

E. E. C. — 1989

EC aid for veterinary project

The Star's Africa
News Service

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HARARE — The European Community has made available R1,3 million for a three-year project on veterinary problems arising from the capture and translocation of wild animals in Zimbabwe.

An announcement yesterday by the Commis-

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sion of the European Communities in Zimbabwe said the contract had been awarded to a Spanish consulting firm, Eila Proyectos, of Madrid.

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Senior field staff will be trained to handle game and in the use of drugs used for capture, stress problems and diseases.

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EUROPE 1992

SBA *mail*

Running out of time

The time for thinking about it is past. South African companies who aren't already actively preparing for a unified European market in 1992, are likely to miss the boat. The Europeans, Japanese and Americans are way ahead.

Japanese companies are busy expanding and re-organising their European operations, hoping to increase their presence in the European Community (EC) before the expected onset of 1992-related protectionism.

American companies are also busy forcing their foot in the door before it's slammed shut.

A Fortune-Ernst & Whinney survey of top executives in Europe, Japan and the US, shows 74% of Japanese executives expect Europe to become more protectionist before 1992. Although little more than one-third of Europeans expect a more protectionist atmosphere, 62% of Americans agree with their Japanese counterparts.

The Japanese fear they will be hardest hit by the new Europe. "Japanese executives are far more convinced that the single European market will result in import quotas, than are American or European executives," says Paul McMahon, an international executive partner of Ernst & Whinney. "Further, the Japanese expect to be pressured to open their markets if they are to retain their position within EC markets."

Americans expect their industrial companies to be most at risk in the new Europe, and that service companies have less to fear.

Among the means by which Japanese companies hope to ease their way in a protectionist Europe, are strategic alliances; market research and competitive studies; building or acquiring new European manufacturing facilities; establishing European branches or subsidiaries; developing joint ventures; and reorganising European sales and distribution structures.

European and American companies are following a line similar to one another: looking for alliances or merger/acquisition targets, adapting existing products and services and preparing their executives for the new order.

The survey shows most large industrial companies are preparing to expand their presence in European countries. EC companies are most likely to choose Spain, Japanese companies prefer Britain and West Germany and Americans are looking first at West Germany, Spain and France, followed by Britain and Italy. ■

Local issues ^{Staw 15/6/89} might cloud

EC elections

LONDON (SbA) National issues are likely to eclipse European Community problems today when voters in five countries choose a new European parliament seeking a bigger role in the EC's drive towards 1992.

The people of Britain, Spain, Denmark, Ireland and the Netherlands will be the first of about 240 million voters.

France, West Germany, Belgium, Italy, Greece, Portugal and Luxembourg will complete the voting on Sunday.

Key issues include environmental issues like pollution and the greenhouse effect, and 1992, the EC's target date for welding its 12 economies into one.

But with voting in Ireland, Greece and Luxembourg timed to coincide with general elections, campaigns have been dominated by domestic political issues. — Sapa-
Reuter

EC president (SLA)
seeks improved
ties with US
8/10/89 14/6/89

BRUSSELS — EC Commission president Jacques Delors plans to explore ways of improving overall ties between the EC and the US during his two-day visit to Washington this week, EC officials said yesterday.

Delors is due to meet US President George Bush today. Delors is also scheduled to meet US Secretary of State James Baker, Treasury Secretary Nicholas Brady, Federal Reserve chairman Alan Greenspan and other top US economic officials.

An EC source said Delors intended to "seek ways to establish a more frequent and regular contact" between the US and the EC. He said this could help prevent periodic disputes from flaring into public view, citing as an example the EC ban on US hormone-treated beef imports.

A source at the US mission to the EC said the US was receptive to consultations. — AP-DJ.

Marion Sparg at once

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'Near impossible for blacks to live and work legally'

MANDY JEAN WOODS

IT WAS virtually impossible for blacks in SA to comply with all the prerequisites necessary to live and work legally, Liberty Life divisional manager for Human Resources Projects Sam Alexander said yesterday.

He was speaking at a conference on business ethics and morality organised by the Institute of Directors of Southern Africa.

Alexander said he had empathy for blacks who resorted to perceived unethical and immoral practices in order to achieve something which, for "a fraction of the same efforts, is literally thrown into the laps of other South Africans".

Quoting author Hernando de Soto, Alexander said it was virtually impossible for poor people to comply with all of the requirements to live and work legally. Informality was a symptom of institutional dysfunction because it indicated that much of the law had lost its legitimacy.

"The informal sector is endemic to any country's economy and is a hardy perennial. Deny it and fund unemployment and its consequences. Stimulate it and enjoy the assurance of future stability. Deny it and witness the decline in ethics and morals. Stimulate it and enjoy sound sleep," he said.

The values held by the informal sector determined what was right and ethical and were the standards governing its judgments and behaviour.



Tiger Oats director Rudy Frankel at yesterday's Business Ethics and Morality conference. Picture: ROBERT BOTHA

'Balance is vital for commissions'

MANDY JEAN WOODS

A COMMISSION of inquiry can be likened to an unruly horse in a steeple chase from which few riders emerge unscathed, Mr Justice Harms said yesterday. 81 Dec 14/6/87

He made the remarks at an Institute of Directors of Southern Africa conference on business ethics and morality.

Harms, who is chairing a commission of inquiry into alleged cross border irregularities, said the ultimate dilemma of a commission is that if it implicates, it is accused of being an inquisition. If it exonerates, it is accused of covering up.

In March, President P W Botha said he was concerned about bodies who maliciously wanted to transform the proceedings of the Harms commission

into an inquisition.

Harms said the purpose of a commission of inquiry was not simply to expose a member of the public or an official to moral censure or ridicule, or to investigate matters interesting to the public as opposed to matters in the public interest.

"Before the facts can be sought it is necessary to have reason to believe the facts exist. The procedure we followed was calculated to provide the necessary balance between these conflicting factors. We wish to believe that we were able to minimise the damage to innocent people," he said.

European Community ministers turn down Frontline sanctions bid.

LUXEMBOURG — The European Community (EC) yesterday turned down a request from the black African Frontline states to impose new economic sanctions on South Africa.

At a meeting between EC and African Frontline foreign ministers in Luxembourg, the Community said the new Government due to take office in Pretoria in September should be asked to change course before any new measures are taken.

DEPLORE DECISION

But the 12 EC ministers did issue a statement deploring South African President P W Botha's decision last week to renew the state of emergency, a move backed by his designated successor, National Party leader Mr F W de Klerk.

In its statement, the EC said it deplored South Africa's decision to renew its state of emergency and called again for an end to repression and the abolition of apartheid.

At a meeting in Luxembourg, the 12 EC foreign ministers said in a statement they feared that last week's decision to extend the emergency would hinder the search for a solution to South Africa's problems.

Pretoria says the state of emergency, now entering its fourth year, is needed to curb violence in the country. Under the emergency powers, the Government has introduced strict press curbs, has virtually banned 32 anti-apartheid groups and has more than 500 dissidents under house arrest.

The EC statement, issued initially in French, said:

The 12 deplore the decision by the South African Government to extend the state of emergency and express their deep concern that this extension might further hinder the creation of the climate necessary for a solution to the problems of South Africa."

REPRESSION

"The 12 regret that the South African Government has not responded to the repeated requests of the 12 to lift the state of emergency. As a result, they ask the South African Government once again to put an end to its policy of repression, to free all political prisoners, in particular Nelson Mandela, to lift the ban on anti-apartheid organisations, to lift the state of emergency and to embark on a national dialogue leading to the abolition of the apartheid system." — Reuter.

Anti-apartheid lobby prepares for De Klerk

By Sue Leeman,
The Star Bureau

(S6A)

LONDON — The anti-apartheid lobby is intensifying the pressure for more punitive measures against South Africa as the visit by Mr F W de Klerk approaches.

They are hoping that by the time the South African President-elect arrives here, there will be a wave of negative public opinion so strong that he will be left in no doubt about South Africa's pariah status.

The strategy is to undercut the impact of the visit, which is of vital importance to Pretoria, both practically and in terms of South Africa's general image

abroad.

The reimposition of the state of emergency and the June 16 anniversary have provided the opportunity for fresh protests and renewed calls for comprehensive mandatory sanctions.

Part of the plan is to embarrass Mrs Thatcher — who is due to meet Mr de Klerk at Chequers — with claims that she is out of step with much of Europe in her approach to South Africa.

They are predicting that the Conservative Party will suffer a setback in this week's European Parliament elections, which will underline Mrs Thatcher's isolation on broader European issues.

The campaign for sanctions

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has been given fresh impetus by new figures which show that European Community (EC) imports from South Africa more than doubled to \$14 billion (R35 billion) in the last financial year compared with the previous year. Over the same period the value of exports increased from \$6 billion (R15 billion) to \$7,6 billion (R19 billion).

Yesterday, foreign ministers from the Frontline states made a strong plea for sanctions during a meeting with EC foreign ministers in Brussels.

They are hoping their joint stand will result in the matter being placed high on the agenda at the EC summit in Madrid on June 26.

1992 and all that (SbA)

Final

Sir — Your article on the recent Europe 1992 conference in Johannesburg (*Leaders* May 12) confirms that the need for SA to continue or expand its participation in the European Community (EC) single market in 1992 requires strategic planning by both political and corporate decision-makers.

It is clear that the ongoing process of reform remains an indispensable requirement for staying off increased EC economic sanctions. SA perestroika needs to take place at a pace and within parameters dictated by our own internal needs for political accommodation and economic growth; however, perestroika there must be and it must be visible to the outside world.

On the private sector level, it should be borne in mind that the EC Code of Conduct was the first major EC foreign policy response against apartheid. It demonstrates the significance that EC member countries attach to corporate social responsibility.

The time has come for SA companies to create and actively support our own, comprehensively applied code of conduct which

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would serve to shore up the SA position against potentially increased EC economic sanctions as well as to set the pace for ongoing political reform in SA. The SA Consultative Committee on Labour (Saccola) code would obviously be a good starting point — but its provisions need to be expanded considerably to approximate the EC code and its application would have to become both visible and monitorable by an independent body.

Dr D J Vorster, Dover, UK.

Speech suggests lack of commitment to EC

Thatcher promises first loyalty to US

LONDON — The British Prime Minister, Mrs Margaret Thatcher, last night pledged paramount loyalty to the United States in a speech that suggested a lack of full-hearted commitment to the European Community.

Speaking at a Downing Street dinner in honour of President George Bush, Mrs Thatcher recalled the shared experience of two world wars and the "great trials of strength which characterised the cold war", saying that the partnership between the two countries had been remarkable.

"Our membership of the European Community has not diminished it. Indeed, it has strengthened and enhanced it. For us, loyalty to the United States is paramount because we share so many of the same basic beliefs."

That remark, made two weeks before the Euro-

pean Parliament elections, taken together with Mrs Thatcher's continuing onslaught on the "backdoor socialism" of Brussels, will fuel opposition claims that she has a deliberately isolationist and damaging approach to the EC.

But Mrs Thatcher went further, saying: "In times of great crisis or danger, you have always been able to count on Britain. And I can say to you rather solemnly tonight, you always will be able to count on Britain, when there is danger, when you need us. That is why the relationship is special."

She also used the recent expulsion of Soviet citizens from Britain for alleged spying as a reason for continuing caution on President Mikhail Gorbachev's reforms. Mrs Thatcher said she hoped the reforms would come about, creating a society which respected personal liberty and was not aggressive.

"But we don't yet know whether that will happen. We do know that the difficulties of economic reform are enormous. And there are still groups within the Soviet system whose behaviour is unregenerate, as we discovered recently."

Mr Bush, on his first trip to London since becoming President, said the two leaders, in talks earlier lasting almost two hours, "had a very encouraging and frank exchange". They had "talked from the heart".

At the dinner, Mr Bush praised Mrs Thatcher's honesty and candour, her insight and judgment, and quoted Disraeli as saying: "There is no wisdom like frankness."

In US diplomatic parlance this would indicate stern conversations took place. Bush administration officials, uncharacteristically, would not add anything about the tone of the exchanges, suggesting a certain diplomatic hesitance.

Mr James Baker, the US Secretary of State, said Mr Bush had praised Mrs Thatcher's support for US policies in central America and Namibia, and in the Lockerbie investigation. — The Independent New Service.

Maggie refuses to kill rumour that she'll axe two top men

LONDON — Mrs Margaret Thatcher has refused to kill speculation that the Chancellor of the Exchequer and the Foreign Secretary could be at risk in her next Cabinet reshuffle.

She told the *Glasgow Herald* in an interview published yesterday that Mr Nigel Lawson and Sir Geoffrey Howe were good Ministers, but added: "I'm not going any further."

Mr Bryan Gould, Labour's campaign co-ordinator for the European elections, said: "This interview can only fuel speculation that the Prime Minister does intend to remove Nigel Lawson. This is a particularly irresponsible interview, because the Prime Minister must realise that all such rumours are further destabilising the pound."

Mr Lawson, who was yesterday in Paris for a meeting of finance ministers of the Organisation for Economic Co-operation and Development (OECD), played down

fears that a sterling crisis was in the making, but suggested that he would not shy away from raising interest rates again if he had to.

Looking relaxed and apparently unruffled by rumours of his resignation, the Chancellor said the deepening worries over the pound were "a lot of exaggeration".

He added: "The markets are very calm today, I hope they remain calm."

There is a marked difference of opinion between the Prime Minister and her two most senior Ministers over issues like membership of the European Monetary System, the exchange rate mechanism, and attempts to peg the pound.

Those tensions are thought to have fed weekend suggestions that Mrs Thatcher was being urged to axe both men in a July reshuffle.

She told the *Herald* that rumours concerning the two Ministers were hurtful and she had no idea where they had come from.

Maggie's vision of EC 'like apartheid'

LONDON — British Premier Mrs Margaret Thatcher's vision of Europe was similar to apartheid, the leader of the Conservative Party, Dr Andries Treurnicht, said yesterday.

Speaking at a press conference at the House of Lords, Dr Treurnicht said he wanted South Africa to follow the lead of the European Community.

The EC had independent states co-operating, and he wanted black and white territories within South Africa politically separate but co-operating commercially.

"Certain statements western European statesmen make are very important to us," he said.

"One was the recognition of the claim to sovereignty of countries co-operating on the economic level with other sovereign countries.

"We find that very important, because it is exactly what we claim in our country — the sovereignty of our own land vis-a-vis other sovereign countries on the basis of economic interdependence." — Sapa.

EC vice-president in Zambia for start of three-nation tour

LUSAKA — European Commission vice-president Manuel Marin arrived in Zambia yesterday for the first stop of a three-nation tour of southern Africa aimed at boosting European co-operation in the region's development, the commission's Lusaka representative said.

The representative, Jean-Michel Filori said that Marin, who is responsible for development cooperation in the Commission of the European Communities (EC), would meet Zambian President Kenneth Kaunda before leaving for Botswana tomorrow.

Co-operation 56A

He will also visit Zimbabwe.

"The idea is to exchange views with the political leadership of the region about the cooperation of the EC with the SADCC in the light of recent developments," Filori said.

Zambia, Botswana and Zimbabwe are all members of the Southern African Development Coordination Conference, a nine-nation regional economic grouping.

Filori said recent developments, such as the independence process in Namibia, the prospect of peace in Angola and moves to end apartheid in SA, opened up opportunities for wider EC cooperation with southern Africa.

The EC as a group and its member countries have committed more than three billion European Currency Units (approximately \$3bn) of development assistance to SADCC since 1975.

The other SADCC members are Angola, Mozambique, Lesotho, Swaziland, Malawi and Tanzania. — Sapa-Reuter.

Proposed airline faces EC restrictions

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British Airways' attempt to create a powerful new pan-European airline — by joining KLM of the Netherlands to take a 40 percent stake in Belgian carrier Sabena — is running into serious difficulties with the European Commission.

Officials in Brussels have given advance warning to both BA and KLM that their plan to link up with Belgium's national flag-carrier could be illegal under EC competition rules.

There is now growing speculation that the boards of the three airlines will not be in a position to agree on the formation of the new carrier by this Friday's deadline.

The fear is that the commission may decide to impose such stringent conditions on the deal that BA and KLM will be forced to reconsider it.

Both companies were told at recent discussions with Brussels that a link-up with Sabena would almost certainly be subject to a formal investigation by Sir Leon Brittan, the EC's Competition Commissioner.

Sabena chairman Carlos van Rafelghem surprised his negotiating partners by unveiling details of the proposed deal in Brussels three weeks ago.

Develop hub

Sources say BA was taken unawares and it is unlikely the airline's board will be able to sign the proposed memorandum by this Friday.

Under this, BA and KLM would buy 20 percent each of a new Sabena subsidiary, Sabena World Airlines, to be operational from next January.

The agreement would allow BA and its partners to develop Brussels airport as a major European and inter-continental hub. But their plans have alarmed rival carriers, notably Michael Bishop's British Midland group of airlines, which is certain to complain to the EC.

BA regards the proposed link-up as an ideal way of relieving pressure on its own major hub, Heathrow airport, by diverting passengers from regional airports in Britain to Brussels. The ailing Sabena sees it as a means of receiving a much-needed cash injection.

Sir Leon is anxious to force the pace of air transport deregulation across Europe and encourage greater competition. But he is concerned that the end result not be the emergence of a few mega-carriers in place of many medium-sized ones. — The Independent News Service.

BRITAIN'S VIEW ON SANCTIONS

HOW much time does South Africa have left in which to make its peace with the international community, before the sanctions screws are tightened?

The question has acquired some urgency following the recent Euro elections in which the Labour Party replaced the Conservatives as the majority British party in the European parliament and from which the Socialist grouping has emerged with a majority over the Centre-Right.

For 10 long years, South Africa has enjoyed a kind of protection under the wing of a fiercely anti-sanctions Mrs Thatcher and the Euro factor has not been a significant one.

Now, the Thatcher role is being weakened and the European role is being strengthened. If South Africa cannot come to terms with this new situation it could find itself in deep trouble.

The two statistics Pretoria should be looking at are the votes polled by Britain's Labour Party in the Euro elections, and the recent opinion poll in Britain which gives Labour a 14 percent lead over the Conservatives.

These are not necessarily accurate indicators, but they give warning of a possible change of mood among the British electorate.

The Labour Party supports the ANC and the Anti-Apartheid Movement on sanctions and, now that it is the largest national unit within the socialist grouping in the Strasbourg parliament, it is only a matter of time before it tries to impress its views on its fellow socialists, probably with success.

The majority Socialist grouping in the European parliament (the Centre-Right has lost its majority) is having discussions with

the Christian Democrats (the second largest grouping) to establish a working partnership and, if these discussions are fruitful, a Christian Democrat might become the next president of the European parliament.

IN that event, South Africa may be granted more breathing space. However, if a Socialist becomes the next president, and the British Socialists take an activist position on South Africa, Pretoria can brace itself for a new round of sanctions pressure.

The European parliament, admittedly, is not the power institution in the EC. Power lies with the Council of Ministers. Legislation drafted by the European Commission (the EC's executive body) goes to the parliament for amendments.

It then goes to the Council of Ministers and a commission representative for their opinion before going back to the parliament for a second reading.

At this stage, the parliament can either accept the legislation or try to amend it a second time. The final decision is up the Council of Ministers. In the past, the Council has adopted only 21 of the parliament's second amendments.

Clearly, this is an anomalous situation, and the more the EC acquires a life of its own, particularly after 1992 when the Single Market comes into operation, the more inadequate the powers of the parliament will be seen to be.

While it waits for increased powers, the parliament is concerning itself particularly with human rights issues — and apartheid is an obvious candidate for its closer attention.

From STANLEY UYS, Weekend Argus Foreign Service in London

The parliament has a crucial role in determining the EC's relationships with the rest of the world, because trade co-operation agreements cannot take effect until a majority of the parliament approves them.

THE parliament flexed its muscles over Israel, refusing to approve the co-operation agreement with the EC. South Africa has no such agreement and cannot be penalised similarly. However, no doubt it has noted the parliament's determination to widen its role and assert itself more vigorously.

The Euro election results were a severe setback to Mrs Thatcher personally and, of course, if she is ousted as prime minister and her finger is pulled out of the sanctions dyke, heaven knows what will engulf South Africa.

Opinion is almost unanimous here in Britain that Mrs Thatcher miscalculated on the European elections. She got them wrong. Lord Rees-Mogg, former editor of *The Times*, who claims a 40-year acquaintance with Mrs Thatcher, wrote: "If she digs in and repeats the mistakes of this campaign, then the country and her party will turn away from her, and sadly they will be right to do so."

What the Euro elections have shown is that Mrs Thatcher, like the rest of us, is mortal.

For the first time in Mrs Thatcher's 10 years as prime minister, the British media are beginning seriously to question her political immortality. Whether this sniping is premature is still to be seen.

So, how long does South Africa have to put its house in order? Until 1992, when the

How much time for SA as Euro clock ticks on?

Single Market is launched and when the Conservatives next face a general election? South Africa's ambassador to the EC, Dr Bhadra Ranchod, believes South Africa has some opportunities that it should use to prepare itself for the new Europe.

First, Europe is watching the unfolding of the Angola-Namibia peace accords with approval and South Africa has earned itself some credit for this. Europe, on the whole, is prepared to give Mr F W de Klerk a chance to show what he can achieve.

It is also waiting to see how the September 6 elections turn out and what progress Mr Pik Botha's peace initiative over Mozambique makes.

Europe has also noted with approval the renewed speculation that Mr Nelson Mandela will be released after the elections and the meetings between Pretoria and homeland leaders like Chief Mangosuthu Buthelezi and Mr Enos Mabusela.

DR Ranchod told me he believed the adoption by the government of the Law Commission's report, which recommended a Bill of Rights, would give South Africa a major boost in Europe.

Also, South Africa has moved from being the EC's 17th most important trading partner to its seventh. This, Dr Ranchod hopes, will give the EC a vested interest in seeing that South Africa does not go up in flames or that its economy is turned into a wasteland by sanctions.

Dr Ranchod's points are sound ones, but at the heart of the matter is the pace of apartheid reform and the liberalisation of repressive measures.

Ultimately, these are the issues on which the EC, asserting increasingly a collective will over the individual relationships its 12 member states have with South Africa, will test Pretoria's bona fides.

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De Cuellar embarks on Euro-African trip

NEW YORK — UN Secretary-General Javier Perez de Cuellar left New York at the weekend for an extended visit to Europe, before travelling to Africa.

He is to attend the summer session of the UN Economic and Social Council in Geneva and will preside over meetings of UN agency chiefs before making a one-day visit to Rome on July 6, where he will receive a peace award and meet Pope John Paul.

On July 12 he is due to join celebrations for the bicentennial of the French revolution in Paris. He is among 23 foreign leaders invited by the French government to attend the ceremonies.

On July 15, De Cuellar will be in Lisbon for talks with the Portuguese president.

The secretary-general is expected to go to Namibia on July 19 for a four-day visit, followed by his attendance at the Organisation of African Unity summit meeting in Addis Ababa. But his staff said arrangements for those visits were incomplete. — Reuter

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Go to Ireland

By 1992, members of the European Community (EC) intend to harmonise tax rates and do away with tariffs and duties which restrict trade between themselves. Non-members, like SA, will they have more difficulty in trying to penetrate and create markets for themselves there.

One answer is to move all or part of manufacturing operations to a suitable offshore territory. A possibility, suggests Ernst & Whinney's Raoul Kaplan, is Ireland.

Manufacturing profits in Ireland pay 10% tax, whether or not goods are exported, and are guaranteed until at least the year 2000.

The term "manufacture" is not nearly as limited as in SA. Acceptable activities include grain drying, pasteurising milk, ripening bananas and motion picture production.

A foreign investor can get an advance ruling that activities will qualify. Due to the wide definition, argues Kaplan, even if only part of the process is carried out in Ireland, it can still be regarded as manufacture.

"This could be advantageous if a businessman wants to carry out part of the process in SA, using, for example, cheap raw materials or labour. Semi-finished goods could be sent to Ireland at a relatively low mark-up and manufacture completed there."

Reserve Bank approval is needed to invest offshore. The Bank requires that offshore profits be remitted to SA. However, such

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remittance will be a dividend and, for a company, tax-free. And it will be free from any withholding taxes in Ireland.

Other profits which qualify for the 10% rate are:

- Software development and data processing, where the project has received an employment grant from government;
- Any profits, manufacturing or not, derived in Shannon (in south-western Ireland);
- Shipping;
- Export-orientated financial services conducted in the Dublin "free trade area;" and
- Earnings of "export trading houses." ■

Benefit should be less inflation as rest try to match Germany

LONDON — British membership of the European Monetary System has been a source of controversy in Europe since the currency system was established in 1979.

The publication in April of the report on economic and monetary union in the European Community by Mr Jacques Delors, president of the European Commission, gave a new twist to the debate by bringing in the issue of monetary union within the EC — a move which would ultimately involve the abolition of national currencies.

There is a huge difference between the UK becoming a full member of the EMS and the more ambitious target of a European Monetary Union (EMU).

The EMS, or more specifically the exchange rate mechanism of the EMS, is a currency system which helps its member countries to achieve much greater exchange rate stability against each other's currencies. It is a semi-fixed system.

