Ministry's 1987/88 estimates in the House. The estimates were later unanimously approved. The Ministry asked for 1,287,781,400/- of which 1,095,786,000/- is for development projects while 185,945,400/- is for recurrent expenditure.

Ndugu Mwakawago allayed fears that minimising trade barriers invited theft, saying that the Government was alert and would not hesitate to withdraw the move if its implementation did not conform with the agreed conditions.

However, he cautioned those involved in the import and

export trade to observe the list of imports issued by the Government to avoid problems. They should also use proper channels while importing and exporting their products, the Minister warned.

He challenge commercial institutions, like Dar es Salaam Chamber of Commerce, to ensure that businessmen abode by the regulations and penalised those who did not respect the imports list.

Cautioning exports, both private and public institutions that export trade was competitive, Ndugu Mwakawago stressed that production of quality goods and quick delivery should "be your goal".

The Minister also explained that the Government would look into the internal trade policy of 1980 with a view to charting out strategies that would facilitate its implementation.

"A lot of changes have taken place in the seven years since the policy was adopted. We want to see how these changes have affected implementation," he noted.

On claims that some imports came from countries that Tanzania did not have trade relations Ndugu Mwakawago said that it was possible as the items could be imported from a country that Tanzania maintained good relations.

He promised that the Government would look into the issue.

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CSO: 34000275

NYERERE SAYS BUILDING SOCIALISM SHOULD BE VOLUNTARY

Dar es Salaam TANZANIA DAILY NEWS in English 23 Jul 87 pp 1, 3

[Article by Mussa Luputu]

[Text]

THE Party Chairman, Mwalimu Nyerere, has said that the building of Socialism will continue to be voluntary and that force should not be used to make the people accept the ideology.

He was responding to a comment by a participant at the seminar for best villages here yesterday, who said a bit of force should be used to make the people adopt Socialism.

"If force is to be used to build Socialism, then the ideology will cease to exist once the people enforcing it leave", he said.

He said it was not the whip but the people's acceptance of the ideology that would make the people build Socialism in Tanzania.

However, he said, Acts of Parliament would be instituted when necessary to assist the building of Socialism because CCM was the ruling Party.

But voluntarism in the building of Socialism should not be mixed with force or state powers that required people, for example, to plant trees or cassava for their survival.

The Government had to use its powers to make the people plant trees because it was not a question of voluntarism to cut firewood for cooking. But what was needed to build Socialism was to convert the people to believe the ideology.

He said with two million CCM members in Tanzania, the rest could be converted to Socialism if enough efforts were made by

CCM members to spread the ideology.

"CCM members are just lazy to explain Socialism", Mwalimu said.

He said Tanzania was speaking of building Socialism since 1967.

"Socialism is voluntary. We are not going to use a whip because Socialism will not be built with a whip", he stressed.

The participants had said that there were some people converting others to some unknown religion and that they were telling them not to accept Socialism because even God did not like it.

He said under the circumstances it would be ideal to use a little bit of force to make such people work because Socialism could only be built through increased production.

Meanwhile, the concept of co-operative production in villages bound to fail if the widespread tendency to misuse funds of primary societies and co-operative unions goes on unchecked, a participant at the seminar warned yesterday.

Ndugu Gabriel Mapunda from Ilela Village in Mbinga told the seminar here that for the concept to succeed, the Government should look into the Act governing land ownership, to frustrate designs by some individuals.

Contributing to a paper on *Co-operative Production in the Village* earlier tabled by the Minister for Local Government

and Co-operatives, Ndugu Kingunge Ngombale-Mwiru, he said it was unfortunate that reasons which caused the dissolution of the co-operative movement in 1976 were resurfacing.

He said there was dishonesty and misuse of funds among some people running Co-operative Unions. He gave an example of an official in the Ruvuma Co-operative Union (RCU), who, in 1985/86, caused the disappearance of 600 bags of coffee but he was not prosecuted.

He said such dishonesty also resulted in peasants being paid 7/02 per kilo as the final instalment for their coffee instead of 19/95. The rest went to reimburse losses incurred by the Union.

While the primary co-operative society in the area had been allocated 1,000 acres for its activities, an individual had managed to acquire 5,000 acres for himself in the same area.

"The individual has even obtained a title deed for the land. Given the population pressure in Mbinga, our fear is that our children will have no alternative in future but to work for this individual", he said.

Presenting the paper, Ndugu Ngombale-Mwiru, who is the Head of Ideology, Political Education and Training Department of the Party National Executive Committee (NEC) Secretariat, said co-operative production was the only way to augment efforts to build Socialism.