Fewer adjustments

From time to time, the rates within the EMS are adjusted to take account of differences in economic performance and inflation rates, but the frequency of EMS realignments has tended to decline.

During its first eight years, there were 11 adjustments. But it is now nearly 30 months since the last one.

Full membership of the EMS offers a number of benefits.

Because it increases exchange rate stability among members, it encourages trade and investment between them as well.

The currency risk which arises when a company does business abroad is not removed, but it is reduced.

Supporters of the EMS also argue that it

One currency for Europeans now in sight

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European political leaders agreed in Madrid this week to formulate a new currency policy for the 12-nation community. **PETER WILSON-SMITH** examines the European Monetary System and the British government's objections to it.

provides a useful counter-inflationary discipline for its members, because, in order to stay within the EMS, countries are in practice forced to try to match West Germany's impressive record on inflation.

Under the exchange rate mechanism, all the currencies in it have an agreed exchange rate against each other.

They can move slightly above or below their agreed rates, up to a maximum of 2.25 percent. The Italian lira and Spanish peseta, which has just joined the EMS, are allowed more leeway with fluctuation bands up to 6 percent.

EMS supporters argue that this discipline has helped to bring inflation in member countries closer to the West German rate over the past decade.

Opponents of the EMS such as Sir Alan Walters, Mrs Margaret Thatcher's adviser, argue that these inflation rates have come down for other reasons than the EMS.

Whatever the answer, it is now the case that countries such as Italy and Spain have

lower inflation rates than the UK.

Britain, which has for years been promising to become a full member of the EMS "when the time is right", is now the only important country in the 12-nation EC not a part of the exchange rate mechanism.

The Delors report envisaged all EC countries becoming full members of the EMS as part of the first stage in its plans for monetary union, and suggested that stage one could begin on July 1 1990 and would also involve increased co-ordination.

The second stage proposed by the Delors report, which would get underway when necessary changes had been made to the EC treaty, would involve setting EC-wide economic guidelines and objectives, establishing a European System of Central Banks to run monetary policy throughout the EC, and reducing the fluctuation margins within the EMS.

The third and final stage, full monetary union, would start with the irrevocable fixing of exchange rates within the EC.

Profound implications

For businesses and the City of London, the majority of which already favour full UK membership of the EMS, monetary union would have profound implications.

For industry it would be much easier and simpler to do business in Europe.

The complications of different exchange rates and the costs of exchanging money or hedging foreign currency exposure would disappear.

For the City, many believe monetary union would provide it with a big opportunity to consolidate and strengthen its position as Europe's leading financial centre. — The Independent News Service.

Doubtful Thatcher compromises

Europe shuffles step closer to full monetary union

(S6A) Stav 27/6/89

MADRID — Mrs Margaret Thatcher is expected to yield to pressure from her European Community partners in Madrid today to accept the eventual re-negotiation of the EC treaty as a condition for achieving full monetary union.

A compromise text on the steps towards economic and monetary integration, based on the three-stage report drafted by the European Commission President, Mr Jacques Delors, will be submitted to the leaders when they gather for the second and final day of the EC summit this morning.

If it is agreed, it will presage the eventual setting up of a European central banking system and, possibly, the creation of a single currency.

Hopes of a compromise were boosted yesterday when the Prime Minister re-stated her commitment to economic and monetary union, and spelled out, in detail, the conditions under which she would be prepared to take sterling into the exchange rate mechanism of the European Monetary System (EMS).

'Window dressing'

These were that the single market programme should be successfully completed, or at least well on the way, and that Britain's inflation rate should be on a firm downward trend.

Moreover, last year's agreement to scrap all exchange controls from mid-1990 should have been carried through.

British officials insisted that this was not a window dressing of the Government's 10-year-old refrain that it would join the EMS "when the time is right". They said it was a genuine attempt to reassure the Community of commitment to the EMS.

"This is an important statement of intent that takes the pound a step closer towards joining the exchange rate mechanism," one said.

Downing Street officials played down suggestions that the Prime Minister had ever doubted Britain's future in a European economic and monetary union.

"We commit ourselves to economic

and monetary union," one official insisted flatly. Officials predicted that some compromise would be worked out on launching the 12 towards union.

"She has softened her position very much, I think we will have a deal," said a Spanish diplomat.

The main battle still to be fought, however, will be over the precise timing of a conference and its likely terms of reference.

Some leaders, led by the French President, Mr Francois Mitterrand, continued to demand that such a meeting be called immediately.

British officials continued to argue that while the Prime Minister accepted most of stage one, entailing a strengthening of existing co-operation, she remained sceptical of much else.

In particular, Mrs Thatcher took issue with the submission in Mr Delors' report that monetary integration should be accompanied simultaneously by a harmonisation of economic policies, including binding rules on the size of members' budget deficits.

The British were also concerned that the federal banking system proposed, loosely modelled on the West German Bundesbank, would be too detached from governments and political influence and therefore not subject to sufficient democratic control.

Mr Delors, who drafted his report with a committee of experts and EC central bank governors, has adopted a flexible tone, saying his report "was no Bible" and that he expected that many of its details would be amended.

But President Mitterrand yesterday continued to suggest that Mrs Thatcher was still dragging her heels.

Using very firm language, he implied that she had deliberately attempted to "fog the issue" by pretending to agree to principles that were already well established by the 12.

Chancellor Helmut Kohl of West Germany was conciliatory, arguing that the EC finance ministers should be given the chance to consider the later stages themselves, and decide to what extent they should be re-worked. — The Independent.

crackdown on the pro-democracy movement
protests against China in Beijing's

Reluctant Thatcher on 'voyage into unknown'

UK likely to accept EC monetary union

Star 26/6/89 (S6A) (B)



Mrs Margaret Thatcher and unidentified officials at Madrid Airport yesterday.

Labour gains big lead against Tories in poll

Star 26/6/89 (S6A)

The Star Bureau

LONDON — Labour has taken a spectacular lead of 14 percent over the Tories in the past week, according to the latest *Observer/Harris* poll.

It reflects a sharp improvement on Labour's good results in the Europe elections 10 days ago, when it enjoyed a lead of 6 percent over the Tories.

According to the poll, Labour now has 48 percent support to the Tories' 34 percent. The Green Party is in third position at 8 percent, bumping the Democrats into fourth place with 6 percent.

Labour has convinced many with its enhanced credibility. The party is thought by 42 percent of voters likely to win the next general election, with 59 percent expecting the Tories to lose.

Voters back Mr Nigel Lawson, the Chancellor, over Mrs Thatcher in their argument over the economy and a majority believe either Mr Lawson, or Foreign Secretary Sir Geoffrey Howe, or even both, will be sacked by Mrs Thatcher in the coming reshuffle.

Labour has not enjoyed a double-figure lead in the polls since the mid-term of the last parliament. The scale of the shift in opinion is evidence that Labour's concerted 10-week election campaign has been a great success.

Two-thirds of Labour voters now believe their party will win the next election, as do more than a third of Democrats, SDP and Green Party voters, and 17 percent of Tories believe Labour will win.

MADRID — In a gamble to avert confrontation at the European Community summit in Madrid this week, Mrs Margaret Thatcher will confirm today her readiness to accept the first stage of a new departure towards an economic monetary union.

Although Mr Felipe Gonzalez, the Spanish Prime Minister, said an agreement to the first stage alone would not satisfy him, it seemed last night such a move might mollify even those countries most supportive of union, as well as the President of the European Commission, Mr Jacques Delors.

The Delors report, drafted by the president with a team of experts and central bank governors, depicts a three-stage progression towards monetary union, culminating in an EC central banking system and, eventually, a single currency.

Stage one would involve the strengthening of existing co-operation procedures, and stages two and three would entail a revision of the EC constitution. Government sources played down reports that Mrs Thatcher would indicate a loose timetable for entering sterling fully into the European Monetary System (EMS), perhaps next year.

"This is a voyage into the unknown," one said. It is none the less widely assumed that the government's 10-year-old dictum that sterling will join the EMS exchange rate mechanism "when the time is right" will have been modified.

In its place, Mrs Thatcher may indicate that sterling will play its full part once British inflation has fallen to a reasonable level, and French and Italian exchange controls have been lifted next year.

She is expected to argue that only when the full effect of capital control liberalisation on the exchange rate mechanism has been judged, can Britain decide to join it.

Economic guru

This cautious approach is believed to reflect the views of her economic guru, Sir Alan Walters, that the mechanism might not survive free capital flows.

The fortunes of this summit now appear to rest with Mr Gonzalez, the host, and West Germany, Italy and France. If they choose to insist, as some officials still predict, that Mrs Thatcher must commit herself to all three stages, the meeting will almost certainly end in acrimony.

This was the unyielding position maintained by Mr Gonzalez in his interview with the Spanish daily, *El Pais*.

"There will be no agreement if there is a compromise on stage one, but an impasse on stages two and three," he said, adding that Britain should not be allowed to block "an immediate commitment" to the whole Delors report.

But officials close to Mr Delors seemed confident last night that a compromise could be struck on the basis of Mrs Thatcher's proposal. This would allow the leaders to agree to urgent "preparatory" work on stage one and separate consideration of the latter two without a binding political commitment.

Most governments would also welcome any solution that avoided isolating Britain so early in a process that most of them consider vital to the Community's future.

Most admit, moreover, that Mrs Thatcher's position inside the Twelve remains relatively strong. — The Independent News Service.

APC-7m/15 26/6/89

S6A

EC campaign for unity leaves Britain hesitant

LONDON. — The Delors Report on economic and monetary union is the European Community's third attempt in 20 years to chart the treacherous course towards a single currency.

The first two attempts fell by the wayside but the 40-page document that bears the name of EC Commission President Jacques Delors has built up unprecedented momentum and has all the hallmarks of a classic "Britain versus the rest" row.

Many of the proposals in the Delors report, which will top the agenda when EC leaders begin a two-day summit in Madrid today, require a far-reaching transfer of decision-making from national governments to Community level.

Critics such as British Prime Minister Margaret Thatcher argue this is unacceptable and tantamount to a federal state of Europe, something decidedly not on her political agenda.

Advocates such as French President Francois Mitterrand see it as the only solution if Europe is to become a cohesive trading bloc to compete with the US and Japan.

In its ultimate form, it would spell complete freedom of movement for goods and capital. A single currency would remove the exchange rate risk of business within the 12-nation Community.

The report, commissioned a year ago by leaders at their Hanover summit and made public in April, was drawn up by central bankers and outside experts under the chairmanship of Delors.

It sets out a three-phase approach but fixes no timetable in a bid to avoid the pitfall of the moribund 1970 "Werner Report", which advocated monetary union within 10 years.

A second bid to achieve the elusive goal also came to nothing.

Plans to develop the European Monetary System (EMS) in 1979 were postponed indefinitely two years later.

The new report pins down only one date, stating: "There should be a clear indication of the timing of the first stage, which should start no later than July 1, 1990."

Debate in Madrid is likely to focus on paragraph 39, which states: "The decision to enter upon the first stage should be a decision to embark on the entire process."

Stage one is the most easily acceptable, concentrating on stepping up co-operation within the existing framework.

On the monetary front, all nations are urged to join the EMS of semi-fixed exchange rates. Britain, Portugal and Greece have yet to comply. On the economic front, the aim is to complete the 1992 single market project. — Sapa-Reuter

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FW gets leaders' nod of approval

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(SAPA) (6) (S6A)

From MIKE ROBERTSON

ROME. — European leaders have given a nod of approval to National Party leader Mr F W de Klerk, whose hectic four-nation tour ends today.

Mr De Klerk has impressed heads of state he met, particularly British

Prime Minister Mrs Margaret Thatcher. The leaders now expect South Africa to enter a new era of fundamental change under Mr De Klerk's leadership.

He was clearly satisfied that he had been able to establish a personal rapport with all the leaders he met.

Mr De Klerk said that much of the discussions had centred on the Namibian settlement and the "dramatic bid" to end the war in Angola, and that it had been clear that "everyone has the perception that something further must happen".

He said he was encouraged by the strong degree of realism pervading the European leaders' thinking on Southern Africa.

Significantly, at a time when the Commonwealth is preparing for a fresh sanctions onslaught, Mr De Klerk appears to have convinced the leaders he met that South Africa must be allowed to sort out its problems without outside interference.

He said on Saturday, after meeting

Italian Foreign Minister Mr Giulio Andreotti, that one of the most encouraging aspects of the tour had been that European leaders were evidently not seeking to tell South Africa how to sort out its problems.

Mr De Klerk's most significant achievement was to have won guarded approval from Mrs Thatcher. After

Plans to see musical scrapped

LONDON. — Anti-apartheid campaigners have claimed that their protests prompted NP leader Mr F W de Klerk to cancel plans to attend the leading London musical Phantom of the Opera, the London Times reported at the weekend.

Protesters said Mr De Klerk's change of plan was a victory for them. — Sapa

their Friday meeting, she said she detected a new mood in South Africa and called on all groups to grasp this opportunity to end violence.

Mr De Klerk flew to Lisbon on Saturday for talks and lunch with Portuguese Prime Minister Mr Anibal Cavaco Silva before continuing to Rome to see Mr Andreotti.

Neither Mr Silva or Mr Andreotti gave him the same public nod of approval as Mrs Thatcher, but Mr De Klerk said he had found

them both similarly constructive on their approach to South Africa.

He said at a press conference that there had been great interest from all the leaders about moves to end strife in Angola and Mozambique.

Mr De Klerk will today pay a courtesy visit to Cardinal Casaroli, the Vatican Prime Minister. He then flies to Zurich, where he will hold meetings with Swiss officials at the airport before returning to South Africa.

RICHARD ROLFE in LONDON

GETTING better and better is the verdict from the platinum miners and refiners as they examine the small print of the European Community's measures to curb car exhaust emissions.

Two weeks ago, the European Commission finally cornered the stragglers and forced all 12 community members to accept controls on car pollution that would have been unthinkable even six months previously.

The result is that EC demand for platinum is set to move another step upwards.

Last September, word from Johnson Matthey, the world's biggest platinum refiners and exclusive agent for Rustenburg, was that Europe's planned measures would lift the region's demand for platinum in car exhausts to 500 000 oz by 1995. In 1988, Europe absorbed 250 000 oz for autocats.

Earlier this year, as the member states agreed on a compromise on emission standards, JM thought the 500 000 oz level would be achieved by 1993.

Now, following the latest agreement, JM estimates demand for more than 600 000 oz in autocats by 1993.

PRESSURE

So the changes add up to another SA platinum mine of 350 000 oz annually.

The EC standards will apply to all new car models from mid-1992 and for all new cars from end-1992. So 1993 will be the first full year of peak demand.

The tightening of European standards reflects strong public pressure on politicians to take action on the environment.

In the event, the "clean" states of northern Europe, led by Germany and the Netherlands, were able to force the "polluters" of the Mediterranean to rally behind tough emission control standards.

Widespread public anger at Europe's environmental degradation was visible in last weekend's elections to the European Parliament, when the Greens won up to 15 percent of the vote in many countries, often from a negligible base.

FREE

Stimulated by tax concessions and offers of free engine conversions by some of the manufacturers, UK car owners are switching to lead-free petrol.

Offtake of lead-free is now 20 percent of the UK petrol market, compared with nil two years ago. It is almost a symbol of how the environmental movement, as a political force, has developed from nothing.

The earlier decision on car emissions means that by 1993

EC demand will boost price of platinum

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56A



Europe will have the same standards the US has enforced since 1983.

JM's Mike Steel says that with Europe coming into line, further gains in its platinum offtake are unlikely. But the legislation will virtually ensure platinum a role of growing importance for at least five years.

The role of rhodium is interesting too. Indications are, Mr Steel says, that Europe's cars will have to be fitted with three-way platinum-rhodium catalysts.

The ratio between rhodium and platinum is 1:5 or 1:6. Quite by chance, that is also the ratio occurring in the ground, in SA's UG2 reef series, from which an in-

creasing amount of platinum group metals are being mined.

Rhodium offtake for autocats was only 110 000 oz a year in 1984, but had doubled to 220 000 oz last year.

A further increase seems inevitable as three-way autocats gain market share. Will there be enough to go round?

Diplomatically, Mr Steel says he expects the market for rhodium to remain tight. That sounds like quite an understatement, I would say.

CHINA

THE troubles in China have ceased to excite markets. They have proved a non-event as far as gold is con-

cerned. One could say that all political developments are a non-event for the gold price these days.

Tin and antimony are forecast to show some price gains if Chinese production is disrupted, but don't hold your breath.

More remarkable is the impact of the coal market. In 1987, SA coal exports were hit by competition from China's coal mines in Far East markets.

This week came the news that not only is the Peoples' Republic unable to meet its export commitments, but it is buying cargoes of SA coal for its southern provinces through Hong Kong intermediaries.

Now that the voting's over, Greens issues are on hold

BRUSSELS — Despite the success of Green parties in European parliamentary elections, environmental issues are likely to get short shrift at next week's European Community summit.

Instead, diplomats say, the summit in Madrid, opening on Monday, will be dominated by discussion of the two major political issues facing the community — economic and monetary union and a charter of social rights for workers.

It will also deal with a host of issues linked to the 12-nation EC's drive to create a vast single market among members after 1992.

Environmentalists are disappointed that what they see as environmental threats posed by the 1992 programme will not be receiving the leaders' attention.

Some say the summit agenda shows governments are already ditching their concern for the environment now that last week's Eu-

ropean Parliament elections are over for another five years.

"Before the elections they always say it's very important and we're going to take care of it and then four days later it's back to the old routine," said Paul Lannoye, one of Belgium's three Green members of the Strasbourg-based assembly.

With the destruction of the ozone layer and the threat of global warming receiving increasing media attention, public concern about the en-

vironment has surged over the past year across Europe, especially in France and Britain.

On polling day, the environmental Green parties and their allies made the biggest advances in the European parliament, almost doubling their seats from 20 to 39.

If Britain used proportional representation like its EC partners, instead of its first-past-the-post system, they would have gained 12 more seats. In the event they got none.

One Green item on the summit agenda will be the formal presentation by EC Commission President Jacques Delors of proposals already announced for a European Environmental Agency to gather data on environmental problems.

A letter of invitation to EC leaders from Spanish Prime Minister Felipe Gonzalez, the summit host, indicates the meeting's concluding document will break no new ground on the environment. — Reuter.

Britain in danger of being locked out of European monetary union

56A
STV 23/6/89

LONDON — Britain's European partners are increasingly impatient at Margaret Thatcher's refusal to back sweeping proposals for monetary union and are threatening to press on alone unless she backs down at an EC summit next week.

An alliance of Spain, France and West Germany appears determined to force the pace on the controversial "Delors Report" mapping the path to a single currency in the 12-nation European Community.

If the three fail to wring concessions from the British prime minister when leaders meet in Madrid on Monday and Tuesday, the result could be isolation for Britain and a split in the community at a time when plans to create a single market by 1992 are reaching a crucial stage.

"There is no patience left for

Thatcher," said Peter Ludlow, director of the Centre for European Policy Studies in Brussels.

"I don't think we should underestimate the possibility that she could be ditched by other leaders. She has behaved so outrageously over Europe."

Spanish Prime Minister Felipe Gonzalez, who will chair the summit, has raised the stakes, first taking the peseta into the European Monetary System (EMS), then hinting this week the other 11 states could go it alone on union without Britain.

A joint declaration by France and West Germany on Monday turned the screw further, stating: "A decisive political impulse should be given in Madrid to the implementation of the Delors Report in its totality."

Some economists now believe British failure to go along with

monetary union could damage London's role as Europe's biggest financial centre, leaving rich pickings for Frankfurt or Paris.

"We will be isolated if we stay out," said Professor Mark Taylor at the City University Business School in London.

"The last thing we want is Europe going ahead without us — it would erode London's position as a financial centre."

David Currie, director of economic forecasting at the London Business School, urged Thatcher to drop her opposition.

"There has been a change of opinion in Europe in favour of monetary union," he said. "We are in danger of being left out — just washed up on the shore."

The summit agenda will be topped by the 40-page document named after European Commission President Jacques Delors

who chaired a study group of EC central bank governors.

Previous attempts to address the contentious topic have fallen by the wayside. But April's report has caused waves throughout Europe — nowhere more than in Britain.

It advocates three stages towards union, starting from July next year. Phase one stresses the need for extra co-operation and for Britain, Portugal and Greece to become full EMS members.

Phase two foresees a federal central banking system, while in phase three the community's 12 exchange rates would be "irrevocably locked" and a single currency introduced.

Thatcher opposes the plan mainly out of concern that union will undermine London's sovereignty over economic decisions. — Sapa-Reuter.



Maputo harbour ... plan
to restore Zimbabwe link.

Maputo rail project gets EC backing

The Star's Africa
News Service

MAPUTO — Several foreign countries approved projects worth \$67 million (R187 million) for the rehabilitation of the Limpopo Corridor linking the port of Maputo to Zimbabwe when they attended a special meeting.

The meeting was attended by financing bodies from Britain, Canada, the European Community, Sweden, West Germany, Austria and Botswana.

The European Community is financing a project for the rehabilitation of bridges.

EXTENSION

Britain is funding the extension of a rail welding plant in Machava in the outskirts of Maputo.

The Limpopo Corridor project has so far attracted \$104 million (R291 million) of the \$150 million (R420 million) needed for its core projects.

A total of 300 km of railway line has already been upgraded, most of it by National Zimbabwe Railways. The Mozambican authorities expect rehabilitation to be completed by 1991.

European parliament will have foreign policy clout

starts 20/6/87. 1995. 56A

LONDON — European elections are conducted according to national election laws: all territories except Britain use proportional representation and parliament serves a five-year term.

They have been directly elected since 1979, before which MEPs were all nominated from their national parliaments.

The parliament is not a legislature in the conventional sense. EC legislation is proposed by the European Commission and then enacted by the Council of Ministers of member-states. Parliament has powers of scrutiny and amendment, which are particularly strong in legislation relating to the Single European Market (1992) programme.

It also has special authority over the EC budget and external relations — something South Africa would do well to take note of.

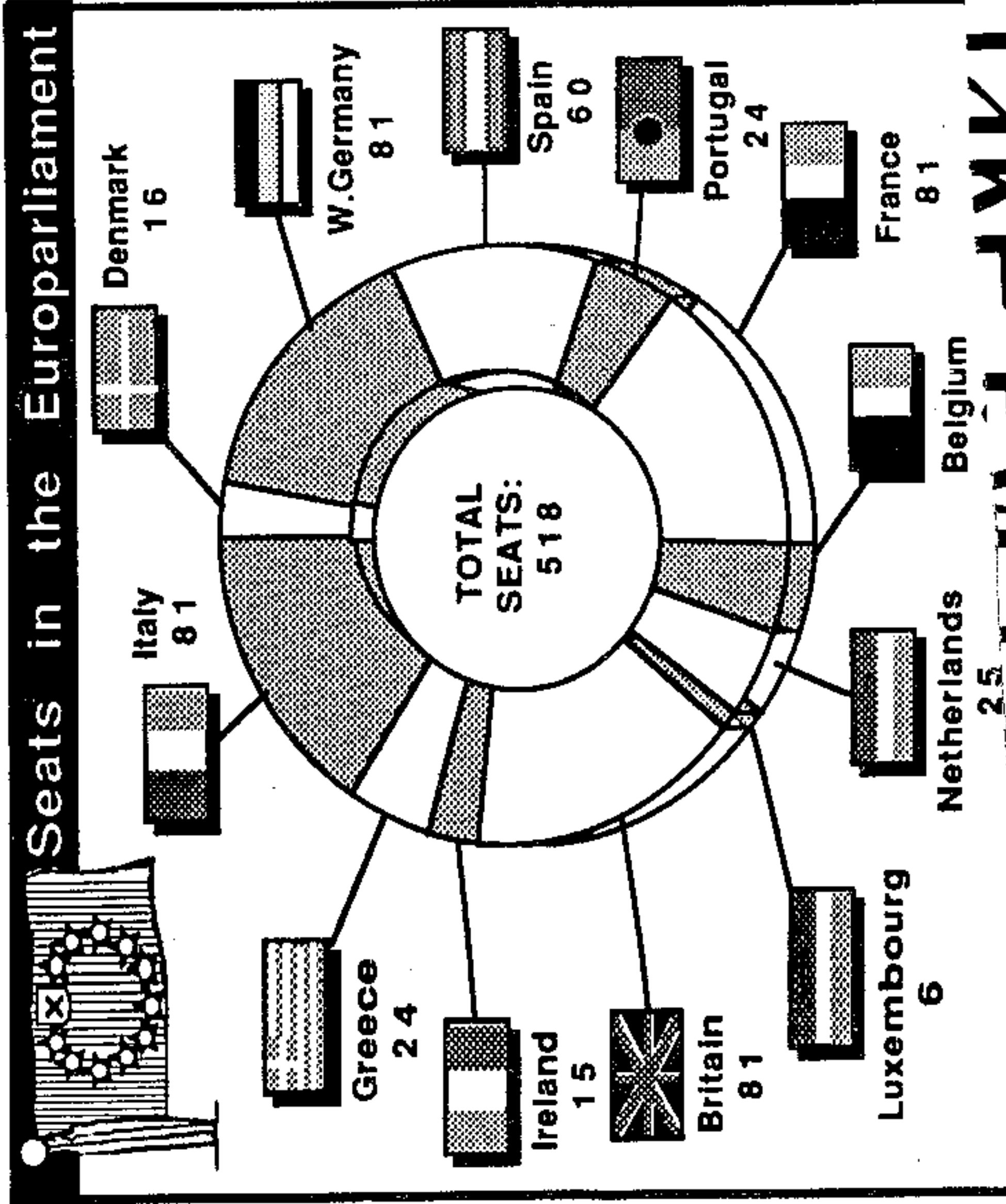
MEPs earn the same basic salaries as members of their respective national parliaments.

Historical reasons

They meet in full session for one week of each month in Strasbourg, where they rent premises from the Council of Europe, a non-EC body.

The parliament's secretariat is

The European parliament comprising 518 members has just been elected from the 12 EC countries. **ROBERT COTTERELL** of The Independent explains the function of the parliament.



constituency returning three MEPs through proportional representation.

Supporters of the parliament say that it provides the best working model of an EC institution which can transcend national barriers while at the same time preserving distinctive national character.

Those who argue for an extension of its powers usually do so by citing a "democratic deficit" — a lack of accountability within the EC's other institutions.

European commissioners are appointed by national governments, not elected, the Council of Ministers conducts its business in secret, often through elaborate horse-trading concluded on the initiative and instincts of the ministers themselves.

Critics of the claimed "democratic deficit" say that by extending the powers of the parliament to provide a true check upon the commission and council, the EC would gain a more healthy, open and broadly-based institutional structure.

But significant new powers for the parliament could only be served with the explicit agreement of member-states, through the variation or supplementing of Com-

ms to make everything else for a more meaningful summit

POLL BOOSTS EUROPEAN PARLIAMENT

BRUSSELS — The European Parliament is likely to become more aggressive in its self-styled role as defender of the man-in-the-street after western Europe's biggest election. The full results of the poll across the European Community will probably be out today.

Last night, projections suggested that leftists and environmentalists would take over most seats previously held by the centre-right.

"These results will give us a much more active parliament and a more intense dialogue between parliament and the Council of Ministers," said Belgium's Christian Democratic Prime Minister, Mr Wilfried Martens.

A formal increase in parliament's powers is unlikely in the near future as constitutional changes have to be approved by the 12 EC states.

But analysts and politicians said the body — variously viewed either as a futile talking-shop or as the good conscience of Europe — could present more of a challenge to governments as they take the decisions that will create the Community market in 1992.

The parliament has begun to use with increasing confidence the limited powers it won two years ago to amend or block legislation and remove barriers to the free movement of goods and people.

A more radical political make-up is likely to sharpen further the

(S6A) SKW 20/16/87
518-member assembly's campaign for more powers.

One result of socialists increasing their seats will be more pressure for the single market to include social legislation, a notion which already finds favour with many Christian Democrats on the centre-right.

This trend is bitterly opposed by British Prime Minister Mrs Margaret Thatcher, but her Conservatives will be outnumbered in the new parliament by opposition Labour Party members.

Green gains of around 38 seats, up from 20, will reinforce the environmentalist enthusiasm of a body which recently forced EC Ministers to adopt tough anti-pollution controls for small cars.

Despite its limited powers, the parliament is likely to step up its support for "popular" causes.

These have included demands for lower airfares, an end to what one deputy called the "slavery" of the football transfer fee system and a campaign for common speed limits to promote road safety.

In view of the difficulty of giving it more teeth, however, the parliament will probably have to be content for now with those it has.

"So far as the struggle for parliament to increase its powers is concerned, the new balance of power will make little difference," said Mr Dick Leonard, a Brussels-based EC expert. — Sapa-Reuter.

Meeting the challenge



Victory is sweet . . . British Labour Party leader Mr Neil Kinnock in a jubilant mood in London yesterday after poll results showed Labour had won a solid majority of seats in the European Parliament.

Thatcher wants a new Tory chief

LONDON — British Premier Mrs Margaret Thatcher began her campaign to patch up the Conservative Party's leadership . . . The Star Bureau

is clear the Prime Minister has begun sounding out Ministers and senior MPs. Among the party voices raised in criticism of the election campaign were those of Mr Norman Tebbit.

Europe gives fresh life to platinum prospects

Star 10/16/89

SKA

By Neil Behrmann

LONDON — Tighter EEC anti-pollution restrictions will raise European platinum demand to more than 600 000 ounces in 1993 from 245 000 ounces in 1988, predicts Johnson Matthey.

Total platinum group metal demand, which includes palladium, will be 850 000 ounces, the firm forecasts. There will be a substantial increase in rhodium consumption, it says.

The bullish implications of European platinum demand helped boost prices to \$490 from a low of \$473 last week.

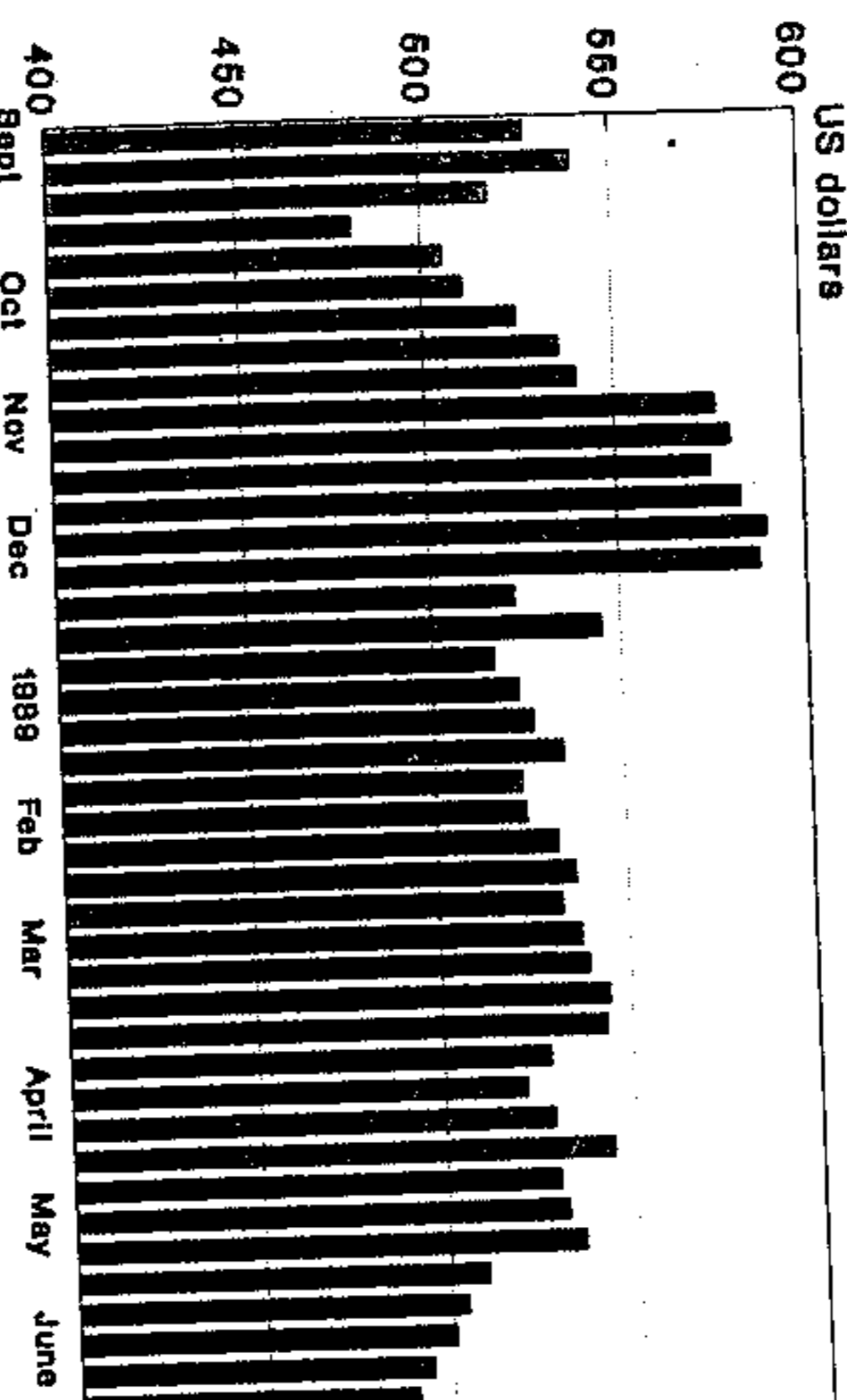
Fears of strikes on the platinum mines also encouraged US futures speculators to buy.

"The decision by EEC countries to enact tight US controls on car exhaust fumes implies that there will be sustained pressure on platinum group metal supplies," says Johnson Matthey.

Demand for autocatalysts used to control gaseous pollution from cars will grow rapidly in Europe, the largest car market in the world.

Autocatalysts have been used in North America for 14 years and in 1988 its car industry consumed 690 000 ounces of platinum.

When ancillary quantities of rhodium and palladium are taken into account, 940 000 ounces of platinum group metals were con-



In common with gold, the platinum price has been declining

sumed by the US car industry last year.

"The controls on car exhausts now being adopted by the EEC are of comparable severity to those applied in North America," says Johnson Matthey.

It is thus likely that the vast majority of European cars will require three-way autocatalysts, predominantly containing platinum and rhodium.

The activity of autocatalysts can be damaged by lead. Platinum has the most resistance to this pollutant.

Unleaded fuel is being phased into Europe, but many cars will still be using lead petrol, so platinum

will continue to be the most significant metal in the catalysts, says Johnson Matthey.

Since the timetable for tighter anti-pollution controls in Europe will be more exacting, platinum group metal demand will be more rapid than earlier foreseen, says Johnson Matthey.

In terms of announced plans for additional capacity, annual platinum output will expand by 600 000 ounces by 1993.

Steve Ellis, chairman of Impala Platinum, the world's second-largest producer, forecast at the London platinum dinner last month that automobile demand could double to 2.5 million ounces

if US-style emission controls were applied worldwide.

Markets, however, are concerned about the short term and such forecasts have zero impact when the sentiment is negative.

In the past six months platinum has traded in a stubborn price band of \$450 to \$550, even though Johnson Matthey's latest annual platinum report says prospects for both platinum and palladium prices are good.

Investors have been disenchanted and Japanese speculators, in particular, have sold platinum in recent months.

For this reason platinum's premium over gold has narrowed by six percent to 34 percent over the past few weeks.

At its peak the premium easily exceeded 50 percent whereas in 1985 it traded at a discount.

According to Johnson Matthey, total world supplies of platinum grew to 3.2 million ounces last year from 2.7 million ounces in 1984.

Demand surged to 3.66 million ounces in 1988 from 2.63 million ounces in the same period.

But total consumption last year included investment purchases of 660 000 ounces. Excluding this investment demand, the platinum market was in surplus.

So, instead of holding up on its own, platinum has lead precious metals downwards.

EC set to ban insider trading

BRUSSELS — EC finance ministers meeting in Luxembourg today look set to agree to a ban from 1992 on insider trading in stock exchange shares — profitable buying or selling with confidential information.

The measure affecting all 12 states in the EC, the world's largest trading bloc, would outlaw speculators using sensitive, unpublished business data to gain stock-market windfalls.

Ministers will also complete key legislation giving EC and foreign banks in any member state an automatic "passport" to offer their services throughout the Community's giant post-1992 single market, diplomats say.

Much attention may focus on how Britain will react to Friday's surprise announcement that Spain is becoming a full member of the European Monetary Sys-

tem (EMS) from today.

Madrid's decision to take the peseta into the EMS's core exchange-rate mechanism leaves Britain isolated as the only major EC economy still outside the West European grid of semi-fixed currency rates.

Full EMS members have repeatedly urged London to join but so far Prime Minister Margaret Thatcher has refused to accept the compromise of monetary sovereignty that membership involves.

The measure, outlawing insider share trading from 1 June 1992, establishes EC-wide minimum standards beyond which member states will be free to enforce tougher legislation if they want. Each will also set its own penalties for offenders. All EC countries except West Germany, Italy, Belgium and Ireland already treat insider trading as an offence. — Sapa-Reuter.

S6A

BJD 19/16/89

B1 Day 19/6/89
**Thatcher facing flak
over election result**

(56A) Own Correspondent 

LONDON — Anger within the Tory establishment focussed on British PM Margaret Thatcher last night in the face of EC poll results which could be her worst electoral defeat in 14 years as Conservative leader.

The Tories are expected to lose between 12 and 19 of their 45 EC seats. Exit polls conducted by the BBC suggested that Labour was running a 12% lead and stood to get 51 of the 78 seats in the Strasbourg Parliament.



Two traditionally Tory papers, the Mail on Sunday and the Sunday Times, yesterday quoted senior party sources as blaming Thatcher for the debacle. They also predicted an imminent Cabinet reshuffle — possibly this week but more likely in July — as she sought to restore confidence in her government.

● THATCHER

Voting results began coming in at 1am SA time this morning. The full picture of how the Tories have fared will not be known until later in the week.

Another surprising trend emerged as worries over the environment gave the Green Party an estimated 14% of the vote. The party, which until now was so small it only employed three admin staff, reported

□ To Page 2

EC poll flak *B1 Day 19/6/89*

its 12 000 membership increasing by 250 a day.

As the inquest into the fall of the government's popularity began, senior ministers said they would keep controversial legislation to a minimum until the end of the 1988/89 parliamentary programme.

Critics say Thatcher's "anti-European

(56A) □ From Page 1

stance" and her differences with Chancellor of the Exchequer Nigel Lawson over the refusal to link sterling to other European currencies caused the slump.

They also blame Thatcher for personally approving the "disastrous" Tory advertising campaign which included the poster: "Stay at home on June 15 and you'll live on a diet of Brussels."

B/Deny 19/6/89

China's security chief Qiao front-runner for leadership

BEIJING — Hardliner Qiao Shi, reputed chief of China's security apparatus, emerged yesterday as front-runner for the Communist Party leadership in succession to reformist Zhao Ziyang, whose fortunes fell with those of pro-democracy protesters.

Sapa-Reuter reports the party newspaper People's Daily featured Qiao in its main report and gave prominence to a picture of the 65-year-old, widely known as the "party's policeman".

In Shanghai, three men condemned to death for torching a train which had run over anti-government demonstrators neared the end of a three-day deadline to appeal for clemency. Court officials declined to say whether they had appealed.

Foreign diplomats said there was little chance a higher court would overturn the sentences, which have triggered protests from Western governments already outraged at the army's killing of hundreds of pro-democracy demonstrators in Beijing two weeks ago.

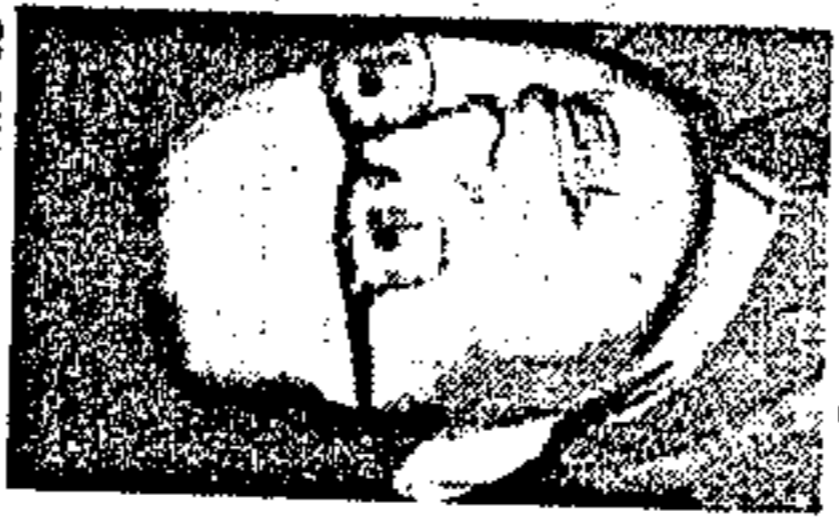
Eight people sentenced to death by a Beijing court on Saturday have appealed against the verdict.

Meanwhile, as China's leaders stepped up their campaign against "counter-revolutionaries" and baleful foreign influences, the country's desperate economic problems, a main cause of recent political unrest, have been forgotten, our Beijing correspondent reports.

Rather than deal with fundamental issues such as inflation, transport bottlenecks and shortages of raw materials — all of which have hampered reform — leaders have turned to talk of the need for vigilance against "class enemies".

At best, the fact that politics are once again in command will delay much-needed new thinking on China's economic problems; at worst, it will blunt the reform drive entirely, leading to a retreat to the imagined safety of central planning and control.

To some extent this has already happened. Against the background of strikes



● QIAO SHI

and complaints from consumers, an austerity programme was launched in September to check runaway growth and reimpose central control.

After three years of spectacular, if uneven growth, some form of central control needed to be re-established.

But, by curbing money supply and slapping new controls on prices, the measures removed the profit incentive that had been at the heart of the reform drive.

Many factories had to lay off staff, leading to huge internal migrations of labour.

The austerity programme, deeply unattractive in a society of rising expectations, did not respond adequately to price signals or administrative commands. At the same time, it signalled a retreat from the principle of reform.

In many respects, this failure to respond imaginatively to the economic crisis fuelled the political protest that unfolded in April.

Party leaders imagine the "surgical strike" at Tiananmen Square has bought them a period of peace and stability.

In fact, it will only fuel the economic instability at the root of the unrest.

56A

B/Deny 19/6/89

Maggie and industry disagree on EC plans

Own Correspondent

LONDON — Margaret Thatcher is out of step with the majority of Britain's leading industrialists in her opposition to full economic and monetary union within the EC, according to an opinion poll.

The Gallup survey, released after polls closed for the European elections, shows that 45% of senior business executives and financiers here favour a common currency to replace the pound, mark, franc and other European currencies.

It says 32% are opposed to a plan which Thatcher believes would involve an unacceptable surrender of national sovereignty.

Three out of five top companies support the establishment of a European central bank, and 51% favour such a plan "without reservation", according to Gallup.

However, Thatcher's hostility to the EC's "social charter" is shared by industrialists, who believe power over social policy and worker participation in companies should be left to member governments to decide.

Gallup interviewed a total of 250 chief executives and chairmen of major British companies, including BP, ICI, Rolls-Royce and Barclays Bank.

Swing to Left in Europe is not bad news for SA, says envoy

Star 19/6/87
56A

The Star's Foreign
News Service

BRUSSELS — The European Parliament's likely shift to the Left will not lead to renewed calls for sanctions against South Africa, according to the country's ambassador here.

Mr Bhadra Ranchod, ambassador to the European Community, was speaking as early election results from the 12 states indicated a shift to socialist and environmental parties.

Mr Ranchod said: "I expected a swing to the Left, but I don't think it will make a great difference for South Africa with National Party policies moving towards negotiations and tacit acceptance of a Bill of Rights."

Results at 1.30 am Brussels time indicated the European Parliament's centre-right groupings were losing seats to the far Right, particularly in

West Germany.

Socialist gains were mainly in the United Kingdom, but their hopes for left-wing majority in the 518-seat parliament with communists and environmentalists looked to be slim.

Mr Ranchod also expressed optimism after the meeting between EC Foreign Ministers and Frontline governments last week in Luxembourg. He said there was now a consensus in Europe for promoting dialogue in South Africa on reforms.

Mr Ranchod went on to call for the removal of sanctions. "The EC should reconsider the value of certain sanctions on new investments," he said. "We must make sure that the economy is not further weakened."

The ambassador was also optimistic about a Bill of Rights being incorporated into a new South African constitution.

SEP 17 1987

Thatcher blamed for EC losses

(SbA) The Star Bureau (SbA)

LONDON — Bitter in-fighting is wracking the Conservative Party after its European election setbacks, with Mrs Margaret Thatcher facing sharp criticism from her own ranks.

Television programmes devoted to the elections last night paraded a series of senior Conservative members who charged that the party's campaign — decided on by Mrs Thatcher — had contributed to the government's reverse.

Mr Edward Heath, the former Prime Minister who clashed several times with Mrs Thatcher during the campaign, accused the government of "scaremongering" over Europe.

Sir Anthony Meyer, the vice-chairman of the Conservative backbench committee on Europe also blamed Mrs Thatcher.

The poor Conservative performance and rise of the Greens is expected to lead to the appointment of a new party chairman and the introduction of a second Minister of the environment.

Senior Ministers are not expecting an acceleration of the forthcoming Cabinet reshuffle. They fear that would smack of panic in the face of what they maintain is a normal mid-term protest against the government.

Mr Peter Brooke, Tory chairman since the last election, is expected to move on to another post. Yesterday he was summoned to Chequers by Mrs Thatcher for what local press men speculated was a showdown.

As she demanded to know the reasons for the setbacks, representatives of every level of her party said her belligerent attitude on Europe had highlighted party divisions on the issue.

Thatcher blamed for poll 'debacle'

CMB Tim AS
19/6/89

56A

Own Correspondent

LONDON. — Anger within the Tory establishment turned on Mrs Margaret Thatcher last night as she faced the European Community poll results, and possibly her worst electoral defeat in 14 years as Conservative leader.

The party is expected to lose between 12 and 19 of their 45 Euro seats. Exit polls conducted by the BBC last week suggested that Labour was running a 12% lead and stood to get 51 of the 78 seats in the Euro parliament.

Two traditionally Tory papers, the Mail on Sunday and the Sunday Times, yesterday quoted senior party sources as blaming Mrs Thatcher for the debacle. They also predicted an imminent cabinet reshuffle, possibly this week but more likely in July, as she sought to restore confidence in her government.

Voting results began coming in at 1am SA time yesterday morning. How the Tories have fared will not be known until later in the week.

Another surprising trend emerged as worries over the environment gave the Green Party an estimated 14% of the vote. The party has reported their 12 000 membership was increasing at 250 a day.

As the inquest began into the fall of the government's popularity, senior

ministers said they would keep controversial legislation to a minimum until the end of the 1988/89 parliamentary programme.

Critics say Mrs Thatcher's "anti-European stance" and her differences with chancellor Mr Nigel Lawson over the refusal to link sterling to other European currencies caused the slump. One minister said of the rift between her and Mr Lawson: "They have got to stop. It is no good just making speeches about how much they admire each other. Actions speak louder than words."

They also blame Mrs Thatcher for approving the "disastrous" Tory advertising campaign which included the poster: "Stay at home on June 15 and you'll live on a diet of Brussels."

Ministers also made it clear that Mrs Thatcher would have the full support of her cabinet in resisting calls for a change in economic policy.

The group said Mrs Thatcher should kill uncertainty about cabinet policy towards British entry to the European monetary system, by declaring that Britain would not join. But some senior Tories believe that the election results may well increase pressure on her to make it clear before the election that Britain will enter the system's exchange rate mechanism when inflation and interest rates have settled.

EC stance on SA set to toughen up

CAD- TIMES 17/6/89

Own Correspondent

LONDON. — The first signs of a hardening European Community stance on South Africa emerged yesterday after an opinion poll gave the opposition Labour Party a landslide win over the Conservatives in the Euro parliament elections.

The poll, conducted by the BBC at voting booths across the country, gave Labour 51 of the 78 Euro parliament seats in Britain.

If the results are confirmed, the tough, anti-South African views of the Labour Party will find greater expression in the new 518-seat Euro parliament in Strasbourg.

Many Labour candidates endorsed the tough, pro-sanctions campaign formulated last week by Anti-Apartheid Movements across all 12 EC countries.

The overall results for the 518-seat

parliament will be confirmed tomorrow after most other EC countries go to the polls.

Political observers and some Euro candidates themselves predict a distinct shift to the left as both Socialist and Green parties throughout the EC consolidate recent gains.

Already polls from Denmark and Spain, where voting has also taken place, indicate a dip in support for the Tories' traditional Strasbourg allies.

The Labour Party's projected win would be the best election result at a nation-wide poll in over 20 years and has already given its leader Mr Neil Kinnock a major boost.

Throughout the campaign, he argued that the Euro elections were really a referendum on the Thatcher years and would set the tone for the next general elections.

Star 19/6/87 56A

Left set to control European govt

BRUSSELS — Leftist and environmentalist parties have won enough seats in the European parliament to form a majority, according to vote projections released today, a few hours after the polls closed.

Socialists were seen winning 192 seats in the 518-member assembly, up from 166, and candidates of ecological or Green parties were to add 18 to the 20 seats they held.

The communists are projected to have lost eight of their 48 seats, but they, socialists and Greens could form a majority, with 270 of the 518 seats.

In the outgoing assembly, they controlled 234 seats, 25 short of a majority.

But extreme rightists were also forecast to win big, going from 16 to 21 seats.

Decisive role

West Germany's right-wing Republican Party was expected to enter the European parliament for the first time with seven seats.

France's extreme right-wing National Front would retain its 10 seats in the European parliament, according to forecasts.

Final results of the voting in the 12 EC nations were not expected until later today.

Voting took place in Spain, Britain, Denmark, the Netherlands and Ireland on Thursday. Electors in the other EEC nations — Belgium, West Germany, Greece, France, Luxembourg, Italy and Portugal — went to the polls yesterday.