GOLD EXPORTERS TO GET 70 PERCENT OF FOREIGN EXCHANGE EARNINGS

Dar es Salaam TANZANIA DAILY NEWS in English 24 Jul 87 p 1

[Text]

THE Government intends to allow gold and gemstone exporters to retain 70 per cent of their foreign exchange earnings as an incentive.

The Minister for Energy and Minerals, Ndugu Al Noor Kassum, told the National Assembly in Dar es Salaam yesterday that this was in line with the trade liberalization policy.

Tabling his Ministry's estimates, Ndugu Kassum said the move would enable the exporters to import the necessary inputs for mining activities.

He said the move was meant also to rationalise the small-scale mining industry and increase foreign earnings.

The Ministry, he said, would start issuing gold dealers with licences basing on the Gold Trading Ordinance (1958).

This, he said, would enable gold miners to sell gold directly to the National Bank of Commerce and not exclusively to dealers.

"To motivate small-scale gold miners, the law governing mining and trading of gold will be reviewed", the Minister said.

He said this was to ensure that prospecting licences were issued to the right persons.

Ndugu Kassum said a similar strategy would also apply to gemstone mining under the

Gemstone Industry Act (1967).

He told the House that the Tanzania Gemstone Industries would specialise in gemstone cutting and would no longer be the sole gemstone buyer and marketing agent.

He said in order to achieve this, his Ministry would recruit more mineral experts to be deployed in mining areas, to give miners access to expert advice.

Besides strengthening zonal offices, two new ones would be opened in Tanga and Mtwara.

He said to monitor closely the issuing of licences under the Mining Act, 1979, a committee headed by the Principal Secretary to the President had been set up.

"All these steps have been taken with the aim of minimising the illegal trading of minerals and preventing unauthorised mining", he said.

He called upon small-scale mining co-operatives to help the Government meet its objectives.

The Minister said mineral production in the country had been declining due to economic recession, low prices on the world market and old mining equipment, including lack of spares parts and other essential inputs.

But, he said, despite this gloomy picture, the Ministry continued to take steps to ac-

celerate mineral exploration, particularly, for minerals with good foreign exchange earnings potential.

Exploration for diamonds in Manonga area, Shinyanga Region, had revealed the presence of a *Kimberlite* pipe, while gold explorations were being carried out in Nzega, Igunga, Kahama and Geita districts.

Ndugu Kassum also said Mbeya, Rungwe and Mbozi districts were being studied to determine mineral materials which could be directly applied as fertiliser.

He said the project was being jointly carried out by the Ministry, the Sokoine University of Agriculture and Guelph University of Canada, assisted by the International Development Research Centre.

Ndugu Kassum said mineral exploration could not succeed without proper laboratory facilities to determine the quality of minerals and ore content.

He said a mineral laboratory was being built in Dodoma and would be complete in the next two years.

Ndugu Kassum asked the House to approve the expenditure of 2,110,688,500/- of which 81,285,500/- is for recurrent and 2,029,403,000/- for development expenditure.

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CSO: 3400/278

PRODUCTION OF GOODS FOR LOCAL CONSUMPTION TO INCREASE

Dar es Salaam TANZANIA DAILY NEWS in English 17 Jul 87 p 1

[Text]

THE Ministry of Industries and Trade will in the 1987/88 fiscal year focus on boosting production of goods for local consumption, ensuring industries get raw materials, spare parts and expertise.

The Ministry, in co-operation with other local institutions, will also continue with its efforts to minimise trade barriers and give incentives to exporters in efforts to increase foreign exchange earnings.

The Minister, Daudi Mwakawago, however, stressed in the National Assembly in Dar es Salaam yesterday that cautious spending in meeting industrial operational costs and aggressiveness among businessmen to get their products to the world market, was necessary in boosting industrial production.

Ndugu Mwakawago was presenting his Ministry's 1987/88 estimates of 1,287,731,400/- out of which 1,095,786,000/- is for development projects and 185,945,400/- for recurrent expenditure.

Such efforts, he noted, were aimed at boosting industrial production capacity to between 60 and 70 per cent from the present level of about 30 per cent which became inevitable due to lack of foreign exchange, raw materials, spare parts, water and electricity.

The hitches that ensnared the sector saw industrial production dropping by 140m/- in 1986

compared to 85m/- in the previous year. The sector's contribution to the Gross National Product (GNP) subsequently dropped to 0.3 last year from 0.8 per cent in 1985, the Minister told the House.