British Prime Minister Mrs Margaret Thatcher's conservatives were forecast to be the biggest losers. They were seen dropping from 45 to 26 seats and the opposition Labour Party would surge from 32 to 51 seats.

Denmark's ruling conservatives of Prime Minister Mr Poul Schluter were seen losing, dropping from four to two seats, while the opposition Social Democrats were expected to go from three to five.

West German Chancellor Mr Helmut Kohl's Christian Democrats appeared to drop from 34 to 33 seats and the opposition Socialists from 33 to 30 seats.

But the FDF, Mr Kohl's liberal coalition partner, returned to the European parliament with four seats after a five-year absence.

In France, President Francois Mitterrand's socialists were predicted to win one seat, going to 21.

But a coalition of centrist parties was expected to hold on to double that number of seats. The French communists appear to have dropped 10 to seven seats.

Italian communists, who now have 26 seats, were expected to lose several seats in favour of the socialists. Italian Christian Democrats were reported holding their own at 27 seats.

According to Greek television, 52.4 percent of voters chose the conservative New Democracy Party with only 31.4 percent voting for the Prime Minister, Mr Andreas Papandreou's, Pasok party.

Spain was the first country to report final results, showing Prime Minister Mr Felipe Gonzalez's socialists losing one seat and dropping to 27. Opposition conservatives lost slightly and some nationalist parties entered the assembly.

In the Netherlands the ruling Christian Democrats of Prime Minister Mr Ruud Lubbers gained two seats, going to 10. His conservative coalition partners appeared to drop from five to three.

Belgian Prime Minister Mr Wilfried Martens' Christian Democrats won eight seats, up two — Sapa-AP.



The Greek Premier, Mr Andreas Papandreou, acknowledged to reporters that his Panhellenic Socialist Movement would not defeat the Conservative New Democracy Party in yesterday's general elections.

Papandreou beaten in election

ATHENS — Greece's centre-right opposition beat the scandal-hit government of Prime Minister Mr Andreas Papandreou in yesterday's general election, but it was unclear whether it had won an absolute majority in parliament.

Mr Papandreou, whose Panhellenic Socialist Movement (Pasok) has dominated Greek politics for eight years, conceded defeat, but said the main opposition New Democracy party had failed to score a decisive win.

Under a complex new electoral system, Mr Papandreou might be able to bounce back at the head of a left-wing coalition if New Democracy fails to win outright.

With 40 percent of the vote counted, the New Democracy party had 45.2 percent, the ruling socialists 38.6 percent, a new Communist Alliance 12.7 percent, and smaller parties 3.5 percent.

Computer projections for seats in parliament, based on the partial results released by the Interior Ministry, gave New Democracy 145 seats, Pasok 122, the Communist Alliance 31, and other parties two.

Mr Papandreou told reporters that Pasok and the Communist Alliance represented "a democratic and progressive majority" in the new parliament, and indicated he would try to form a left-wing coalition. — Sapa-Reuter.

Coalition expected after Irish election

BELFAST — With hopes of an overall majority dashed in his fifth successive Irish general election, Mr Charles Haughey, the Fianna Fail leader, faces tough horse-trading as he attempts to put together a minority administration.

The most likely arrangement will be an understanding with the other major party, Fine Gael. — The Independent News Service.

Running out of time

The time for thinking about it is past. South African companies who aren't already actively preparing for a unified European market in 1992, are likely to miss the boat. The Europeans, Japanese and Americans are way ahead.

Japanese companies are busy expanding and re-organising their European operations, hoping to increase their presence in the European Community (EC) before the expected onset of 1992-related protectionism.

American companies are also busy forcing their foot in the door before it's slammed shut.

A Fortune-Ernst & Whinney survey of top executives in Europe, Japan and the US, shows 74% of Japanese executives expect Europe to become more protectionist before 1992. Although little more than one-third of Europeans expect a more protectionist atmosphere, 62% of Americans agree with their Japanese counterparts.

The Japanese fear they will be hardest hit by the new Europe. "Japanese executives are far more convinced that the single European market will result in import quotas, than are American or European executives," says Paul McMahon, an international executive partner of Ernst & Whinney. "Further, the Japanese expect to be pressured to open their markets if they are to retain their position within EC markets."

Americans expect their industrial companies to be most at risk in the new Europe, and that service companies have less to fear.

Among the means by which Japanese companies hope to ease their way in a protectionist Europe, are strategic alliances; market research and competitive studies; building or acquiring new European manufacturing facilities; establishing European branches or subsidiaries; developing joint ventures; and reorganising European sales and distribution structures.

European and American companies are following a line similar to one another: looking for alliances or merger/acquisition targets, adapting existing products and services and preparing their executives for the new order.

The survey shows most large industrial companies are preparing to expand their presence in European countries. EC companies are most likely to choose Spain, Japanese companies prefer Britain and West Germany and Americans are looking first at West Germany, Spain and France, followed by Britain and Italy.

Apartheid may have kept Commonwealth together

After a particularly bitter Commonwealth Conference in 1971, Tanzania's president Mr Julius Nyerere said: "If we are not opposed to racialism we have no business sitting down together in an association which consists of representatives of all the racial groups in the world... British should combine its interests with those of free Africa and those members of the Commonwealth who share our bitter hostility to racialism and colonialism."

The heads of government were meeting in Singapore that year and President Nyerere, Britain's staunchest critic in the Commonwealth, was referring to Prime Minister Mr Edward Heath's decision to resume arms sales to South Africa.

In the uproar which this decision caused, some states threatened to restrict British trade and investment and to leave the Commonwealth. These threats were not carried out in the end, but the fabric of Commonwealth relations was undoubtedly severely strained.

The Commonwealth Conference this week in Kuala Lumpur will not be as stormy. Mrs Margaret Thatcher will be defending Britain's anti-sanctions stand but the bitter hostility of previous Commonwealth Conferences will be largely absent.

She will claim that her policy of quiet diplomacy has achieved some concessions, notably the release of eight political prisoners. There will, however, be some disagreement between Britain and the rest over the threat to halt the rescheduling of South Africa's debt next year, if progress towards reform has not been forthcoming.

The final communiqué will undoubtedly gloss over these differences and everyone will be aware in any case that without British and American approval financial sanc-

MICHAEL MAKIN, lecturer in history at Visto University, Soweto, examines the history of the biennial Commonwealth Conference, which is held this week.

tions will not succeed. Critics will claim that the Commonwealth has once again displayed its irrelevance.

Many in South Africa and Britain will be greatly disappointed that the organisation did not fall apart for once and for all over the South African issue.

The Commonwealth will survive this controversy, however, as it did the Indo-Pakistani wars of the 1960s, Rhodesia and UDI, Biafra, Bangladesh and Cyprus. The South African problem is just one of many which have troubled the organisation for three decades without causing serious breakaways or splits.

Problem of apartheid

It could be argued, in fact, that the problem of apartheid has helped the Commonwealth to stay together. This is because the African states recognise the organisation's value as an instrument to put pressure on Britain to take action against South Africa.

Aside from this, there are other benefits of Commonwealth membership, for the smaller countries in particular. They receive substantial amounts of economic aid from Commonwealth sources and are able to exert an amount of influence on world affairs.

Even the larger and more influential countries of the Commonwealth find the organisation valuable as a means of self-expression.

The fact that membership of the club is highly regarded has been illustrated in recent years by Zimbabwe's decision to join in 1980; the

But the result of all this mistrust and criticism is a situation in which Britain finds itself at odds with the organisation it originally created.

Britain's leadership position passed to other countries — Canada, India and Australia. Most Tories probably did not regret the fact, partly because Britain's economic stake in the Commonwealth had declined considerably.

In the year of Suez, the Commonwealth took 39.8 percent of British exports. By 1968 this figure had declined to a little over 22 percent. During the same period the share taken by Europe increased from 28.5 percent to 36.7 percent. The Commonwealth, in other words, was becoming less important to Britain as a trading partner.

British investment

South Africa, on the other hand, has retained its importance as a field for British investment and trade.

In 1987, South Africa accounted for one third of total British trade with Africa, while Nigeria, Britain's largest African Commonwealth trading partner, accounted for only 13 percent. These figures are no doubt an important factor in determining Mrs Thatcher's opposition to sanctions.

At present, she is able to trade with South Africa and maintain valuable Commonwealth connections at the same time. If she were confronted with a choice between the two, at some future date, her opposition to sanctions might crumble.

But at the moment she is able to have her cake and eat it. The Commonwealth will probably have to wait for a Labour government in Britain before any significant move can be made against South Africa.

discussions held this year about the future membership of an independent Namibia; Pakistan's decision to return to the Commonwealth fold this year in spite of a long-standing feud over the Commonwealth's role in achieving the international recognition of Bangladesh.

From the point of view of Britain's Conservative Party, however, membership of the Commonwealth has been more of a burden than a blessing. A feeling of disenchantment with the Commonwealth grew up partly as a result of the reaction of the "New Commonwealth" to Tory government mistakes and policy failures.

One can trace the origins of Tory disillusionment to the Suez crisis in 1956. Sir Anthony Eden's decision to intervene in Suez without consulting his Commonwealth partners resulted in several countries, including Canada, refusing to support Britain's position in the United Nations.

This profound shock to the unity of the Commonwealth was followed by Mr Harold Macmillan's application to join the Common Market, the reluctance of the Conservative government to impose a majority rule constitution upon the white Rhodesians, the passing of the first Commonwealth Immigrants Act in 1962, Heath's attempts to resume arms sales to South Africa in 1971 and, lastly, Mrs Thatcher's refusal to adopt sanctions against South Africa in the 1980s.

The Labour Party, on the other hand, has taken a much more accommodating attitude towards the Commonwealth, despite its difficulties over Rhodesia and immigration.

UK campaign for sanctions against SA is stepped up

By Chris Whitfield, The Star Bureau

LONDON — The campaign to increase sanctions against South Africa is being stepped up in Britain on the eve of the Commonwealth summit.

At the forefront of the campaign is the Southern Africa Coalition which yesterday placed a full-page advertisement in *The Times* urging British Prime Minister Mrs Margaret Thatcher to support a package of Commonwealth sanctions.

The coalition describes itself as a "short-term initiative bringing together more than 80 organisations to work for a fundamental change in British policy towards South Africa".

Its members include organisations as diverse as local justice and peace commissions, trade unions, the Anti-Apartheid Movement, Oxfam and major church denominations.

The coalition's efforts to press Mrs Thatcher into a change of heart on sanctions have included a post-card campaign in which thousands of supporters wrote to the Prime Minister.

The organisation's advertisement in yesterday's *Times* is in the form of a petition headlined: "A call to Britain and the Commonwealth".

It reads: "We, the undersigned, are fundamentally opposed to apartheid. We urge Commonwealth heads of government meeting in Kuala Lumpur on October 18 to agree to strengthen the Commonwealth programme of sanctions against South Africa and in particular call upon Mrs Thatcher to agree that Britain should fully support an effective package of Commonwealth sanctions."

More than 1500 names are listed on the page. These include the leaders of all the opposition parties: Mr Neil Kinnock of the Labour Party, Dr David Owen of the Social Democratic Party and Mr Paddy Ashdown of the Liberal Democrats.

The list includes a sprinkling of former South Africans, including former editor Donald Woods and his wife Wendy, and actor Anthony Sher.

The Southern Africa Coalition is chaired by the bishop of Coventry, the Rt Rev Simon Barrington-Ward, who visited South Africa in June.

● See Page 14

Commonwealth summit to debate new economic sanctions against SA

KUALA LUMPUR — Participants in the 46-nation Commonwealth summit beginning this week will discuss the environment and possible new economic sanctions on South Africa.

Secretary-general Sir Shridath Ramphal said a committee comprising foreign ministers of some member-nations had been studying apartheid since the previous Commonwealth heads of government meeting in Vancouver two years ago.

Chaired by Mr Joe Clark of Canada, the committee had considered trade and financial sanctions on Pretoria.

Sir Shridath said summit members would discuss a report written by the committee and talk about possible responses at the October 18-24 summit.

Ms Patsy Robertson, director of the Commonwealth Secretariat's press division in London, said summit nations were likely to agree to call on international banks not to roll-over debts to South Africa.

Asked whether Britain would oppose economic sanctions, Sir Shridath said there was no such thing as a static position, and Britain would respond to the views of other nations.

But other senior Commonwealth officials, speaking last week, said Britain was unlikely to change its position.

HONEYMOON

They said Britain felt that too much pressure on South Africa might make it take a tough stand on Namibian independence and slow the process of dismantling apartheid.

● In Dhaka, Bangladesh, President Robert Mugabe of Zimbabwe said yesterday he would advocate more-drastic sanctions on South Africa.

But he said he was inclined to relax the pressure temporarily in view of Pretoria's recent moves to eliminate apartheid.

"We are glad that President F W de Klerk has condemned

apartheid," he told a news conference.

Mr Mugabe, who left for Tokyo after a two-day official visit to Bangladesh, said Pretoria's attitude needed to be watched for some time because of Mr de Klerk's views on racial discrimination.

"We would like to give him a honeymoon, but not a long honeymoon," he said.

"Until South Africa has renounced apartheid in toto, one should not anticipate that a solution is coming."

Mr Mugabe said the sanctions already imposed on South Africa had had a biting effect on its economy, and Pretoria had asked the World Bank and international agencies to reschedule its debt.

"If we can mount pressure on the Commonwealth members to impose more sanctions, it will break South Africa's back," Mr Mugabe said. — Sapa-Reuter.

Inkatha, Soviets, EC states to confer

From ROBERT GENTLE

LONDON. — Within hours of official confirmation yesterday of the Paris Indaba, it emerged that a top-level conference on South Africa featuring Inkatha, the Soviets and EC countries will take place at the weekend in Saarbrücken, West Germany.

It is being organised by the Dutch-based Foundation for Economic and International Cooperation, a body which describes itself as non-aligned and admits to having strong links with Inkatha.

Cape Times 4/10/87
Unconfirmed reports suggest that Inkatha leader Chief Mangosuthu Buthelezi will be present at the conference, which starts on Friday, barely 24 hours after his scheduled meeting with British Prime Minister Mrs Margaret Thatcher at Downing Street.

Informed sources said the provisional guest list includes a senior member of the Soviet Union's academic think-tank on African affairs; senior business figures from Britain, Portugal and West Germany; and a number of leading academics.

These include Professor William Gutteridge of Birmingham University, the man who initiated and organised the first major meeting between the Soviets and white SA academics earlier this year in Britain.

Prof Gutteridge confirmed that he would be attending but said he was not at liberty to disclose any further details. The organisers in Holland also declined to comment, saying only that the theme would be "peaceful change in SA".



Gatsha Buthelezi

Call for plan on united EC

GERALD REILLY

(56A)

*b/1000
28/9/89*
PRETORIA — SA needed to plan urgently to remain involved and competitive in Europe after the advent of a united European Community in 1992, National Productivity Institute executive director Jan Visser has said.

Speaking to Unisa students, Visser said other countries were planning strategies to cope with the new situation and to protect their trade.

But SA, including the private sector, was neglecting to stake its claim.

It was vital for SA to develop a strategy aimed at securing its share of the vast European market, by producing competitive exports of quality.

When the European Parliament began to function, members would have to accept and carry out its trade and other guidelines. This could cause serious problems for SA as members — particularly West Germany and the UK — would be expected to conform, and the threat of tighter sanctions could not be ignored.

Visser said low productivity and high labour costs were barriers to SA's ability to expand its export trade.

Star 21/9/89

30/9/89

56A

SA links with Europe will 'hinge on reform'

By Michael Chester

South Africa's future links with virtually the whole of western Europe might hinge on the pace of constitutional reform and improved relations with neighbours on the sub-continent, a senior diplomat in the Department of Foreign Affairs told business leaders in Johannesburg yesterday.

Mr Vernon Steward, acting chief director of European affairs, made it plain that also at stake was South Africa's favourable trade balance of R6 billion a year with the European Community, South Africa's largest overseas trading partner.

EXPORT OUTLOOK

He was addressing a special conference arranged by the Federated Chamber of Industries to examine South Africa's export outlook as 12 member nations of the European Community (EC) move towards a 1992 deadline for unification.

"To stave off pressure groups still seeking to impose punitive economic measures on us, we must continue along the road of constitutional reform and be able to guarantee a secure and stable future for all South Africa's people. Progress is dependent on internal reconciliation," Mr Steward said.

"Because of our European historical and cultural background, we cannot escape being judged in terms of European morality. Europe arrogates to itself the right to act as South Africa's conscience.

"We cannot afford to divorce ourselves from the mainstream of European thinking on environmental matters, poverty, famine and other issues."

Mr Steward, a former ambassador to Rome, said South Africa must in particular weigh the

implications of trends inside the EC to agree on its international political stance as well as on economic matters.

"We have experienced some of the results of this increasing co-operation," he said. "The European Community's decision to boycott South African iron and steel products is but one example. While this process is still in its infancy, it is clear that in the long-term European foreign policy will replace bilateral foreign policy.

"The prospect of most of Europe speaking increasingly with a single voice can be advantageous or disadvantageous to South Africa, depending on developments here and in southern Africa."

Reacting to disclosures by Mr Wim Holtes, chief executive of the SA Foreign Trade Organisation, that South Africa's trade with its neighbours was now running at R5 billion a year, Mr Steward advocated new initiatives to trigger economic co-operation among all the nations of southern Africa to create a single common market reaching to the Sahara.

LESSONS

He said the European Community's moves towards unification carried important lessons to southern Africa on how to use economic co-operation to overcome political differences.

"I am convinced this is the path we, too, must tread in our part of the globe."

Mr Steward said South Africa's relations with the rest of Africa would be an important key to future links with the EC nations. Formidable stumbling blocks remained in the way of closer political and economic co-operation, but they could be overcome by goodwill.

Britain gives way on mergers

B/Dan 20/9/87

56A

Own Correspondent

LONDON — The EC took a big step towards getting exclusive rights of veto over large mergers yesterday, as Britain ceded control in principle of mergers worth £3.2bn or more.

Britain originally intended its own Monopolies and Mergers Commission to have sole rights to vet mergers worth more than £6.7bn, to prevent loss of sovereignty to Brussels.

Now it looks increasingly likely that by 1992 the EC competition directorate, headed by Sir Leon Brittan, will have sole responsibility for 50 or 60 mergers a year.

The object of the 16-year-old mergers plan is to distinguish between EC and national responsibilities as more companies seek the advantages of size in the run-up to 1992.

But a junior trade minister said the British concessions were limited. Brittan wants the EC to have the

right of veto of all mergers worth £1.3bn or more at some point after 1992, while neither Britain nor Germany is prepared to concede that yet.

Britain fears that EC competition policy could be used for interventionist "industrialist strategy" — for instance, France has said an anti-competitive merger should be waived through if it was part of vital restructuring in a poor region of Europe.

British officials also attacked a French proposal that "reciprocity" over mergers should be introduced with the EC's trading partners, obliging countries like Japan to make their companies easier to take over.

That would send out entirely the wrong signals, said one official. — Daily Telegraph.

FINANCE

UK to press for removal of European takeover barriers

56A

Own Correspondent

LONDON — The government is to press the European Commission to dismantle the barriers to takeover bids that make it virtually impossible for British companies to expand through the acquisition of firms on the Continent.

Corporate Affairs Minister John Redwood said the difficulties of buying up firms in Europe was one of the reasons why UK companies had made unprecedented investments in the much more open US market in recent years.

"We will expose the barriers to takeovers as we seek fairness between all countries," Redwood told a meeting of businessmen in Ashford recently.

"I meet many British companies that would like to do more in Europe if they could find and buy the right acquisition. There are a number of legal and cultural roadblocks in their way," he said.

The sharp contrast between Britain's comprehensive and open stock market and the relatively closed and jealously protect-

ed systems operated on the Continent will be exposed later this month in a study drawn up by the EC Commissioner for the Internal Market. The study was requested by Britain earlier this year.

It is expected to identify the technical, legal and cultural barriers that serve to protect most large European firms from hostile takeover bids.

Controls

At the same time the absence of such restrictions in Britain has made several large UK corporations, of which Rowntree has been a conspicuous example, the target of unwelcome bids from overseas.

Last year there were contested takeovers valued at about £6.5bn in Britain but none in West Germany, Spain, Portugal, Ireland, Belgium and Luxembourg, where hostile bids are virtually unheard of.

Britain will press strongly for action to

ensure "level playing fields" when the commissioner's report is published, Redwood said, but officials at the European Commission said this would be difficult because of major differences in the way companies are structured and controlled on the Continent.

In West Germany, for instance, the banks control much of industry through large shareholdings and the amount of publicly available equity is limited.

France restricts the powers of shareholders, while in Italy and other countries companies are controlled through other means than their equity share capital.

Redwood said such questions as the public availability of company accounts, the use of non-voting shares and the role of banks should be exposed. He said unless the matter were remedied there was a clear danger that some countries could exploit others in the drive to build up commanding companies able to seize the major business opportunities presented by the 1992 single European market. — Daily Telegraph.

US still fears 'fortress Europe' export block

B/day 12/9/89

56A

PARIS — US President George Bush's senior trade negotiator said yesterday she was still concerned the EC was building a "fortress Europe" which would block American exports.

"We are worried about actions taken, threatened or merely implied that discriminate against American and other non-European firms, forcing them to locate in Europe or lose sales," US Trade Representative Carla Hills said.

She told a meeting of business leaders and diplomats she was "gravely concerned" about EC policies against US exports of television programmes, aircraft, cars and semi-conductors.

On her first stop on a six-city European tour, Hills said she hoped "EC 1992 results in a freer, not a fortress Europe".

She also expressed confidence that Washington would grant Moscow trade privileges if Soviet leader Mikhail Gorbachev restructured the economy and eased emigration controls.

She said Bush had indicated he would ask Congress to lift the amendment and grant Moscow most-favoured-nation (MFN) trading status if it allowed Soviet citizens freedom to emigrate.

Hills spoke before meeting French Prime Minister Michel Rocard and other top ministers. Later this week she

will travel to Geneva, Bonn, London, Brussels and Rome.

Hills cited an "ambiguous" EC rule of origin that she said was meant to counter unfair Japanese dumping of electronic goods but which hurt US sales of semi-conductors.

She also hit out at a proposed EC directive that would require at least 50% of all television programming to be European. EC officials support the plan as a means of protecting European cultural identity.

"The broadcast proposal would purely and simply discriminate against US products," Hills said.

Quotas

Saying she doubted France had more cultural affinity with Greece, an EC member, than with the United States, Hills said quotas were the worst way to help a nascent industry develop.

But an aide to France's European Affairs Minister Edith Cresson said Cresson had assured Hills the EC television rule was not binding and that growth in the number of European stations would dramatically raise imports of US programmes.

Hills also criticised French car quotas and a West German subsidy to protect local firms against currency fluctua-

tions in manufacture of the Airbus airliner.

She said European reaction to the US "Super 301" law, which allows Washington to retaliate against nations it names as trading unfairly, has been "over-exaggerated". Earlier this year the Bush administration singled out Brazil, India and Japan for possible retaliation under the law.

□ Meanwhile in London Chancellor of the Exchequer Nigel Lawson said yesterday Britain's counter-proposal to the so-called Delors plan on EC monetary unity drew some interest from fellow finance ministers during their weekend meeting in France.

Lawson, while acknowledging the UK plan met only limited initial success, said interest in it might grow as "more and more" EC members grew wary of the sacrifices to sovereignty that he said would be required under the Delors plan.

The Lawson plan would make every currency of the EC's 12 member-states legal tender in each country, with the currencies of the countries with the soundest anti-inflation policies given some preferred status.

A plan proposed by EC commission president Jacques Delors would have all members eventually using a single currency. — Sapa-Reuter, AP-DJ.

Exporters get warning on EC

24/8/89

SGA 4/day
Own Correspondent

CAPE TOWN — Exporters were told yesterday it was vital to establish themselves so firmly in EC markets before 1992 that their products would be considered indispensable.

National Productivity Institute executive director Jan Visser also urged businessmen to take action to solve SA's economic problems without waiting for government.

Visser was in Cape Town to present Western Cape NPI productivity awards to Eskom and fruit farmer Robert Zulch of Wakkerstroom.

He said in an interview before the ceremony most people were mainly concerned with how to improve their standard of living.

"But, unless we can succeed in developing our export programme dramatically, we shall not get the economic growth so necessary to provide job opportunities."

He said it was of little use to in-

crease production if there was no market.

"I am amazed there is so little concern about what is going to happen to SA exports in 1992."

In 1992 the 12-member EC intended scrapping, among other things, all internal trade barriers, Visser said.

"At the moment we are successful in exporting to Europe because we have friends, like Mrs Thatcher in Britain and Helmut Kohl in West Germany, who can thwart the activities of the leftists.

Act

"But in 1992 Europe will have a common economic policy and individual heads of states will not be able to reject it. Unless we have got our

act well sewn up by 1992, we could be out on a limb.

"More than 45% of our exports go to Europe and they could be in danger.

"We can improve our productivity and our products as much as we please but, unless we have a market, we are sunk," Visser said.

He added exporters must "make it difficult for them to shut us out of the European market by setting up trade links and business tie-ups.

"We must make ourselves indispensable. And we have little time left in which to do it."

On the domestic situation, Visser said: "My concern is that most South Africans think this is government's country. It is not. It is ours. It belongs to all the people who live here.

"It is up to us to solve our economic and trade problems. Business will need to walk that extra mile."

(SLA) stw

Commonwealth countries discuss SA loan squeeze

CANBERRA — A committee of Commonwealth foreign Ministers meets here today to discuss imposing economic sanctions on South Africa because of apartheid.

Conference sources said a key objective of the three-day meeting was to discuss such sanctions as Australia's proposal to persuade banks around the world to stop lending to Pretoria.

The countries represented at the Canberra committee meeting this week will be Australia, Canada, Nigeria, Zimbabwe, Tanzania, Zambia, India, Guyana and Malaysia.

Commonwealth secretary-general Sir Shridath Ramphal also is scheduled to attend.

This week's session is the last of four meetings scheduled over the past two years in preparation for the Commonwealth heads of government meeting in Kuala Lumpur this October.

Delegates to previous committee meetings have agreed that sanctions remain the most effective strategy for trying to pressure South Africa to end its apartheid policies.

"They are meeting to counter apartheid, particularly on the question of sanctions, financial links,

security of the Frontline states as well as countering South African propaganda," said conference organiser Mr Billy Williams.

New Zealand Foreign Minister Mr Russell Marshall, whose country is hosting the Commonwealth Games, will speak on the final day of the conference on Wednesday.

African nations have threatened to boycott the games, set for January, if 16 English cricket players pursue their plans for a South African tour.

On Friday, Zimbabwe Foreign Minister Mr Nathan Shamuyarira said in Wellington that African states are hoping the British government will try to persuade the players to abandon the tour.

"If the British government doesn't take firm action, we will take a dim view," he said. "I can't say what we will do because we don't know what the British are going to do."

Mr Shamuyarira said Zimbabwe did not plan a boycott to protest against the tour. His comments came amid reports that several British rugby players have received invitations to go to South Africa. — Sapa-AP.

EC bans trade in African ivory ^(SbA)

BRUSSELS — The executive arm of the European Community announced yesterday it had adopted

a ban on imports of ivory from African elephants.

A spokesman in charge of environmental affairs for the European Commission said the decision showed the firm desire of

the 12-nation trading block to protect animals threatened with extinction. "The actions in this area are going to intensify in the coming months," he said. The commission decided last Friday to enforce the ban. It had earlier

told member nations that they should no longer approve permits for ivory imports.

An international conference on trading in endangered species will meet in October to decide whether to prohibit trafficking in ivory. — Sapa-AP.

~~56R~~ (56R) bday 9/8/89

Commonwealth to 'intensify' sanctions

CANBERRA — New "intensified" trade and financial sanctions against SA have been agreed to by Commonwealth foreign ministers meeting here.

But Britain is likely to refuse to impose any of the measures, which will be finally decided on at the Commonwealth heads of government meeting in Kuala Lumpur in October.

Whitehall officials said there would be no change in British Prime Minister Margaret Thatcher's opinion that dialogue with SA needed to be encouraged and that it would be harmed by more sanctions. SA Foreign Affairs Minister Pik Botha

Own Correspondent

urged the Commonwealth leaders to review their conclusion that sanctions against SA were effective and had in certain cases served to create jobs for blacks.

Many of the new measures are contained in an independent expert study prepared for the committee by American Joe Hanlon which makes four major groups of recommendations:

A "minimum package" of bans to take advantage of a potential debt crisis in SA during 1990-91 when Pretoria's agreement with international banks on short-term

debt expires and more than \$3bn in bonds and other long-term debts becomes due;

- Sanctions that will directly affect whites while creating jobs for blacks;
- Intensifying existing sanctions; and
- Launching a major diplomatic effort to encourage other industrialised nations to adopt similar sanctions.

Clark said: "We believe that with the 1990 bank re-scheduling, we will be able to encourage co-operation from banks in other countries as well as our own commonwealth banks, to increase financial pres-

To Page 2

From Page 1

Sanctions

sure on SA."
 Hanlon said he found Britain's position on sanctions "bizarre".
 "However, we do feel that the package we propose because it largely affects SA bulk exports will be effective even if Britain does not join in."
 IAN HOBBS reports from London that the scene is now set for a major confrontation on sanctions between Thatcher and

the rest at the October meeting.
 UK Foreign Secretary John Major is expected to issue a statement today officially spelling out Britain's position on sanctions as they apply to the Commonwealth and the EC.
 The Commonwealth ministers appeared yesterday to be waiting to see what the next move might be on the question of sporting bans.

~~56R~~ (56R) bday 9/8/89

Bush gives EEC carrot and stick

SI Times 30/7/89

WASHINGTON — President Bush has dangled a carrot before the European Economic Community, but the stick is visible.

Mr Bush says he will phase out steel import quotas by March 31, 1992.

The unexpected announcement reflects President Bush's analysis that the US steel industry has become internationally competitive after nearly a decade of downsizing and changing to high-tech mini-mills which can produce the hard metal more profitably than the old blast furnaces of the Rustbelt.

America's steel industry is a third smaller than it was in 1980. The mills reported \$660-million in profits in the January-March quarter this year — after profits of more than \$22-billion for the 1988 year.

By Jim Srodes

S6A

Moreover the industry today is operating at roughly 90% of capacity.

The White House decision is a compromise and a warning to the EEC not to subsidise its steel exports to America once the intra-European trade barriers are abolished in 1992. The current import quota plan was supposed to end on October 1, but President Bush's decision will limit European shipments to a maximum market share of 10.4% to October 1.

For the 12 months after that the American target will be for its industry to achieve 19.4% world market share and peak at a 20.9% for the final six months of the programme.

Imported steel products have about 15% of the American market.

Credit info war heats up

By Jabulani Sikhakhane
The credit information, management and debt insurance market is becoming intensely competitive, forcing major players to join forces and broaden their range of services.

The Information Trust Corporation (ITC) and the Credit Guarantee Insurance Corporation (CGIC) have just teamed up to launch a new credit insurance scheme.

At the same time ITC's major competitor, KreditInform, has entered into an information-sharing agreement with Executive Credit Control (ECC), one of the largest collection agencies in the country.

The credit insurance scheme started by ITC and CGIC, known as ITC Guarantee, follows the launch earlier this month of a new credit insurance group, Credit Underwriting Agency.

It sees the Commercial Union, as a major shareholder, team up with Hollandia Reinsurance and KreditInform.

ITC executive chairman Paul Edwards believes the ITC Guarantee Scheme will be attractive to businesses wishing to insure only certain of their debtors.

"For a monthly fee we will guarantee payment in case the debtor company goes insolvent.

"We will pay 75 percent of the debt when the debtor company is deemed insolvent.

Any dividends when

the company is finally liquidated will be for client's account, Mr Edwards says.

CGIC insures a massive proportion of South Africa's trade debts and provides insurance cover on trade debts exceeding R14 billion.

CGIC MD, Chris Lewesewitz, says the scheme can only operate because CGIC insures such a massive proportion of South Africa's trade debt, both internal and export-orientated, and because of the size of ITC's database.

Commenting on the agreement with KreditInform, Ray Bearson, ECC's founder and director of sales and marketing, says his company experienced a 160 percent growth rate in accounts handled in 1988 and a 145 percent growth is expected this year.

"We expect that 140 000 accounts will have been handed over to us by the end of this year," he says.

The agreement with KreditInform will help ECC overcome the immediate backlog in inquiries.

In terms of the agreement, ECC will be linked to KreditInform's mainframe computer to coordinate their tracing services.

In turn, ECC will supply KreditInform with magnetic tapes of unpaid accounts.

The information-sharing is expected to improve ECC's efficiency and response.

\$500m aid for Mozambique

BT Daily 25/7/89

THE EC and the US are pouring more than \$500m into Mozambique with Italy topping the list of contributors of financial aid to the Maputo government.

EC embassy representatives are still awaiting an EC decision on SA Foreign Affairs Minister Pik Botha's "Marshall plan" which calls for European financial aid and SA technical and scientific expertise to be combined to develop southern Africa's resources.

Most ambassadors said they had not had reaction to the plan from their governments but it was felt a common position would have to be developed and communicated by the EC.

SA has to date not been allowed to tender for EC-funded projects, but recently SA companies were allowed to tender for the building of a road from Ressano Garcia to Maputo which is being funded by the Italians and West Germans.

Italian ambassador Mario Piersigilli said his government was contributing \$150m annually to Mozambique.

It went towards constructing dams and rehabilitation programmes.

(2/8) (56A)

ADELE BALETA

He said Italy had also pledged a grant of about \$30m to Mozambique for the restoration of the Cahora Bassa pipeline, but the project had been suspended.

The Scandinavian countries, with a contribution of more than \$140m, were, together, listed as the second largest donor to Mozambique.

In third place was Britain which had budgeted \$141m this year for Mozambique. The Netherlands contributed about R50m this year, said ambassador Peter van Buuren.

In 1988 the Netherlands contributed \$13m for balance of payment aid, about \$15m was used to upgrade Beira harbour, universities received \$2m and about \$8m was spent on emergency aid.

Van Buuren said he did not have details of his government's reaction to Botha's plan. "It would be a long-term plan and would depend on what projects the money was used for," he said.

The US contributes \$94,4m — the most it gives to a frontline state.

Spaniard now European boss

STRASBOURG — Spanish Socialist Enrique Baron, elected president of the European Parliament yesterday, promised to make the assembly a democratic watchdog of the EC. (205A) (56A)

With the support of his socialists and the Christian Democrats, the two largest parliamentary groups, Baron, 45, triumphed in the first ballot, capturing the votes of 301 of the 518 deputies. B/Day 26/7/89

A lawyer who speaks six of the EC's nine official languages, Baron is the first Spaniard to head an EC institution since his country joined the bloc in 1986.

He pledged to use the limited powers of the parliament to exert democratic control over a drive to turn the 12-nation bloc into a giant single market by the end of 1992.

"It is logical that we should try to make our common home like our own homes," Baron said. — Sapa-Reuter.

B Day 19/7/89

WORLD

56A

Bush's vision would 'tear down the Iron Curtain'

THE HAGUE — US President George Bush yesterday ended a 10-day European tour in which he placed East Europe high on the Western agenda, and vowed to seek a "new world" where former Cold War foes would work together closely.

Bush, who began his tour in Poland and Hungary, outlined his vision of a world in which the Iron Curtain dividing Europe would be torn down, the East bloc would move to democracy and Western Europe would prosper under a more integrated economy.

"The new world we seek is a commonwealth of free nations working in concert — a world where more and more nations enter a widening circle of freedom," he said during his last stop in The Netherlands.

"We now have the opportunity to move beyond containment, to integrate the Soviet Union into the community of nations," he said in a speech in Leiden.

Bush, the first US president to visit The Netherlands, received a big wel-

come in the Dutch town where the Pilgrim Fathers, English puritan dissidents — including his own ancestors — found refuge before sailing to the New World in 1620.

His 26-hour trip to The Netherlands followed a three-day economic summit of the seven major industrialised democracies in Paris, where leaders pledged to encourage political and economic reforms in Poland and Hungary.

Vowed

Bush said Soviet leader Mikhail Gorbachev's offer to the summit of greater economic co-operation was "the latest example of the Soviets moving in our direction — coming our way".

In Warsaw, Bush vowed to set up a \$100m fund to encourage private enterprise in Poland, and agreed to help re-schedule payments of the nation's \$39bn debt.

In Budapest, he earmarked \$25m for new free market businesses and promised Hungary trade concessions.

In The Netherlands, Bush expressed

Washington's strongest support so far for EC economic integration planned for 1992.

"We look forward to the single (West) European market and a more integrated European Community," he said. "A stronger Europe — a more united Europe — is good for America," he added.

Bush has received strong support for his East-West approach from Dutch Prime Minister Ruud Lubbers who, with Queen Beatrix, was his host in The Netherlands.

But Dutch socialist opposition leader Wim Kok, who met the US president yesterday, seemed more sceptical. Kok, challenging Lubbers in national elections in September, said it remained unclear what practical steps Bush would take to help reform in the East.

"It is not enough to say one wants perestroika (restructuring) to succeed. I stressed that the US and the West must make optimal use of every opportunity this unique time offers," Kok told reporters after his meeting. — Sapa-
Reuter.



US President George Bush cradles a baby while posing for a picture with Dutch Embassy staff children at The Hague yesterday. Picture: REUTERS

EC mission for southern Africa

PARIS — European Community foreign ministers agreed yesterday to send a mission to Angola and Mozambique to demonstrate support for peace moves in southern Africa. *(56A) (S) (S)*

French Foreign Minister Roland Dumas, after chairing a meeting of the 12 ministers, told a news conference some had also wanted an EC delegation to visit SA. *51pm 12/7/87*

But he said most felt it would be better to wait until after the elections and the expected transfer of power from President P W Botha to NP leader F W de Klerk.

The delegation would involve officials of the so-called troika of the EC's present, past and next chairmen — France, Spain and Ireland.

Said Dumas: "The mission will allow us

to appreciate how the Community can support the efforts of certain governments to achieve national reconciliation and re-launch their economies". *(S)*

Ministers expressed concern about events in Israel, where Prime Minister Yitzhak Shamir's Likud party has toughened conditions for elections in the occupied West Bank and Gaza.

EC leaders recently argued against such conditions fearing they would choke off the Middle East peace process.

Dumas said ministers agreed to study providing more aid for Palestinians in the Israeli-occupied territories.

Diplomats said they agreed to ask China to allow international observers at trials following the recent protests. — Sapa Reuter.

Aid for Africa detailed

SUB-SAHARAN African countries received \$13,4bn — more than half SA's total Budget — in development aid from Western countries and Japan in 1987.

A paper prepared by the British Foreign and Commonwealth Office in London said this aid by the Development Assistance Committee (DAC) went particularly to countries with serious debt problems.

All aid-giving countries supplied almost \$50bn in official development assistance to the developing world and to multilateral institutions.

The 18 DAC members, Japan and the EC Commission supplied \$41,5bn of this aid — on average 0,35% of their GNP. Arab countries gave \$3,3bn, or 1,16% of GNP, and the Soviet-led Council for Mutual Economic Assistance (CMEA) supplied an estimated \$4,9bn in aid.

The aid was in the form of cash grants, loans, and commodities, either directly to countries or to multilateral institutions such as the World Bank, the Asian Development Bank, the Africa Fund and the Southern African Development Co-ordination Conference.

RIAAAN SMIT

DAC members were concentrating their help on the poorest Third World countries, particularly African countries with serious debt problems.

Their net disbursements to least-developed countries (including contributions through multilateral agencies) increased from \$8,7bn in 1986 to \$9,6bn in 1987.

In the last few years, DAC members had softened their loans to poor countries. The terms of past arrangements had been adjusted, and official debts had been rescheduled more frequently.

Canada and Switzerland had adopted all-grant programmes, and Denmark was to widen the group of countries eligible for grant aid.

Arab aid, especially that from the Gulf States, was still mainly of a non-project kind. More and more was being given in the form of commodities such as oil and oil products, wheat and fertilizer rather than cash grants and loans.

This aid was concentrated on Arab countries in the Middle East and North Africa. The largest non-Arab recipient in 1987 was Senegal.

S6A

Bending in the wind

Admirers of Margaret Thatcher, and the British PM herself, like to harp on her virtue of putting shining principle before grubby, compromise politics. She was very much the flexible politician, however, at the European Community summit in Madrid last week, where the main subjects were monetary union and a social charter to entrench workers' rights.

Thatcher denied it, but few doubted that the alarm bells set off by the hiding suffered by the Conservatives in the European parliament elections and the Labour Party's 10-point lead arising partly from her anti-European image and claims that she had isolated Britain from its partners, were behind the softer approach in Madrid. Effectively, Thatcher has done a deal which satisfied all (except France), including her own Chancellor of the Exchequer, Nigel Lawson, who has been agitating for Britain to become a fully fledged member of the European monetary system by joining the exchange rate mechanism (ERM), in which currencies float in a narrow range around the Deutschmark, the anti-inflationary keel of the whole ship.

Proposals for a social (a swearword in Thatcher's dictionary) charter which would override market forces with a range of rights for workers, such as "minimum wages and "democratisation at the workplace" were sidelined with the admitted help of Spanish Premier Felipe Gonzalez, presiding over his first summit. In return, Thatcher agreed to continued talks about European monetary union (EMU) without agreeing it was desirable or necessary.

As one commentator put it, by joining the EMU bandwagon (rather than be left behind, as would have happened), Britain will be able to slow it down and get hands on the steering wheel. In return for dropping her previous implacable stance on putting sterling into the ERM and thus subject to the gravitational pull of the West German Bundesbank, Thatcher exacted conditions.

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Domestically, she wants to wait until Britain's inflation rate comes down dramatically from its present 8.3% — a process which could take three years. Externally, it is conditional on the end of all exchange controls in Europe (notably France and Italy) and real progress towards the 1992 free market in which British financial services, from banks and building societies to insurers and investment houses, will be able to compete unhindered in the other 11 countries.

So she was able to agree to the decision by the European leaders to proceed — but slowly with examination of the distant target of EMU as part of the evolution of a single market. But there is no deadline — to the annoyance of President Francois Mitterrand of France who wanted one inserted in the final communique.

There is considerable argument about whether Thatcher was lured into an ambush laid by her *bete noir*, the European Commissioner, Jacques Delors, who inflamed her last year with the claim that, ultimately, 80% of all economic and social decisions will be taken in Brussels. The EMU proposals put up by Delors — a single currency, managed by a federation of the 12 central banks — were so Utopian as to arouse fears among smaller countries such as Holland and Denmark and demands from the weaker ones, Ireland, Greece and Portugal, for substantially more aid if they came about.

Even the West German Bundesbank, constitutionally and, in fact, the most independent central bank in Europe, opposed the idea of that degree of unity. But by putting up a starry-eyed vision, Delors did enable Thatcher to agree to something more pragmatic without sacrificing her principles on British sovereignty over its own economic and monetary policy.

Years of talks now lie ahead: EMU has to be defined in arguments which will assume theological characteristics. Much will depend on how the single market turns out in its workings and whether Thatcher's conditions are met. Meanwhile, it is expected that Lawson will start easing sterling into the EMS again some time next year — having had to abandon his former attempt to peg the pound unofficially at DM3 because interest rate differentials sent sterling up and forced an easing of credit which fuelled inflation. Following last week's moves by the Bundesbank and others, real interest rates are converging, reducing the risk of distorting capital flows. ■

FW's govt to be given a chance to reform

EC says 'no' to more sanctions

Star 6/7/89

56A

LUSAKA — European Commission vice-president Mr Manuel Marin said this week the European Community (EC) would maintain diplomatic pressure on South Africa but would not impose further economic sanctions.

"The measure that is most important is one that causes the least noise and, apart from restrictive measures, we have to maintain diplomatic pressure," he told a news conference in Lusaka at the start of three-nation tour of southern Africa.

"The best pressure is cautious pressure."

Mr Marin, the EC official responsible for development co-operation, was asked whether the community intended to impose fresh economic sanctions against South Africa as requested last month by southern Africa's Frontline states. "No," he replied.

Community foreign ministers said at a meeting in Luxembourg in June that the South African government that would emerge after elections

due in September should be asked to change course before new measures are taken against it.

He said: "There is now a debate going on about South Africa's future which is the future of the region."

Mr Marin said a five-year plan to ease apartheid in South Africa unveiled last week by National Party leader Mr F W de Klerk did not contribute to resolving the problem.

"If you want to change reality you have to change the nature of that regime and that means changing it all," he said.

Mr Marin said he hoped Namibia, due to become independent from South Africa under a UN plan, would join the Lome Convention regulating EC co-operation with developing countries in Africa, the Caribbean and the Pacific.

The EC as a group and its member countries have committed more than 3 billion European Currency Units (about R8,1 billion) in development aid to southern African countries since 1975.

Mr Marin is also due to visit Botswana and Zimbabwe. — Reuter.

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Mozambique promised

US food aid

Star 6/7/89
The Star's Africa
News Service

MAPUTO — The United States is to supply Mozambique with 30 000 tons of grain following a Mozambique request for emergency food aid.

Under an agreement signed yesterday, the United States will supply 15 000 tons of wheat, 10 000 tons of maize and 5 000 tons of rice which will be sold through the commercial network and should relieve food shortages in the urban areas.

A statement released by the US embassy here said the food is valued at around R24 million. It says that the total US aid to Mozambique in 1989 will amount to approximately R300 million, R240 million of which will be for food aid.

The American ambassador, Ms Melissa Wells, said yesterday that there are already 165 000 tons of maize from the United States either in Mozambique or on its way.

Report lobbies for substitutes

EC seeks to reduce use of SA minerals

BRUSSELS — The European Community wants to spread its network of minerals suppliers as wide as possible to avoid being dependent on SA, says EC internal market commissioner Martin Bangemann.

SA is a key supplier of minerals widely used in EC industries such as car-making, aeronautics and armaments.

Sapa-Reuter reports Bangemann said in answer to a parliamentary question on mineral imports from SA made available yesterday: "The commission is aware of the community's high degree of dependence on external sources for its mineral supplies."

He said the commission believed the EC should seek alternative suppliers and substitute materials.

Neighbours

Several Frontline states could be developed as suppliers, the commission said. The Soviet Union and Australia also have rich mineral deposits.

The EC should also help SA's mineral-rich neighbours, such as Mozambique, reduce their dependence on SA railway systems and ports, Bangemann added.

In 1986, the last year for which full figures are available, SA supplied nearly 70% of the EC's vanadium, more than half its chromium and a third of its manganese and zirconium. All of these are used in steel production.

It also supplied more than a fifth of the EC's platinum, used in catalytic converters to cut car-exhaust pollution.

"Substitute products might, in the

medium term, entail higher costs. Substitutes for chromium are not available," Bangemann said.

As potential suppliers, Mozambique produced platinum, vanadium, zirconium, manganese and chromium. Angola had titanium and manganese. Zimbabwe had 11% of the world's known deposits of chromium, after SA's 83%.

The Soviet Union had the second biggest known reserves of platinum, 17% after SA's 80%, and rich deposits of vanadium, manganese and some chromium. Australia had titanium, vanadium, zirconium and manganese.

REINIE BOOYSEN reports a senior mining house executive said yesterday he was not aware Mozambique produced any platinum, vanadium, manganese or chromium.

He said there was a long haul between talking about setting up a mining industry for these minerals in the Frontline states and actually doing so.

"The bottom line is that European consumers have very little choice as far as most of these minerals are concerned. SA's mining industry is very well-established, and many of the minerals occur so abundantly here that we are a very competitive force in the markets."

The Star reported yesterday that Canada's steel industry would collapse if the Canadian government banned the importation of SA alloys. "If we lose their metals, we lose our steel industry," Dan Romanko, MD of the Canadian Steel Producers' Association was quoted as saying in response to criticism of sharp increases in Canadian imports from SA.

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ESU

ESU

'Boy king' makes summit history

Optimism at Commonwealth

56A
South 19-25/10/89

TWENTY-ONE-YEAR-OLD King Mswati III of Swaziland is the youngest person ever to attend the Commonwealth meeting.

He is probably the youngest person ever to attend an international summit of this nature.

The Kuala Lumpur meeting is of "heads of governments", not heads of state (though some are both) and hitherto Swaziland has sent its prime minister.

But recently the king dismissed Prime Minister Sotsha Dlamini, appointed an acting prime minister, Obde Dlamini, and said he would go to Kuala Lumpur himself.

He may have got the idea from Lesotho, whose King Moshoeshe II started going to these meetings in 1985 instead of a member of his government. Lesotho now has a military ruler, Major-General Justin Lekhanya.

Also at the summit is the Sultan of Brunei, the world's richest man, who has represented his country since it became independent in 1984.

Apart from the King of Swaziland the most striking new face at the Commonwealth table since the last meeting in Vancouver is prime minister Benazir Bhutto, who took Pakistan back into the Commonwealth on October 1.

Another new face is president Ibrahim Babangida of Nigeria, who came to power in 1985, but did not attend the 1985 and 1987 summits.

Other changes

Others are president George Vassiliou of Cyprus, who took over after an election from Spyros Kyprianou, and Geoffrey Palmer, who replaced David Lange as prime minister of New Zealand only three months ago.

There have been three other changes since 1987. President Ranasinghe Premadasa of Sri Lanka has succeeded Junius Jayewardene.

Rabbie Namaliu is the new prime minister of Papua New Guinea. He followed Paias Wingti after a parliamentary vote of no-confidence.

Solomon Mamaloni has replaced Peter Kenilorea as prime minister of the Solomon Islands.

Three old faces have returned. From the Caribbean is Michael Manley, prime minister of Jamaica again, who chaired the Commonwealth summit of 1975 and George Price, who at 70 has just defeated Manuel Esquivel and has once more become prime minister of Belize.

From the Pacific comes prime minister Tofilau Eti Alasana of Western Samoa, who has returned as prime minister in place of Va'ai Kolone. Eti was at the 1983 summit in New Delhi.



King Mswati



Kaunda



Thatcher

EVERYONE felt a little upbeat when they took their places for the Commonwealth summit in Kuala Lumpur this week.