Ndugu Mwakawago further explained that industrial production targets set last fiscal year were also affected by late re-imbursement of foreign exchange allocated to the sector under the Economic Recovery Programme (ERP). A total of 10,925m/- (173.58 million dollars) was allocated but so far only seven per cent of the money had been made available, he added.

On exports of industrial products, the Minister told the House that at the end of the first year of the ERP launched last July, these would have earned 363.5m dollars (22,900.5m/-) against the targetted 400 million dollars (25,200m/-).

He attributed the good performance to minimising trade barriers and the implementation of the "Export to Import Scheme" for which exporters retained 50 per cent of their foreign exchange earnings.

Under the scheme, which took off last September, Ndugu Mwakawago noted that by March this year, industrial products and crops earned the country 3.79 million dollars (238.77m/-).

Under the recovery programme, the Ministry assisted 41 industries and institutions that exported products by giving them seed capital to the tune of 2.33 million dollars (146.79m/-).

He said efforts to promote exports fetched the nation 18.96 million dollars (1,194.48m/-) last year compared to 10.08 million dollars (635.04m/-) in the previous year.

Regarding internal trade, an area which the Ministry intends to strengthen through the Regional Trading Companies (RTCs), the Minister hailed national and regional commercial companies and co-operative unions for good sales. The companies are to make over 10bn/- sales during 1986/87 compared to 9.2bn/- in the previous year.

Duty free shops in Dar es Salaam, Arusha and at the Kilimanjaro International Airport generated 1,942,988 dollars last year, the Minister said, adding that six shops opened along the border with other countries would soon begin selling

products in foreign exchange.

On the other hand, the Small Scale Industries Organisation sold abroad products worth 8.09m/- last year. The sector also sold overseas handicrafts valued at 3.1m/-. In the 1987/88 some 500 artists are expected to train in various fields to boost the sector's performance and contribution in economic recovery efforts.

On international co-operation, the Minister said the Government sustained efforts to improve commercial co-operation in joint commissions with China, Burundi, Rwanda, Bulgaria, Iran, Iraq and the Democratic People's Republic of Korea.

The co-operation was also maintained with Zambia, Zimbabwe, Msumbiji, Bulgaria and Finland. He said under the SADCC industrial and trade projects which Tanzania was co-ordinating, five out of 20 projects had been completed at a cost of 191.045 million dollars (12,035.83m/-).

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CSO: 34000275

PARIS CLUB DEBT RESTRUCTURING COULD BOOST ECONOMY

IMF Approves Delayed Payment

Paris JEUNE AFRIQUE ECONOMIE in French Jun 87 pp 28-30

[Article by Mamadou Alpha Barry: "A First in the History of the Debt"; first paragraph is JEUNE AFRIQUE ECONOMIE introduction]

[Text] At their meeting in Kinshasa, the 13 member countries of the Paris Club agreed on a 6-year grace period and to spread payments of the amounts due, including interest and arrears, over 14 years. All of this with the blessing of the IMF. A valuable safety net for the Zairian economy.

One wonders how Zaire, which was on the verge of breaking with the International Monetary Fund at the end of last year, has managed to turn the situation around and become the current darling, receiving an unprecedented favored treatment from the "top financial policeman." With the IMF's sponsorship, Kinshasa has obtained two important waivers of the sacrosanct debt rescheduling rule in the Paris Club. This informal group of 13 Western nations with outstanding loans to Zaire agreed on 18 May to spread payments due between May 1987 and May 1988 over a 14-year period with a 6-year grace period. This rescheduling involves a total of \$884 million including principal, interest and arrears. In making this decision, the Paris Club is deviating from its normal practice of never rescheduling for a period longer than 10 years with a 5-year grace period. Moreover, it usually covers only principal, with interest continuing to accrue. The creditors did not, however, completely go along with the recommendations made by some Western countries such as France and Great Britain at the IMF Interim Committee meeting in Washington on 10 April, as they had advocated 20-year repayment periods for poor countries, with a 10-year grace period.

Bilateral negotiations still need to be held to determine the new interest rates applicable to the rescheduled amounts. This is of prime importance, since the interest burden for Zaire accounts for over one-third of the payments due, including arrears. Despite this, the total Zairian debt, estimated at \$6.3 billion at the end of 1986, has a rather favorable profile, since 65 percent of it is subscribed with governments of members of the Paris Club, 95 percent of it with official creditors (including multilateral institutions), and only 5 percent is with commercial banks. This is why the 20 May meeting of commercial banking representatives under the umbrella of the London Club did not involve very high stakes for Kinshasa.

The valuable safety net granted to Zaire by the IMF and the Paris Club coincided with the 20 May celebration of the 20th anniversary of the People's Revolutionary Movement (MPR), the only governing party in the country. Many people saw political arguments behind the easy rescheduling terms.