Firstly, it is being hosted by a prime minister, Mahathir Mohamad, who only a few years ago was casting doubts on the worth of the Commonwealth.

Secondly, sitting among them is Benazir Bhutto.

Pakistan is back after 17 years, an act that has blown right off course the prophets of Commonwealth decline.

By next year the leaders seated around the specially made oval rubber-wood table will be expecting Namibia to become member No 50.

The summit in the Putra World Trade Centre has a packed agenda and the going is tough. The threat to the physical survival of some member countries because of environmental changes, differences of approach on southern Africa, even the choice of the next Commonwealth secretary-general, are not having heads nodding in unison.

Greenhouse

Unwelcome messages are coming to the table. A report from a committee of experts set up to examine the threat posed by the greenhouse effect tells industrialised countries that they will have to earmark huge sums of money to the developing world.

This is to help them adapt their own industries so that they do not cause as much pollution as the rich countries.

The leaders will issue a Commonwealth declaration on the environment. That is the easy part. Whether they will agree to the recommendations of the expert group is quite another matter.

Southern Africa is something on which they certainly will not agree, although this time at least they agreed to disagree.

British Prime Minister Margaret Thatcher will persist in her stand against more sanctions and the rest of the Commonwealth will proceed without her, as it has done for last four years.

Thatcher is pleading that the new government of president FW de Klerk must be given more time to move his country towards proper democracy and she will argue that her policy of dialogue with South

Africa rather than isolation is paying off.

The Commonwealth is meeting in Kuala Lumpur in a more optimistic mood than for many years. One reason is the return of Pakistan and the appearance of prime minister Benazir Bhutto at the table. If there are any stars this year it will be Bhutto. The problem of sheer survival because of climatic changes, is sharing the top of the agenda with South Africa. **DEREK INGRAM reports:**



Bhutto

The other leaders say that the fundamentals have still not been tackled, that apartheid in schools, hospitals and living areas remain in place and that the reign of terror still exists in the African townships.

Dialogue

The pressures, they say, must be increased. The South Africans must not be allowed to roll over the huge debt that has to be paid in 1990.

They are telling Thatcher that her dialogue with the South African government is in fact being helped by the pressure that is already being applied by the rest of the Commonwealth and other countries, particularly the United States.

The eight-nation committee of foreign ministers, which Thatcher refused to join when it was formed in Vancouver, has been instrumental in that.

The meeting will be presented with an up-to-date report on the Namibian election process.

Secretary-general Shirdath Ramphal has suggested that the Commonwealth needs to set up a standing arrangement for observing elections.

He said: "At this moment when the thrust for democracy is so strong in worldwide terms, I feel this is a challenge to which the Commonwealth will want to rise".

The Commonwealth scored a big success with its observer group operation in Zimbabwe in 1980. Its group in Uganda suffered from being set up too late.

Sri Lanka also asked for help too late for any to be given. Now there is

the operation in Namibia.

International observer groups for elections are becoming acceptable, they help to ensure fair play and bolster delicate new governments. The United Nations is organising an observer operation in Nicaragua next year.

The leaders are anxious about the future of the Commonwealth Games in view of the threat to the Auckland Games in January posed by the tours to South Africa by the British and Australian rugby players and the rebel England cricket team.

Unhindered

The cricket tour opens on the same day as the Games. The leaders are unlikely to promise not to boycott Auckland but the Games are expected to proceed unhindered.

African countries do not want to upset New Zealand which stands to lose financially if the Games are disrupted. The future of the Games themselves could be in jeopardy.

The leaders will give the go-ahead to the setting up of a novel new institution, a Commonwealth Equity Fund.

The Fund will operate purely commercially and will aim to find potential investment opportunities in small and low-income countries.

Private institutions have welcomed the idea, two years in preparation by the Commonwealth secretariat.

Then there is the thorny question of the next secretary-general. Member countries are divided and torn between Malcolm Fraser, former prime minister of Australia, and Ramphal's deputy, Chief Emeka Anyaoku of Nigeria.

Both candidates are there, Anyaoku in the meeting chairing the parallel Committee of the Whole (the top officials) and Fraser lobbying outside.

At the weekend the leaders go to their retreat on Langkawi Island and there they will decide.

There, too, the leaders sitting informally and alone are likely to debate the future of the Commonwealth itself.

The leaders meet in historic times. The old global order that dates back to 1945 has broken up. Superpower conflict has been replaced by superpower cooperation. East Europe is in turmoil.

The Soviet Union is moving into uncharted waters. China remains an enigma.

The discussion began in Kuala Lumpur and will be carried on by a group of senior Commonwealth figures probably right up to the next summit in 1991. The bid for hosting that one is coming from the small island state of Malta. — GEMINI NEWS

Leaders agree to disagree on SA

WHEN Commonwealth leaders get down to discussing South Africa they will focus on the intentions of the new State President, FW de Klerk.

The key question is whether he really means to break apartheid and reform the constitution or is he just an old bird in new plumage?

The leaders are unlikely to find much change in British prime minister Margaret Thatcher's basic position on South Africa, but they are determined not to go through the same arguments on sanctions with her again. They accept that she will stand aside from them.

She wants the Commonwealth to give De Klerk more time to prove himself, and most will disagree.

Thatcher has been busy for weeks preparing her position for Kuala Lumpur. She wants to visit South Africa and score a diplomatic coup

there, but she will not go unless Nelson Mandela is released and she is sure of results.

Thatcher will refuse to go along with proposals at Kuala Lumpur for the Commonwealth to increase the financial squeeze on South Africa.

In the weeks before Kuala Lumpur a delegation of officials from Australia, Canada and India have been meeting top executives of major world banks to persuade them not to help Pretoria by easing terms of debt repayment of loans.

The Commonwealth Committee of Foreign Ministers, which does not include Britain, is recommending to the summit increased financial sanctions following a detailed examination of their impact.

But Thatcher wants nothing to do with it.

She insists that change can come about only if the South African economy is strong and that sanctions

will hurt the blacks most.

She points to the help Britain is giving towards the education of blacks, the consistent support for the Frontline States and her insistence on the release of Mandela.

Thatcher was quick to meet De Klerk when he was acting president and she corresponds with him as she did with his predecessor, PW Botha.

One other leader will give a personal assessment of De Klerk, President Kenneth Kaunda of Zambia. The two men met just before the South African general election.

The summit meets at a critical moment for southern Africa.

Namibian general elections will be held on November 6 leading to independence in 1990.

Cuban troops are leaving Angola, but the ceasefire between Jonas Savimbi's Unita rebels and the Angolan government broke down almost before it started.

Now the parties are making another attempt, pushed by US president George Bush, who has talked with Savimbi and president Mobutu Seseko of Zaire, the go-between.

The ANC has now done a formidable amount of planning for a post-apartheid South Africa.

Its draft declaration presented to the last meeting of the Organisation of African Unity would open the way to dialogue along the lines of the proposals of the Commonwealth Eminent Persons Group three years ago.

A crucial point in that programme is a suspension of violence by both sides.

The Commonwealth leaders are likely to decide that the South Africans will not really be moved until they have been further squeezed economically.

At that point, Thatcher will just look the other way. — GEMINI NEWS

Plans to sway Thatcher on SA curbs

20-26/10/89
By DEREK INGRAM
In Kuala Lumpur

COMMONWEALTH leaders are hoping to persuade British Prime Minister Margaret Thatcher to accept at least one extra form of financial pressure on South Africa during this week's Commonwealth summit — new curbs on trade finance.

Much of South Africa's trade credit business is still insured with official export credit agencies overseas.

Commonwealth leaders, attending the heads of government meeting in Malaysia this week, believe that in this area South Africa should be exposed to the unfettered judgement of the marketplace.

They want all countries to take South Africa "off cover" with official government agencies for official trade credit and insurance purposes.

South Africa has claimed it is using trade financing as a balance of payments cushion. At their meeting in August, Commonwealth finance ministers said a clear signal needed to be sent to curtail sources of foreign funds to South Africa.

Commonwealth countries claim Thatcher has no grounds to resist the

proposed new curb, since she advocates leaving matters to be decided by market forces.

The Commonwealth also hopes to put in place an independent mechanism to review and report on South African links with the international community on a regular basis. This will have to be staffed with experts and sited in a financial centre.

The new body would be financed by grants from some governments, notably Australia, and would not be part of the Commonwealth Secretariat. Thatcher is not likely to support the idea of such an organisation.

The most important financial pressure which was to have emerged was redoubled efforts to prevent South Africa rescheduling its foreign debts before the Second Interim Agreement with the country's foreign bankers expired next year.

The plan was for Commonwealth governments to put pressure on the banks not to agree to any rescheduling.

It was not clear yesterday how the heads of government meeting would respond to South Africa's announcement this week that a new agreement with foreign creditor banks had been reached.

Commonwealth leaders had been examining reports from a team of experts from Canada, Australia and India who visited banks in several countries to persuade them not to offer South Africa any leniency in repayment. The experts had said they received a sympathetic hearing.

Banks visited included Citibank, Morgan Guaranty and NY Manufacturers' Hanover Trust in New York, Deutschbank and Commersbank in Frankfurt, Credit Suisse and Union Bank of Switzerland in Geneva, Credit Lyonnaise and Paris Indosuez in Paris and Barclays, Natwest and Standard Bank in London.

There had been some optimism that Thatcher could be won over to add British pressure on the rescheduling.

But the British prime minister made it clear she did not favour any financial squeeze on South Africa.

At the opening of the summit she sat stony-faced whenever speakers talked of sanctions and pointedly failed to clap references to them. —

Gemini News



56A

EC haulage wrangle ^{SCA} upsets UK

Own Correspondent

LONDON — Britain has expressed "real disappointment" over France using its influence to delay progress on plans for a free European market in road haulage, one of the key parts of the 1992 single market programme.

Transport Secretary Cecil Parkinson regards proposals raised by France on the road haulage issue as highly protectionist. Prime Minister Margaret Thatcher has singled out the road haulage plan as an area where European countries should learn from Britain's free market example.

However, France and Germany showed no sign of allowing haulage firms to carry domestic loads in their countries, a law known as cabotage.

France has enraged the UK and Holland by apparently taking advantage of its presidency of the EC council to stifle progress on the plan.

Proposals produced by the French last week were so restrictive that senior national representatives threw them out.

There was dismay in yesterday's meeting when it became clear the French president of the council Michel Delebarre had nothing new to offer.

The only hope now is a return to old proposals which would bring in cabotage after a transitional period.

The Brussels Commission — campaigning against the restrictive system since 1969 — has now declared that it will take member states before the European Court unless agreement is reached by the end of the year.

The British Road Haulage Association is cautiously in favour of allowing foreign truck firms in the UK, though high British taxes may give them an unfair advantage. — Daily Telegraph.

Commonwealth summit to push Pretoria

No let-up on pressure over debt repayments

By Sue Leeman,
The Star's Foreign News Service

KUALA LUMPUR — The Commonwealth summit, which convenes in Kuala Lumpur today, can be expected "to send a strong message to Mr F W de Klerk that he cannot expect anything other than very strong action on the foreign-debt front", said Commonwealth Secretary-General Sir Shridath "Sonny" Ramphal.

He told journalists at a pre-conference briefing in the Malaysian capital it was unlikely that a new package of sanctions would be accepted.

Instead, the conference could be expected "to confirm the utility of (existing) sanctions and the importance of their being sustained if progress is to be made".

The Commonwealth, he said, would focus on South Africa's attempts next year to have its mountain of foreign debt rescheduled.

"A window of opportunity is presented which will not remain open forever. We believe South Africa has not earned the right to ask for special

accommodation (on foreign debt) when it is not changing its basic system."

Britain has indicated it is not in favour of giving South Africa's leaders a six-month "breathing space" to implement change, saying this is an artificial and arbitrary deadline to put on reform.

The idea has been mooted in several quarters, not least by Dr Allan Boesak, who is attending this week's summit and has briefed the committee of Foreign Ministers on southern Africa.

No deadlines

Mrs Thatcher's press secretary, Mr Bernard Ingham, said yesterday that one could not put such an arbitrary time limit on reform.

So while Britain will continue to push for change as soon as possible — and Mrs Thatcher is known to want to visit South Africa early next year — there will be no specific deadlines hanging over Mr F W de Klerk.

Mr Ingham indicated that Britain would try to persuade Commonwealth colleagues here that increased sanctions is not the way forward.

One man, one vote is fundamental — Sisulu

ANC leader Mr Walter Sisulu said yesterday that "pressure must be sustained and there must be no chance for the Government to retreat and reorganise its strategy of delay".

Speaking in Soweto, he said he did not agree with Dr Allan Boesak that further sanctions should be suspended and that South Africa should be given six months' grace to implement its programme of reform.

But he said he was not surprised at Dr Boesak's request to the Commonwealth.

"One must remember he is a churchman and they look at things differently."

On future goals Mr Sisulu added: "One man, one vote is fundamental to the demands of the people, and we would not be willing to accept anything less than that."

He called for "a South Africa in which race is not an issue, in which the president of the country can be either black or white".

Asked if he felt any bitterness about his long term of imprisonment and, if he did, whether this would affect his negotiations with the Government, the ANC leader replied: "No, I feel no bitterness. After all, the only thing bitterness generates is a waste of energy. But I do get agitated at times when I think of the way we have been treated." — Sapa.

'We can sort this out ourselves'

The Star's Foreign News Service

KUALA LUMPUR — In a move to increase the stakes in the sanctions argument at the Commonwealth meeting, the ANC has made a strong pre-summit call for increased measures, including trade sanctions and a mandatory oil embargo.

While endorsing foreign pressure at this level, it declined the services of the international community "in bringing about a process of negotiation between the country's leaders", saying South Africans "were doing this themselves".

SIMILAR ENCOUNTER

An ANC spokesman yesterday pointed to the meeting between Mr P W Botha and Mr Nelson Mandela earlier this year and said Mr F W de Klerk was seeking a similar encounter.

"It seems there is no necessity for eminent people to act as go-betweens or brokering anything," the spokesman said.

The ANC is hoping that the Commonwealth summit will endorse its own negotiating principles as encapsulated in the Harare Declaration.

Among its conditions are an end to the state of emergency, the release of all political prisoners and the unbanning of opposition organisations, all steps the Commonwealth is sure to support.

B / Day 18/10/89

(56A)

European leaders revive single currency moves

BRUSSELS - In an attempt to give new momentum to European Community (EC) plans to create a single currency, EC government leaders are likely to agree to set a date to begin talks to amend the EC's founding Treaty of Rome, the Wall Street Journal/Europe reported yesterday.

According to diplomatic sources in Brussels, most EC leaders agree the negotiations should begin in the second half of 1990, and will declare that during a summit meeting in Strasbourg on December 8 and 9.

The only strong opposition to changing the treaty comes from British Prime Minister Margaret Thatcher, who is opposed to creating a single EC currency. But convening the so-called intergovernmental conference does not require unanimity.

The reading of EC leaders' opinions for the conference came from a meeting of foreign ministers last weekend outside Paris. Sources said most ministers indicated their approval of French plans to call the conference during the Italian presidency of the Council of Ministers, which begins next July.

Diplomats said French president Francois Mitterrand wants to take some action before December, the end of the French presidency of the EC Council.

Mitterrand fought to set a date for the conference during the last EC summit in Madrid last June, but the move was scuttled because of opposition by Thatcher and West German chancellor Helmut Kohl.

Diplomatic sources said Kohl now may agree to set a date for the conference. Some EC and French officials are worried that developments in Eastern Europe could distract German public opinion, making the country more interested in reunification of the two Germanies than in EC integration. — AP-DJ.

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see business alarms labour

Britain, the Commonwealth and South Africa Plastering the cracks

20/10/89
56A
Soweto

By **MICHAEL MAKIN**
Lecturer in History at
Vista University,
Soweto

After a particularly bitter Commonwealth Conference in 1971, President Nyerere of Tanzania wrote:

"If we are not opposed to racialism we have no business sitting down together in an association which consists of representatives of all the racial groups in the world.... Britain should combine its interests with those of free Africa and those members of the Commonwealth who share our bitter hostility to racialism and colonialism."

The heads of government were meeting in Singapore that year and Nyerere, Britain's staunchest critic in the Commonwealth, was referring to Edward Heath's decision to resume arms sales to South Africa.

Diplomacy

In the uproar which this decision caused, some states threatened to restrict British trade and investment and to leave the Commonwealth. These threats were not carried out in the end, but the fabric of Commonwealth relations was undoubtedly severely strained.

The Commonwealth

Conference this week in Kuala Lumpur will not be as stormy: Margaret Thatcher will be defending Britain's anti-sanctions stand but the bitter hostility of previous Commonwealth Conferences will be largely absent.

She will claim that her policy of quiet diplomacy has achieved some concessions, notably the recent release of eight political prisoners. Most Commonwealth states will grudgingly accept the view that De Klerk's Government should be given some time to prove its reformist intentions.

There will, however, be some disagreement between Britain and the rest over the threat to halt the rescheduling of South Africa's debt next year, if sufficient progress towards reform has not been forthcoming.

Disappointed

The final communique will undoubtedly gloss over these differences and everyone will be aware in any case that without British and American approval, financial sanctions will not succeed. Critics will claim that the Commonwealth has once again displayed its irrelevance.

Many in South Africa and Britain will be greatly disappointed that the or-

FOCUS

ganisation did not fall apart once and for all over the South African issue.

The Commonwealth will survive this controversy, however, as it has survived many other crises and disagreements such as Suez in 1956, the Indo-Pakistani wars of the '60s, Rhodesia and UDI, Biafra, Bangladesh and Cyprus.

Benefits

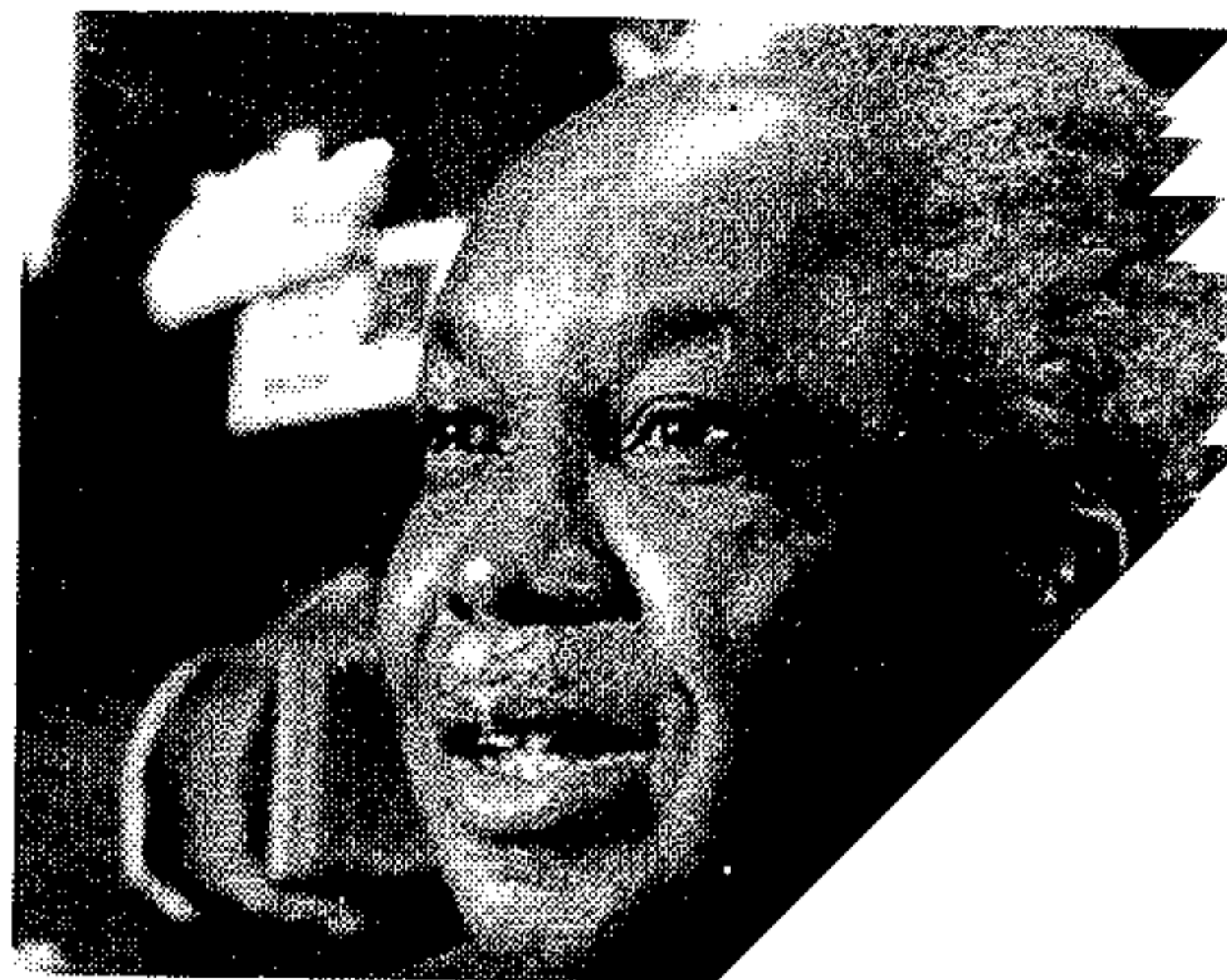
It could be argued, in fact, that the problem of apartheid has helped the Commonwealth to stay together because the African states recognise the organisation's value as an instrument to put pressure on Britain to take action against South Africa.

Aside from this, there are other benefits of Commonwealth membership, for the smaller countries in particular. They receive substantial amounts of economic aid from Commonwealth sources. They are able to exert a certain amount of influence on world affairs that they would not otherwise have been able to, given their size and population.

Even the larger and more influential countries of the Commonwealth find the organisation valuable as a means of self-expression. Canada, for example, is able to play a leading role in the Commonwealth and to free itself from the claustrophobic influence of its powerful neighbour, the USA.

Value

Zimbabwe's decision to join the Commonwealth in 1980 and discussions held this year about the future membership of an independent Namibia indicate that membership is highly regarded. Pakistan's decision to return to the fold this year despite a longstanding feud over the Commonwealth's role in achiev-



President Julius Nyerere of Tanzania



President Kenneth Kaunda of Zambia

ing the international recognition of Bangladesh, is another indication of how some countries value membership.

From the point of view of Britain's Conservative Party, however, membership of the organisation has been more of a burden than a blessing. Feelings of disenchantment with the Commonwealth grew partly as a result of the reaction of the Afro-Asian members to Tory government mistakes and policy failures.

One can trace the origin of these blunders to the Suez Crisis in 1956. Eden's decision to intervene in Suez without consulting his Commonwealth partners resulted in several countries, including Canada, refusing to support Britain's position in the United Nations.

The Labour Party, on the other hand, has taken a much more accommodating attitude to the Commonwealth despite its difficulties over Rhodesia and immigration. But as a result of all this mistrust and criticism Britain finds itself at odds with the organisation it originally created. Britain's leadership position has passed to other countries such as

Canada, India and Australia.

Most Tories probably do not regret the fact, partly because Britain's economic stake in the Commonwealth has declined considerably. In the year of Suez the Commonwealth took 39.8 per cent of British exports. By 1968 this figure had declined to a little over 22 per cent.

During the same period the share taken by Europe increased from 28.5 per cent to 36.7 per cent. The Commonwealth, in other words, has become less important to Britain as a trading partner.

Investments

South Africa, on the other hand, has retained its importance as a field for British investment and trade. In 1987 South Africa accounted for one third of total British trade with Africa while Nigeria, Britain's largest African Commonwealth trading partner, accounted for only 13 per cent.

These figures are no doubt an important factor in determining Thatcher's opposition to sanctions. At present she is able to trade with South Africa and maintain valuable Commonwealth connections at the same time. If she were confronted with a choice between the two at some future date, her opposition to sanctions might crumble. But at the moment she is able to have her cake and eat it. The Commonwealth will probably have to wait for a Labour government in Britain before any significant moves against South Africa can be made.

Pressures on Pretoria will stay

SA is not moving fast enough — EC

Star (56A) 11/12/89

STRASBOURG — The European Community said on Saturday that South Africa was not scrapping its apartheid system fast enough and called for talks between what it called the true leaders of all its ethnic groups.

In a final declaration after a two-day summit at this French city, the 12 EC leaders welcomed moves by President de Klerk in recent weeks to allow greater political freedom and the release of a number of jailed black nationalists.

Negotiations

"These measures, however, are still insufficient with respect to the immense task posed by the dismantlement of apartheid," it added.

Calling for an end to violence and a dialogue between all parties, it added: "Only broad-based negotiations bringing together the true leaders of the different constituent parts of the South Afri-

can people can result in a lasting settlement."

The declaration said the EC would maintain the pressures it was exerting on the South African Government, but would reconsider them "when there is clear evidence of change".

Economic measures adopted by EC members to press Pretoria into faster reform include bans on the promotion of tourism and the import of certain South African goods.

The declaration said last month's UN-supervised elections in Namibia had permitted the appointment of a Constituent Assembly "which truly reflects the wishes of the Namibian people".

The 12 said that once Namibia became independent next year, it would need significant aid and pledged the EC would contribute.

The 12 leaders said significant advances on the road to peace had been recently made in war-torn Angola and Mozambique. — Sapa-Reuter.

Europe unimpressed by reforms in SA

SUNDAY TIMES
FOREIGN DESK

THE European Community said South Africa was not scrapping its apartheid system fast enough and called for talks between what it called the true leaders of all its ethnic groups.

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Czech bounces to power

ONLY 14 days after being released from prison on subversion charges, Mr Jan Carnogursky is about to be appointed a deputy prime minister in Czechoslovakia's new government.

It is a reflection of the breathtaking speed with which Czechoslovakia is returning to its democratic traditions after 41 years of suppression under hardline communist rule.

SUNDAY TIMES
FOREIGN DESK

"It is exactly 14 days since I was released from prison," the slight, bespectacled Mr Carnogursky told reporters.

"As I rode home in the tram that evening I saw huge posters calling for free elections. My call for free elections was one of the reasons I was arrested."

...minister...
told his West German
lans-Dietrich Genscher
it the plan could only
urmoil in Europe when
alanced approach was
news agency said.

Germany
"The Soviet state considers it unac-
ceptable to dictate to the sovereign
state of East Germany how it should
develop its relations with the other
German state," Shevardnadze said.
— Sapa-Reuter.

Poll shows opposition to Thatcher's EC stand

LONDON — Prime Minister Margaret Thatcher won a clear victory in the Conservative Party's leadership ballot, but the result has put a dent in her authority at home and will not help her standing internationally.

While she was backed by 314 of the 374 Conservative MPs, the 60 votes effectively cast against Thatcher on Tuesday focussed fresh attention on her attitude towards European integration.

Thatcher proclaimed the result "overwhelming". But she is likely to face attacks on her leadership style and isolation within the EC when she faces parliament today, only hours before leaving for this weekend's pivotal EC summit in Strasbourg.

In Strasbourg, Thatcher will be ranged against virtually all Britain's community partners over plans for monetary and economic union and implementation of a social charter to improve the rights of workers.

Her determination to retain sovereign powers and block the creation of a "US of Europe" has been widely attacked both at home and abroad as a brake on European integration.

Maverick MP Sir Anthony Meyer said he launched his challenge, the first against Thatcher since she ousted former Prime Minister Edward Heath as party leader in 1975, in protest at her "distaste" for the EC.

It came at a time of mounting trouble for Thatcher, over a slowing economy with high inflation, a solid and sustained lead for the opposition Labour Party in opinion polls and her own personal rating in the polls at an all-time low. *81 days 7/12/89*

The result fell between two stools and is open to a wide range of interpretation. The votes cast against Thatcher were short of the more than 70 her critics said would be a strong signal to modify her autocratic leadership style and be more accommodating on Europe. But the number of votes against was higher than supporters had anticipated.

It also revealed a sufficiently strong level of dissent to leave open the question of whether Thatcher will face a stronger challenge in a year's time. — Sapa-Reuter.

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Gatt invitation opens way to Russia's trade integration

Star 6/12/89

56A

LONDON — In one bound President Bush has opened the way for the hitherto isolated Soviet Union to start down the long and painful road towards economic integration with the rest of the world.

The invitation to Moscow, extended at the Malta summit meeting this weekend, to become an observer at the General Agreement on Tariffs and Trade is a cautious beginning to a process critical to the Soviet Union's economic survival.

The 97-nation Gatt negotiates the rules under which world trade is conducted and its prime objective is to roll back the protectionist measures which still hedge and disrupt global trade.

Moscow must already be thinking of the next step — full membership of the Gatt.

To stimulate its own creaking industries into competitive life, Soviet economists believe the country must be subjected to external competition. But full membership is unlikely to be on the agenda before the end of 1990.

Gatt, meanwhile, is threatened by the gradual break-up of the trading system into regional blocs.

The European Community aims for a single European market by the end of 1992, the US and Canada are putting into effect a North American free trading area and the Asian and Pacific nations, led by Japan, are working towards similar arrangements.

Soviet access to the European market might prove the most effective route for Moscow, so its observer status at Gatt may help give the Soviet Union diplomatic legitimacy in the trade arena. —The Independent.

Maggie isolated as 'alliance' emerges

BRUSSELS — Amid an outpouring of solidarity from Nato leaders, and praise for President Bush in the wake of the Malta summit, British Prime Minister Mrs Margaret Thatcher was yesterday pushed further into the sidelines of what Mr Bush called the "new alliance architecture" to end the division of Europe.

Taking scant account of the British Prime Minister's concerns about European Community integration, Mr Bush told the allies: "The events of our times call both for a continued, perhaps even intensified, effort of the Twelve to integrate, and a role for the EC as a magnet that draws the forces of reform forward in Eastern Europe."

To which Mrs Thatcher, who appeared

Star 5/12/89
unsettled by Mr Bush's remarks, retorted. "Closer integration in Europe does not give us in Britain any difficulties ..."

"Our problem is not with the integration with Europe but the kind of Europe we want to see."

Excusing herself from further comment, Mrs Thatcher said Mr Bush's report from Malta was "so full of meat" she would have to consider it very carefully before replying.

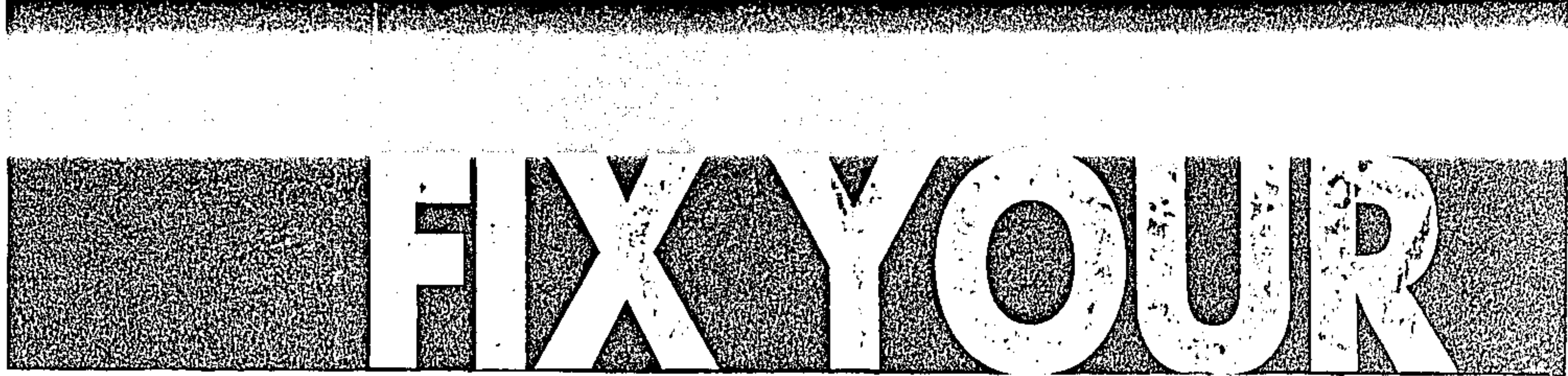
The divergence of views between Mr Bush and Mrs Thatcher on three key issues affecting Europe's future — the role of the EC institutions, the correct military response to the diminishing Soviet threat and the reunification of Germany — now

(56A) appears to be clearer than ever.

The relationship between the two countries reached yet another low ebb as Mrs Thatcher was about to confront her European colleagues at the EC summit in Strasbourg, which starts on Friday.

The other EC leaders are certain to use Mr Bush's comments as ammunition in pressing for monetary union and the Social Charter, both of which came in for still more fierce criticism from Mrs Thatcher yesterday.

Monetary union and an EC central bank "went for the jugular" of parliamentary politics in Britain, Mrs Thatcher insisted yesterday. — The Independent News Service.



FIX YOUR

SA, France, EC may cut foreign aid to Comoros

By Aidan Hartley,
The Star's Africa
News Service

MORONI — Vital foreign aid to the Comoros Island republic from South Africa, France and the European Community may soon be halted in an attempt to force the mercenary-led presidential guard to give up the power they usurped after the assassination of President Ahmed Abdallah Abderamane a week ago.

Diplomats in the troubled island's capital of Moroni have indicated that financial pressure, rather than direct military intervention, would be the best option in ridding Comoros of the mercenaries.

Both France and South Africa, previously seen as backers of the joint presidential guard/Abdallah regime, now seem determined that the mercenary-led guard must go.

South African and French diplomats on the island were seen together at the South African run N'Galawa Sun at the weekend, and it is believed that South Africa may soon issue a statement condemning the guard take-over.

The mercenaries, beset from all sides, have continued to fortify key points around the capital of Moroni in case of military attack.

Eight hundred French Foreign Legionnaires on the nearby French controlled island of Mayotte have been put on alert as a precaution in case France decides to act decisively.

However, despite their concern, it is thought that the mercenary leaders of the presidential guard still are not allowing the local rank and file members of the guard to carry live ammunition for their weapons.

The man who controls the mercenaries, Colonel Bob Denard, spent the weekend seemingly unconcerned at the international moves going on around him. He was relaxing at his beachside bungalow in the north of the island.

He has promised to speak to newsmen about the situation "some time this week".

EC, UK debate union

LONDON — Jacques Delors, president of the European Commission, on Friday attempted to allay British fears that national sovereignty would be undermined by the European Monetary Union (EMU).

Mr Delors spent more than an hour yesterday morning with Margaret Thatcher, with whom he has been strongly at odds over the EMU.

Speaking later at the *Financial Times* World Banking conference, he said: "Each nation will remain in control of all the main items of public expenditure and policy."

Mr Delors stressed that his vision of European unity would not involve

centralised control over economic policy and said that while general economic policy within EMU would be set at the community level, economic objectives and decision making would remain with ministers accountable to their parliaments.

However, he stressed the need for a genuinely common economic policy to avoid counter-productive decisions.

He received support from Sir Geoffrey Howe, deputy Prime Minister, who said that Britain could join the exchange rate mechanism of the European Monetary System before the next election. — *Financial Times*

8/Day 28/11/89

56A



A woman outside a Prague shop with a poster announcing a two hour general strike, called by the Civic Forum opposition group. PHOTO: REUTERS

Britain under fire for blocking aid package

BRUSSELS — EC efforts to agree how much money to offer the Third World in a major new aid package ran into trouble early yesterday, and diplomats said Britain was under fire for blocking the deal.

Community officials said the 12-nation group would meet again in the morning to try to iron out the last major crease in more than a year's negotiations between the EC and the 66 African, Caribbean and Pacific (ACP) developing nations.

Talks on the financial size of the next Lomé Convention ran aground when Britain refused to support a deal worth over 10-billion European Currency Units (ECUs) (\$11bn), they said.

"It was the British who really blocked things — the Dutch and Germans could have gone a bit further," one EC source said. Officials said the EC had agreed on an improved trade concessions package to offer the ACP.

Britain, West Germany and the Netherlands, who put up half the funds for the last Lomé treaty, want to re-

serve a large part of their national aid budgets for bilateral projects.

France, which would like to see a generous agreement signed before its six-month presidency of the EC expires at the end of the year, earlier proposed an aid figure of ECUs10.5bn, and ECUs1.2bn in soft loans.

The ACP nations want ECUs15.5bn (\$17.2bn) in all but diplomats said there was little they could do to influence the outcome of the EC debate.

Expires

"They recognise the weakness of their negotiating position," an EC official said.

The third Lomé Convention, named after the capital of Togo where the first convention was signed 15 years ago, expires in February after five years. It is the biggest pact of its kind.

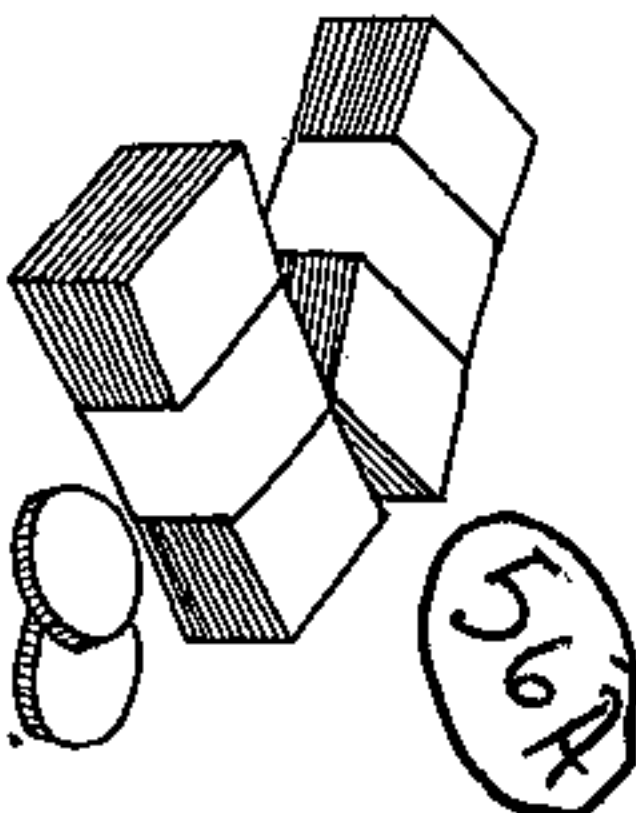
It gave ACP states preferential access for exports, compensation for falling commodities prices, cheap loans and aid worth ECUs8.5bn (\$9.4bn). — Sapa-Reuter.

United Africa must pull itself out of economic crisis, says Crocker

FORMER US Assistant Secretary of State for Africa, Chester Crocker, said some shocking things this week.

Addressing a South African Institute for International Affairs banquet in Johannesburg, he said:

Foreign Minister Pik Botha's idea of a Marshall Plan to rescue southern Africa's declining economies is pie in the sky. The West is not interested in financing such a plan; Nor is the West interested in financing a "solidarity fund" for the SADC, as proposed by Frontline States. Crocker called the proposal "sheer nonsense in economic terms"; and While Western countries acknowledge the eco-



MONEY TALK

By Jacob Mokana

nomie plight of southern Africa's inhabitants, it will only pay attention to proposals based on the desire of South Africans to "walk together".

"The conflict in South Africa is an internal one and no-one beyond your borders is responsible for solving it," he said. Referring to the attacks on the South African economy - including from

long-time competitors such as the Australians and the American mining industry - he said the economy had not yet been killed off.

I would like Crocker to have a look at the latest trade statistics. They show that tight economic policies, which have placed a burden on all of us, have produced massive trade surpluses.

Figures released this week show exports increased by more than R600-million in October to R5,47-billion - the second highest figure in history. This is 22 percent higher than the figure for October 1988.

This brings the total for the first 10 months of this year to R48,1-billion - up 18,5 percent compared

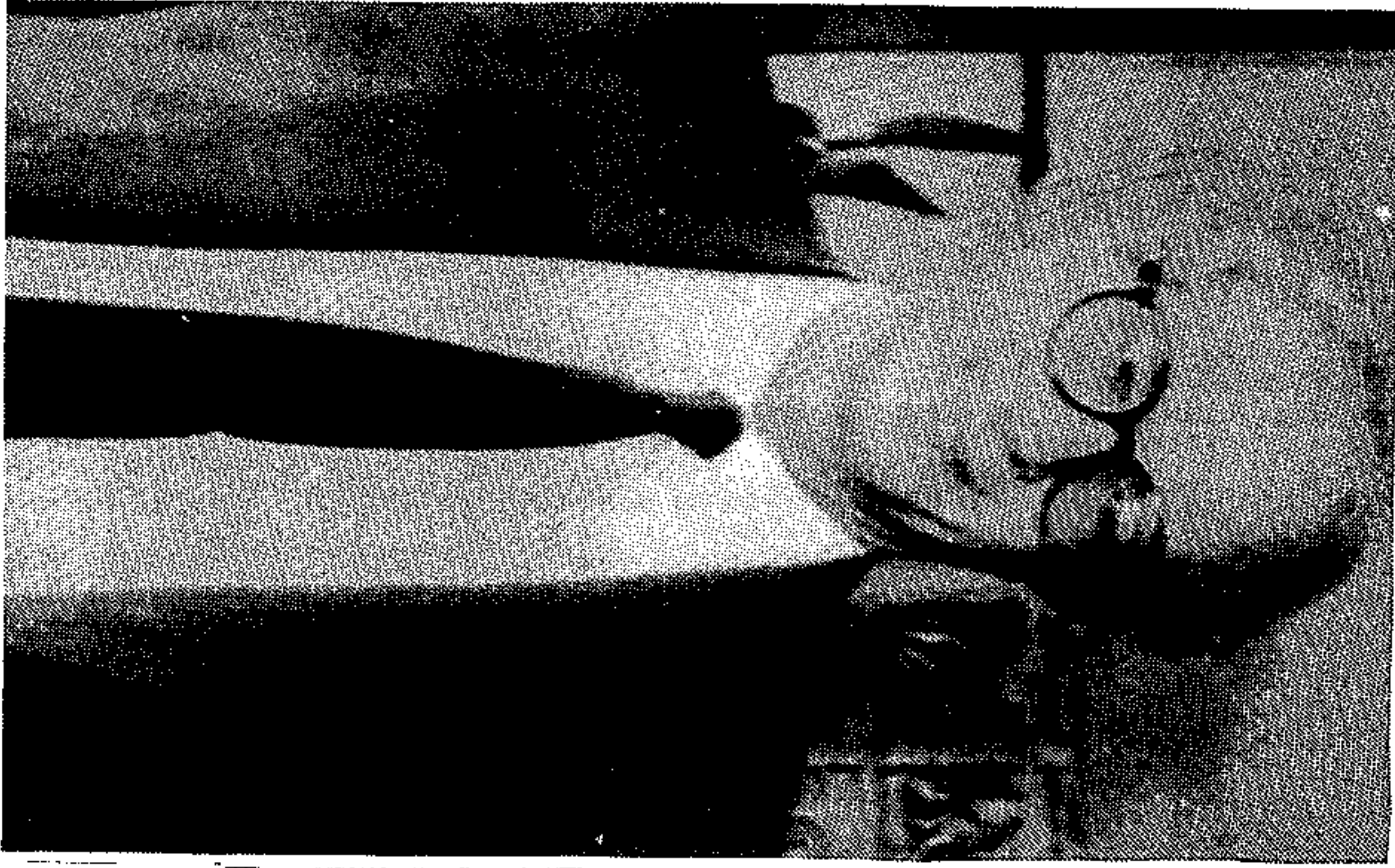
with the same period in 1988.

At the same time imports are under control, resulting in a trade surplus of R10,2-billion for the 10-month-period - a 25 percent improvement.

What does all this mean? Firstly, it could mean the recession expected next year can be avoided.

Secondly, it shows competitors in international markets have not been as successful as they might have wished in cutting off markets for South African goods.

This causes one to wonder what our export figures would have looked like had we been able to compete for customers on equal terms.



Chester Crocker... slammed Botha's plan.

Facing east

The leaders of the European Community (EC) found no difficulty in speedily establishing a united strategy for dealing with the upheavals in the east.

No formal communique was issued after the unprecedented emergency summit of the 12, but what emerged was a clear-cut, step-by-step approach towards Eastern Europe which will encourage the burgeoning democratic movement without threatening Soviet security and undermining the position of President Mikhail Gorbachev.

The sense of history precluded any haggling over the bare bones of policy towards the next critical six months for the most advanced reformist countries, Poland and Hungary, upon whose fortunes could hinge the progress of change in East Germany, Bulgaria and Czechoslovakia. Given that the EC's precondition for help is political democracy, the initial focus is on these two countries and the International Monetary Fund (IMF) is to be the arbiter.

But the EC leaders undertook to put pressure on the IMF to finalise the proposed US\$1bn "stabilisation fund" for Poland and the \$1bn bridging loan for Hungary within a month. These will unlock a further \$1,2bn in credit guarantees by the European Investment Bank. UK PM Margaret Thatcher, who will brief President George Bush at this week's *tête-à-tête* at Camp David, was especially emphatic on the need to "get Poland through this winter."

US support is axiomatic. Congress approved a three-year package worth \$852m for Poland and \$86m for Hungary. It also directed the administration to seek "a generous and early rescheduling" of the inter-governmental portion of Poland's \$40bn foreign debt.

Longer-term ideas have also been set in motion, chief among which is the French proposal for the setting up of an Eastern European Bank.

Beyond that lies the broader issue of the implication of greater economic links with the east for political dealings between the Nato alliance and the Warsaw Pact. German re-unification was not discussed. ■



Flora McDonald

New human rights probe

56A

INSPIRED by the Eminent Persons Group that reported on South Africa in 1986, a new committee of distinguished international figures has set out to examine the human rights record of the Commonwealth.

The group is sponsored by

five non-governmental Commonwealth organisations. Its main goal is the preparation of a report summing up the state of human rights within the 48 member countries.

The document is intended for the Commonwealth Heads of Government meeting in 1991 and it is hoped it may ultimately form the

basis for a Commonwealth Declaration on Human Rights.

The project, dubbed the Commonwealth Human Rights Initiative, could embarrass some member states by pointing out specific human rights abuses or recommending changes in law to eliminate inequality.

Warned chairperson Flora MacDonald of Canada: "There may well be information that we produce that some countries of the Commonwealth may find somewhat discomfiting. I don't think any country in the Commonwealth can point to itself and say: "We have reached Utopia".

Dr Beko Ransome-Kuti of Nigeria added: "We tend to wonder why the Commonwealth hasn't put its house in order. Some of our governments are even worse than the South African government, which more people shout about."

The six-member committee was formed, says spokesman Richard Bourne, because Commonwealth NGOs felt "human rights are too important to be left to governments."

Part of the group's mandate, therefore will be networking with international NGOs to educate Commonwealth citizens about their rights.

Says MacDonald: "We've found that people have little knowledge of the rights to which they are entitled under existing international covenants. NGOs can make major educational efforts at the grassroots level."

Only in the Singapore Declaration in 1971 did Commonwealth Heads of Governments specifically deal with human rights. Later they set up

a small Human Rights Unit in the Commonwealth Secretariat.

Modern technology has thrown up a host of new issues that may affect fundamental rights. Environmental concerns, reproductive technology and the changing role of women are cited by the group.

"World standards in human rights are tending to rise. If something is not done, the Commonwealth could be left behind," says Bourne.

By setting up a non-governmental body, the NGOs believe it will be possible to be as critical of specific problems as the situation warrants.

"We're an independent group — we will go ahead in a straightforward manner," says MacDonald.

In a foretaste of the sort of criticism to come, she cites Commonwealth inaction on such recent crises as the racially-motivated coup in Fiji, which ultimately resulted in the country's departure from the Commonwealth, and the bloody ethnic strife threatening to tear apart Sri Lanka.

"The Commonwealth basically turned its back on these."

But the overall aim of the exercise is to be constructive, not just critical.

The Commonwealth, says MacDonald, is a "family of nations" in which exchange of information is much easier than in international bodies such as the United Nations.

Even if some governments reject the group's final report, "we won't have lost anything from the present situation."

"More needs to be done on human rights. This kind of pressure is the only way it's going to come about."

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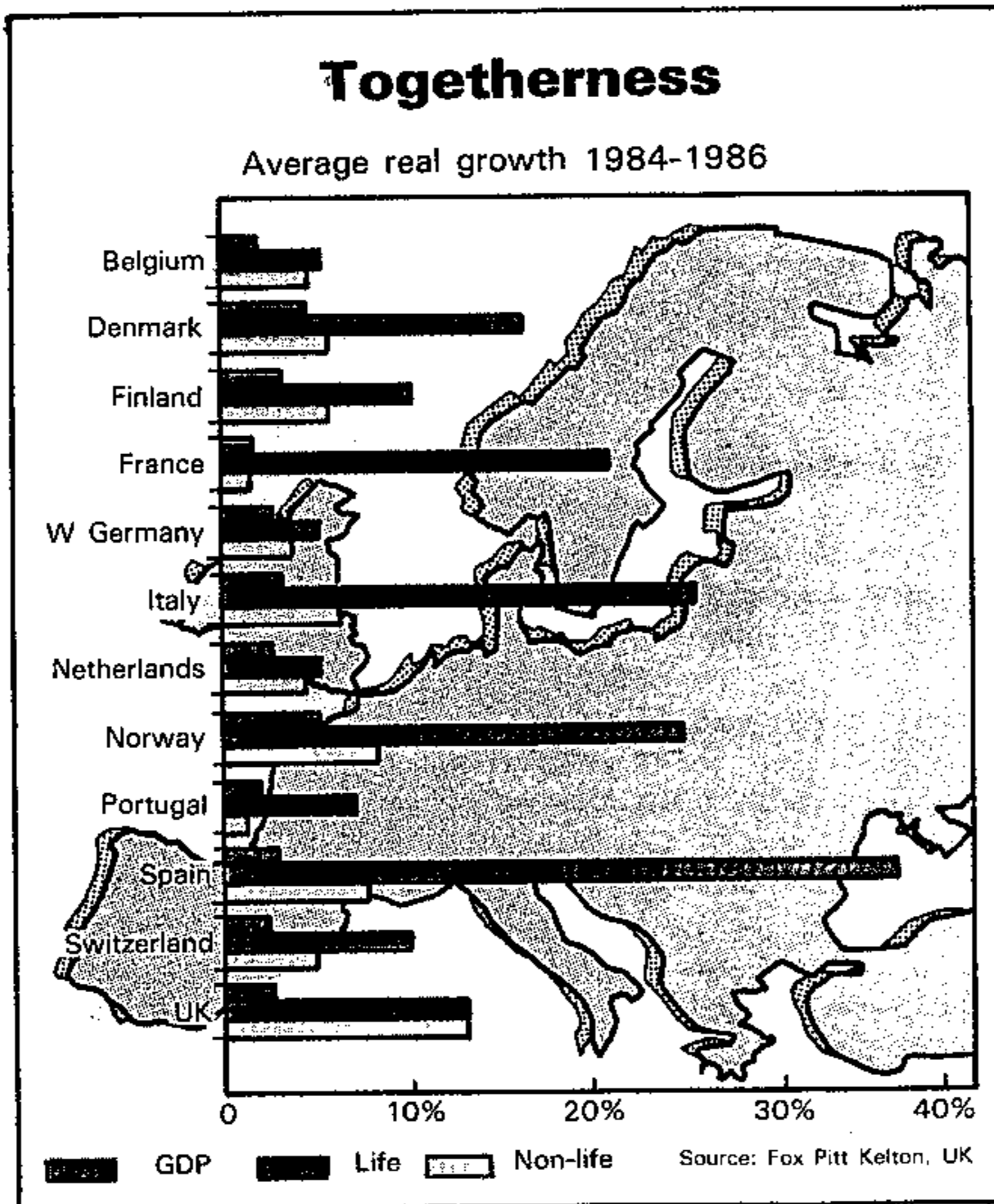
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S6A

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17/11/89



Where they do expand abroad the most likely network available for the sale of their products is local banks, reflecting the tendency all over Europe for banks and insurance companies to come closer together.