Kinshasa is going along with American policy in southern Africa, according to certain diplomatic circles which cite, among other things, the facilities granted by the Zairian authorities to the United States at the Kamina military base in Shaba and application of a good-neighbor policy with Angola, "advised" by Washington despite U.S. aid to UNITA rebels. However, we must not lose sight of the Kinshasa authorities' skill in negotiating delicate economic matters in international financial circles. When President Mobutu Sese Seko, speaking on behalf of the MPR Central Committee, denounced the solutions to the crisis recommended by the IMF at the end of October 1986, he was careful to add that "Zaire was not going to give up its austerity policy." This implied that they did not want to burn their bridges and that the door was still open for renewed dialogue.

"Since 1976, Zaire has concluded stabilization programs with the IMF to restore basic equilibrium and return to a sound financial position," confided Sambwa Pida Mbagui, state commissioner for planning, following a meeting of the World Bank's consultative group for Zaire, which was held in Paris 21 and 22 May. These plans were reinforced by a series of even more drastic measures in September 1983. However, "these programs have not been satisfactory," according to Sambwa Pida Mbagui: "we have realized that Zaire's difficulties are not based on the current economic situation, but are structural." Scrupulously following the IMF's recommendations, Zaire has made serious efforts to pay off its external debt. It doubled the ratio of annual repayments to export receipts between 1982 and 1986, from 13.8 to 26 percent, while the share of the budget devoted to amortization of this debt climbed from 11 to 50 percent during the same period, according to the World Bank. Last year Zaire paid \$500 million to its foreign creditors. To this must be added a decrease in value of export receipts of some \$400 million, as a result of the collapse in prices of raw materials, for a heavy drain of \$900 million. As an example, the world price for copper fell from \$1.50 a pound in 1980 to the current \$.60, and cobalt prices went from \$25 a pound to \$6 during the same period.

As an irony of fate, the balance of transfers in 1986 showed Zaire to be a net exporter of capital to the tune of some \$830 million. During this time, the floating exchange rate system in effect resulted in a troubling monetary erosion. The official par value went from 30 zaires per dollar at the time of the September 1983 reform to 109.4 zaires per dollar by May 1987, with a discount of over 10 percent on the parallel market, to boot. After being halted for a time, inflation soared again to a record 40 percent in 1986. Economic growth has slowed to 2.5 percent a year, or in other words to a rate lower than the population growth (3 percent a year), resulting in a continuous deterioration in the standard of living of the Zairian people.

When all the signals on the economic control panel began flashing bright red, the MPR Central Committee sounded the alarm on 29 October 1986. They decided that starting in January 1987, Zaire would level off its external debt

service at 20 percent of the government budget and at only 10 percent of the country's export receipts. Moreover, the floating exchange rate regime would be abandoned for a return to a fixed but periodically adjustable par value with the SDR (special drawing right, the IMF's unit of account). And the man who crystallized relations with the Fund, namely Prime Minister Kengo wa Dondo, was thanked.

It was noted, however, that the president and founder of the MPR, Mobutu Sese Seko, was not the one who rose to the fore to make these decisions, but rather it was the Party's Central Committee. One wonders whether it was just a question of banging a fist on the table to make the "financial policeman" ease the terms somewhat. In any event, a dialogue was renewed at the beginning of 1987. Negotiations ended on 15 May with a new stand-by agreement and a line of credit under the Structural Adjustment Facility (SAF) totaling 282.1 million SDR's in loans, or about \$270 million, over a 3-year period. Under the stand-by agreement, 100 million SDR's can be drawn over the next 12 months, to which are added 58 million SDR's immediately available under the SAF (i.e., 56 percent of IMF commitments to be drawn in 1 year). Meanwhile, a strict budget policy is to be followed and a rigorous government spending program is to be set up.

Unlike the previous programs which did not make it possible "to move from stabilization to recovery," this agreement is supposed "to institute a coherent macro-economic policy for medium-term development," according to Sambwa Pida Mbagui. This is why it was combined with a structural adjustment program supported by the World Bank with a \$168 million loan under negotiation. Included in this plan is a restructuring of the tax system, the agricultural sector, operations of government enterprises, the government administration, and the transportation network. A list of government enterprises to be returned to the private sector has now been submitted to the World Bank. And there is a good possibility that the list will be lengthened, with the government retaining the mining sector through Gecamines, its top industrial enterprise, as its only directly productive activity.

The structural adjustment program in turn falls under the First 5-Year Plan for 1986-1990. This is based on a model of "coordinated liberalism" between the public and private sectors, "with an underlying thrust in favor of the private sector."

The reluctance of international banking circles to make commitments to Zaire has led it to turn increasingly to government and multilateral lending institutions. The World Bank's consultative group, comprising all of Kinshasa's official sources of credit, met in May to look into conditions for implementing the "priority government investment program" scheduled for the period 1987-90 as part of the structural adjustment program. This is a series of projects designed to renovate the basic infrastructure so as to "create an environment in which investors can realize external savings." If it is implemented, the priority government investment program, estimated to cost a total of 134.376 billion zaires or about \$1.228 billion over 3 years, should assure Zaire of an annual growth rate of 3.5 percent.

In addition to this investment program, the World Bank estimates that Zaire will need annual financing of \$1.8 billion from now until 1990, most of which will have to be set aside for balance of payment assistance. Lenders have announced commitments amounting to \$770 million for 1987. When the contributions from multilateral institutions already referred to are added in, we arrive at a nice tidy sum, but one that is far from covering this year's financial needs.

The remaining gap could be filled by repatriation of capital of nationals invested abroad, which amounts to several billion dollars, according to banking sources. And the state commissioner for planning hopes that guarantees provided under the multilateral investment guarantee agreement will persuade rich Zairians to do so. This might, however, just be wishful thinking.

Interview With Bemba Saolona

Paris JEUNE AFRIQUE ECONOMIE in French Jun 87 p 30

[Interview with Bemba Saolona, head of the National Association of Zairian Entrepreneurs and president of the Bemba conglomerate, by M.A. Barry; article entitled "Bemba Saolona, Boss of Zairian Bosses; The Crisis Has Been Beneficial"; date and place of interview not given]

[Text] Re-elected to a fourth 2-year term at the head of the National Association of Zairian Entrepreneurs (ANEZA), 45-year-old Bemba Saolona is president of the Bemba conglomerate, spearheaded by the commercial and industrial corporation Scibe-Zaire. Following a visit by a French economic delegation to Kinshasa in October 1986, he led a mission of Zairian businessmen to France from 4 to 7 May.

[Question] How did the Zairian economy get through the crisis?

[Answer] Zaire went through difficult times. We had to tighten our belts. But the crisis was beneficial to a certain extent, since it tested the spirit of enterprise of our economic operators who handled things better than in other African countries.

[Question] All the same, the scarcity of foreign exchange seriously hampers business operations.

[Answer] Ever since the important reform in September 1983 instituting economic liberalism, importers have not had any foreign exchange problems. In 1984-85, commercial banks had even more foreign exchange than the Central Bank, to the point that they were looking for users for these resources. But, with the collapse of the prices of primary products (copper, cobalt, coffee and cocoa) last year, the country began needing foreign exchange in September-October. This put us behind in payments to domestic and foreign suppliers and consequently caused delivery delays.

[Question] Were there bankruptcies declared?

[Answer] No. But Zairian companies are currently experiencing many difficulties.

[Question] The business climate must therefore be more than gloomy.

[Answer] If it were really bad, we would not have had visits from commercial missions such as the Paris Chamber of Commerce and Industry last October. Nor would we have been invited abroad, as is the case right now. Moreover, Zaire would not have been invaded by so many fortune-seekers. The day they stop coming or all leave, we will know that things are going poorly.

[Question] Who are these fortune-seekers?

[Answer] You know, Zaire intends to continue to open its doors to foreigners. This having been said, among the foreigners coming in are industrialists. They bring in capital and invest; they do not create any problems for us. It is in the commercial sector that the influx of foreigners is harmful to us. Look, a person arrives with an empty suitcase, takes lodging in a small hotel and begins a business that is totally outside the law. When his suitcase is full, he disappears, evading any taxes and selling off the local currency.

[Question] Has this not always been the situation in Zaire?

[Answer] Yes, but it has become worse in recent years.

[Question] How do you plan to resolve it?

[Answer] A decision going back to 1973 reserves small businesses for the local people. It will be put into law by the end of the year.

[Question] How can you attract the people who are in a position to invest?

[Answer] Zaire advocates economic liberalism. In this context, our investment code, which was updated in April 1986, is one of the most liberal in the world. It provides for three privileged regimes: a general regime to encourage small- and medium-sized businesses and industries; a conventional regime for major projects; and, a special regime for the Inga Free Zone (ZOFI) covering relatively expensive investments in lower Zaire around the Inga dam. But the investments we find most frequently are ones to promote medium-sized projects. Under the code's general regime, they enjoy particularly advantageous incentives.

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CSO: 3419/303

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