The greatest interest in new business is in Italy and Spain, two countries with large populations and an underdeveloped insurance sector. Growth rate in life insurance over the next five years is expected to be 20%-30%. In the developed insurance markets of northern Europe the potential for cross-border cooperation is less clear.

All these potential changes are taking place against buoyant

nously of intervention by "large and disciplined" outside powers in the shape of Japanese and US insurers.

The European insurance industry has not in the past invited melodramatic analogy. That it does so today is a measure of the expectations and uncertainties created by 1992 and the shift towards a single market.

In the UK the most radical expectation is that the next five years will see the 10 biggest companies dominate European insurance through acquisitions and mergers. Medium-sized insurance companies will seek alliances and smaller firms will be forced to find specialised niches.

Other analysts see this forecast as too tidy. They question how many companies will be willing and financially able to mount hostile bids. Outside Europe, US and Japanese predators may eye UK companies, the most vulnerable to foreign acquisition, but it is doubtful if many are prepared to match Australian Mutual Provident's bid for Pearl.

The reason for the speculation is the difficulty facing life and property-casualty insurance companies in selling products without a distribution network. This limits their ability to compete in other European countries on price alone. Without a distribution network and administrative system in the consumer's own country a better priced product cannot be sold.

For insurance companies to expand successfully a method of bringing product and distribution together has to be found. The best approach may be through a co-operation agreement or joint venture, but not an outright takeover, which is likely to prove expensive. Recent proliferation of joint ventures and absence of outright takeovers suggests this is the logical route.

growth in both life and property-casualty insurance that far exceeds growth of GDP.

Not surprisingly, companies have sought strategies which will bring them a maximum share in this growth, and appear generally to have reached the conclusion that Europe in 1992 will remain divided into national markets, not entirely impenetrable, but difficult and expensive to break into. ■

EUROPEAN INSURANCE

S6A

Towards 1992

European insurance companies are like Italian city states of the Renaissance — "small, inward-looking and divided," Michael Butt, chairman and CE of UK's Eagle Star Holdings, told a conference on international insurance in Italy last month. He spoke omi-

THE 1992 single market programme for the European Community (EC) presents challenges and opportunities to SA enterprises.

In reality, 1992 is an old idea presented in a new form. The objective of creating a single market was set out in the Treaty of Rome in 1957 which founded the EC.

For the first 25 years progress towards that single market was limited. A variety of physical, technical, regulatory and fiscal barriers meant that the fragmented market continued. In the 1980s, markets cannot be viewed in isolation from each other and the business strategies of international companies are clearly oriented towards international expansion.

Eliminating

In the past, many European companies were not big enough, or flexible enough, to expand their local activities abroad. Within the EC Commission, debate started to determine how the regulatory environment was negatively affecting European companies. A "white paper" for completion of the internal market was launched in 1985 and was the basis for the European Council's approval of the Single European Act.

Eliminating barriers will lead to the creation of a true single market of over 320-million people. The plan is to adopt some 300 proposals as EC legislation; approximately 40% of the initial proposals have been approved, some 150 new proposals have been added and new ones will follow. Thereafter 1992, or preferably 1993, should not be seen as a "big

bang" but as a process. Not all proposals will be in force by the end of 1992.

What is important is that things have started changing in Europe and 1993 might be the beginning of even more important developments.

Another goal of this process of convergence is the European Economic and Monetary Union. Although agreement has been reached about the co-ordination of certain aspects of economic and monetary policies, individual member states are still widely separated on the subject of implementing the second and third phases that will hopefully create a European Central Bank and supranational European currency.

European and non-European companies are reacting vigorously to 1992. Joint ventures are also being established by firms that were competitors in the recent past, as a way of preparing for a more demanding, challenging and competitive future. A report on the overall results of 1993 concluded that:

□ The internal market will help regenerate industry and services. Savings could be as high as ECU200bn (about R600bn) at 1988 prices, and in the medium term around 3,5-million new jobs could be created.

□ Economic advantages would raise GDP by up to 5% over the 1988 level. The medium-term gain might even be close to 7%.

Facing the challenge of 1992

21/1/89
MANUEL SOTO

These calculations include the savings due to removal of barriers directly affecting intra-EC trade and the removal of barriers to production, which hinder new entrants and obstruct free competition, together with reductions in costs as a result of exploiting economies of scale.

The benefits will be much more evident in the longer term when firms and production units restructure and come closer to optimum levels of production.

The effects of 1992 will not be only economic. The internal market also has a social dimension. Workers' rights, social security benefits, etc, are being harmonised in view of the planned free movement of workers.

How will 1992 impact on non-EC countries and particularly SA? Will the EC become "Fortress Europe" or are there opportunities for everybody?

Foreign companies intending to do business in Europe should be aware of the changes and should anticipate the effect of these changes, but never be afraid of them. The Commission's position is that Europe is open to all. There are still many trade quotas and restrictions, but this is true of all

developed countries, and they are being reviewed as part of the Uruguay round of GATT negotiations.

The Commission's desire is that many limitations will be abolished or reduced.

One basic strategic decision SA businessmen must take, if they have not already done so, is to establish an effective presence in Europe through a European entity.

Once established in the EC, foreign firms should enjoy the benefits of the single market (e.g. free movement of capital, lower transportation costs, equal access to government procurement contracts) that are available to companies already based there. Manufacturing operations will also benefit from the somewhat complex and difficult to interpret "country of origin" rules.

Occasionally, these rules are used by manufacturers to have a product considered as being "EC manufactured" with a lower added value being incorporated within the EC.

The financial markets are also changing rapidly. Competition is increasing and will increase even more as a result of the freedom of establishment of banks in any territory. These changes will enable companies to have more flexibility and better options for financing their operations.

An increasing number of Japan-

ese, US, Korean, Australian and other companies have already established manufacturing facilities or a business presence in Europe.

New changes will follow 1993. Even after regulatory harmonisation, the markets will still be very different. Consumer preferences in Denmark are not the same as in Italy or Spain.

However, cultural exchange, the free movement of workers, the new European media that are emerging (TV, etc) will help bring about a more in-depth transformation in the long term.

Success

The year 1993 is a challenge: an open challenge for competition by European and non-European companies; a difficult challenge that will require a carefully planned strategy and first-class direct knowledge and advice about what is going on.

But 1993 is also an opportunity for success, and it offers the possibility of access to a market already consisting of 320-million people, but which may become even bigger in the not too distant future.

SA has always had strong cultural and economic ties with Europe. South African entrepreneurs should be in the forefront of the move to strengthen ties with the new Europe which is coming into existence.

□ Soto is managing partner of Arthur Andersen in Europe, Middle East, Africa and India. This is an edited extract from his address to the SA Non-Listed Company Award function last night.

REVIEW

Blom 15/11/89

WORLD

(56A)

EC PROBES EASTERN BLOC AID

BRUSSELS — European Community finance ministers instructed a high-level committee to take stock of the needs of Poland, Hungary and East Germany for economic aid ahead of a meeting of EC leaders in Paris on Saturday.

French Finance Minister Pierre Berezgouvoy told a news conference yesterday that the EC's monetary committee had been asked to draw up an inventory of all bilateral and multilateral aid that had gone to Poland and Hungary so far.

Berezgouvoy hinted that the ministers' talks over lunch on Monday on the changes in Eastern Europe had played a role in French President Francois Mitterrand's surprise decision to invite EC leaders to a "working dinner" at the Ely-

see Palace to discuss "recent developments in the situation in Europe".

West Germany's Finance Minister Theo Waigel and British Chancellor of the Exchequer John Major had earlier indicated that only Poland and Hungary were included in the brief for the committee, which next meets on Wednesday.

Sapa-AP also reports that Prime Minister Margaret Thatcher called for measured Western response to rapid political change in Eastern Europe, urging the EC to help the bloc's emerging democracies.

Thatcher also communicated with Soviet President Mikhail Gorbachev to assure him the West did not intend to "poach" East Germany from the Warsaw Pact. — Sapa-Reuter.

European Community may seek ties with E Germany

Stow 11/11/89 56A

BRUSSELS — Mr Jacques Delors, president of the European Commission, is expected to advise European Community (EC) leaders at their extraordinary summit in Paris on Saturday that they should be ready to negotiate special associate relations with East Germany.

The broad lines of his thinking, kept secret since a meeting of the full commission last weekend, were hinted at yesterday by the Belgian commissioner, Mr Karel van Miert, during a visit to Brussels by Mr Willy Brandt, the former West German chancellor.

"Mr Delors will go to Paris with the commission's new Ostpolitik," Mr van Miert told journalists.

This could include the possibility, at the appropriate time, of East Germany becoming associated with the EC.

However, officials indicated that the commission was struggling to find a new term for the kind of agreement envisaged, to distinguish it from those between the European Community and Turkey, Cyprus and Malta. These offer special trade access, cheap loans and grants and eventual customs union, among other things.

"Association agreement" has come to imply that the country concerned can expect relations to develop to such an extent that full EC membership would eventually become a formality.

— The Independent, London.

Commonwealth summit 'a success' ^{South 2-8/11/89} 56A

CONTRARY to the impression given by Western media, the Kuala Lumpur summit of the Commonwealth was probably one of the most successful so far.

It covered much ground without contention and produced a communique containing 40 statements of action, most of them on vitally important matters such as the environment, drug trafficking, proposals for a resumption of the global economic North-South dialogue, and the setting up of a Commonwealth Equity Fund.

On South Africa only was there dispute, and then only with one of the 49 member countries. The 48 were united.

More strongly than ever before the three other so-called old Commonwealth countries, Australia, Canada and New Zealand, opposed the British position.

The gulf widened much further

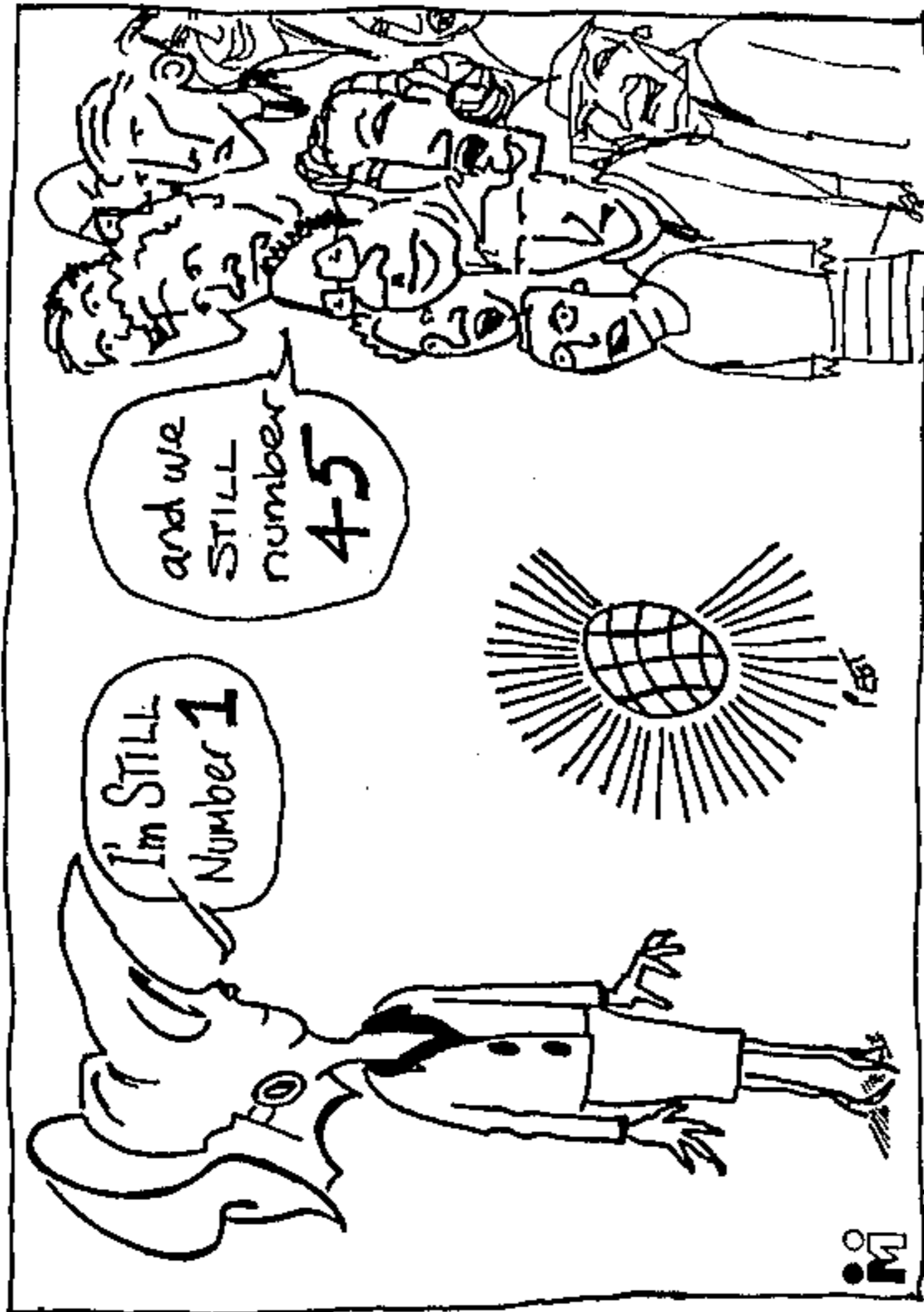
AT THE end of the Commonwealth Conference in Kuala Lumpur, Margaret Thatcher, formerly "the tiger of Europe" was unmasked as a "paper tiger", said Dr Allan Boesak, who returned recently from the Commonwealth summit.

Boesak was invited to attend the first three days of the summit by the Foreign Ministers' Committee on South Africa.

The eight-nation committee, which the British prime minister refused to join when it was formed in Vancouver, was in

By accident, rather than by design, the Commonwealth has adopted a carrot-and-stick approach towards South Africa.

One of the most successful so far, the Kuala Lumpur summit covered important issues from the environment to drug trafficking. There was dispute on one issue only — South Africa. DEREK INGRAM reports:



when British prime minister Margaret Thatcher issued her statement of dissent from the communique al-

most immediately after she had proposed acceptance of the draft communique to the leaders and they had

published it. Matters were made worse by the harsh statements made in press con-

ferences given by Thatcher, Canadian prime minister Brian Mulroney and Zimbabwean president Robert Mugabe.

Mulroney said: "In Canada you do not sign a statement at five o'clock and repudiate it at six." Mugabe said Thatcher's action was despicable.

Where do these events leave South Africa in relation to Commonwealth action?

The Commonwealth, represented by the 48, have agreed to give the De Klerk regime a little breathing space. They will continue to do all they can to keep up financial pressures, but there will be no new sanctions.

The eight-nation Committee of Foreign Ministers will exist until the next summit in Harare in 1991 and will become nine with the addition of Malaysia.

The committee will meet in April to assess whether there is evidence of "real and irreversible change" in the process of demolishing apartheid.

Even Thatcher agrees that existing sanctions should stay in place — a contradictory stance since she repeatedly argues that she does not believe in them and does not agree that they have had any influence on the government in Pretoria.

Her case is that they are preventing change and hardening white attitudes.

There is some common ground between Thatcher and the others on the point that if changes are evident then some relaxation of sanctions should be forthcoming.

The difficulty here is that Thatcher's ideas of real change is unlikely to match that of the rest.

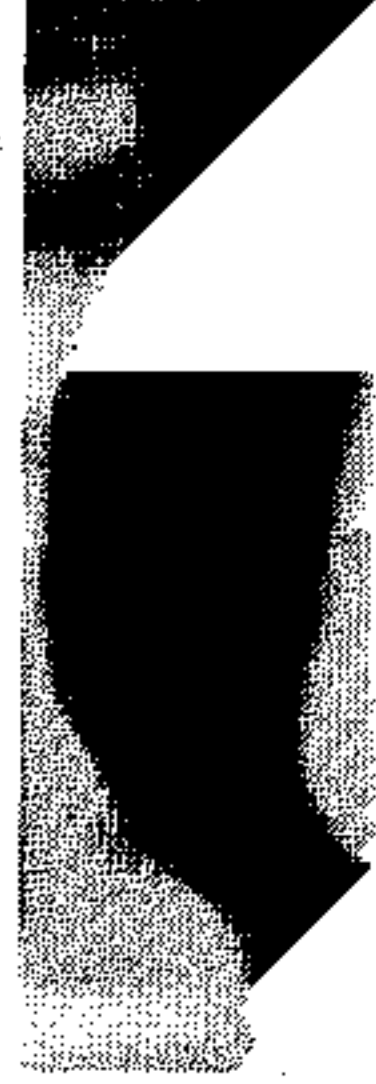
Dialogue

The reality is that, by accident

Maggie a 'paper tiger' ^{South 2-8/11/89} 56A

The overwhelming majority of Commonwealth leaders are truly committed to the dismantling of apartheid, says church leader Dr Allan Boesak.

Boesak returned last week from the Commonwealth



strumental in increasing the pressure for sanctions against South Africa.

Thatcher persisted in her stand against more sanctions, and the rest of the Commonwealth was determined to press on without her.

Boesak said he held several meetings with heads of government and officials before the start of the closed session of the summit, bringing them up to date on developments inside South Africa and lobbying extensively with prime ministers who were presenting their sanctions package.

Pressure

"I met with Mr Bob Hawke, prime minister of Australia, Mr Brian Mulroney of Canada, Mr Robert Mugabe of Zimbabwe, Mr Kenneth Kaunda of Zambia and several heads of government in the Caribbean," Boesak said.

"We needed to make sure that the package which came out of the conference would not ease the pressure on Pretoria in any way.

"We wanted the Commonwealth countries to keep South Africa high on their list of priorities."

The foreign ministers proposed that they continue their mandate to monitor South Africa's progress and evaluate FW de Klerk's performance.

They wanted to ensure that he met their long- and short-term demands to remove apartheid from the statute books.

Boesak said he was impressed by the Commonwealth heads of government's commitment to the anti-apartheid struggle.

Hawke, who was to present the sanctions package to the summit, was determined not to allow Thatcher to portray events inside South Africa as a result of her activities, Boesak said.

Hawke had enough information to back up the foreign ministers' committee's belief that change in South Africa was a result of pressure, including sanctions.

"I spent one and a half hours with Hawke the night before he was due to present the package. He wanted to keep up the pressure on South Africa and link this to the rescheduling of

Conference in Kuala Lumpur where he held discussions with the leaders of several countries.

British premier Maggie Thatcher was "odd person out" in her support for the South African government. She was again the "champion of apartheid", Boesak told REHANA ROSSOU:

beginning.

He told them everything that was happening in South Africa was a direct result of pressure from inside and outside the country.

He gave them a report on the defence campaign, stressing that the basic prerequisites for non-violent action was not present in South Africa and had to be created by the Mass Democratic Movement.

"I also asked the Commonwealth to take over the timetable Archbishop Tutu, Reverend Chikane and I gave De Klerk when we saw him," Boesak said.

"There are certain things he as a president with executive powers should do immediately, like lifting the state of emergency and placing a moratorium on all executions.

"Then there are things he can't do immediately. He has to wait for the next parliamentary session to scrap apartheid legislation."

Boesak said it was in that context that he said the Commonwealth would have to wait until the end of the next parliamentary session in April, to see what progress De Klerk had made and what was on the agenda of the following session.

The first session ended roughly six months from the time De Klerk assumed office.

He proposed that the South Africa committee continue its mandate to monitor De Klerk's progress.

"If he doesn't move, the Commonwealth should impose full and mandatory sanctions," Boesak said.

"I told everybody what transpired at my meeting with De Klerk a few days before I reached Kuala Lumpur. I told De Klerk at the meeting that I would make things as difficult for him internationally as I could.

"I gave them my interpretation of the meeting, my concern that De



Allan Boesak

Klerk was not a democrat at heart and would not move unless he was pushed.

"Governments do not move unless they are persuaded that the cost of retaining the status quo is higher than the cost of moving."

Boesak said he believed it was important to encourage action against apartheid internationally.

He believed there were three reasons why the government of South Africa was still in power: their awesome military power and their willingness to use it; the network of international protection it was given by Britain and the United States vetoing mandatory sanctions at the United Nations and their economic links with the international community who had vested interests in South Africa.

"Our inroads internationally weaken their power."

Boesak said he had been invited to Kuala Lumpur in his individual capacity and had not consulted with the MDM nationally, but had spoken to them in the Western Cape.

He said he was encouraged by what had happened at Kuala Lumpur, not only because international pressure was now firmly in place, but also because other Commonwealth states had finally become angered by Thatcher's arrogance and protection of apartheid.

"There is also a commitment that in a little while — in April — they will come together, evaluate what has happened in South Africa and report back to the heads of government," Boesak said.

wealth measures are part of what has become a carrot-and-stick approach.

The pressures have been helping Thatcher to move into the dialogue that she supports.

The release of Walter Sisulu and others and movement towards talks with the ANC, if there is movement, have come about because of financial pressures.

Thatcher does not accept this. In her statement she said: "Britain does not agree that sanctions have the political effects claimed for them".

• An hour earlier she had gone along with the Commonwealth statement that "Heads of Governments agreed that such encouraging signs as there had been were very much the product of a combination of internal and external pressures".

Her stand in Kuala Lumpur would seem to have weakened her position on South Africa internationally. Any talks that might start between black leaders and Pretoria will certainly not start in London.

Thatcher seems to have thrown away any possible mediatory role in favour of president George Bush. He has put himself in a much better position to kick the ball into action.

Tangible

Thatcher has long cherished the idea of a visit to South Africa herself, but that now looks further away than ever. She could go only if she had something tangible with which to embark on such an exercise and be sure of something more tangible to bring back to the British electorate. None of this seems possible now.

And a new factor has come into play — the possibility that she might not survive much longer as prime minister.

If she went, the whole game could change.

A new Conservative Party leader would certainly alter the style and most probably the substance of Britain's South African policy.

Meanwhile, the Commonwealth with or without Britain will certainly remain centre stage.

(Derek Ingram is editor of *Gemini News Service* and the author of several books on the Commonwealth.)

By Don Robertson

SOUTH African industrialists are urged to establish closer links with the 12 European countries which will form a huge trading bloc in 1992.

The Federated Chamber of Industries says it is vital for SA to protect its markets in Europe.

Executive director Ron Haywood says SA businesses should establish a presence in the EEC.

It can be done either by establishing a new business, forming strategic alliances, entering into joint ventures, merging with existing operations or establishing trade relations. However, the financing of these projects could be a problem.

Language

It will be necessary for each business to identify niche markets in terms of products and countries by recognising which companies can be approached. This can be done through the departments of trade in each country.

Language, location and

SA industry urged to stake European claim

S/Times 29/10/89

manufacturing facilities will have to be studied and the question of possible double-tax will need investigation.

Mr Haywood says that if a company is established in Europe by 1992, the country of origin for funding will be of no importance. If SA is under increased sanctions, its businesses will still be able to trade in Europe.

Politics will also play a large role in SA's relations with Europe and it will be more difficult for people such as Margaret Thatcher to "go it alone" on this country's behalf.

When the new European market takes shape, its exports will represent 20% of world trade compared with the 15% of America and Japan's 9%.

Other benefits will include increases in gross domestic product, reduced inflation and the creation of between 2-million and 4-million jobs.

It will be achieved by the removal of frontier and technical barriers, fuller exploitation of economies of scale and gains from intensified competition.

Transport of goods will take place at almost twice the existing speed because of the elimination of border posts and controls.

There are also likely to be fewer companies as a result of mergers and this could affect multinationals in SA.

Strict

FCI chief economist Ruelof Botha says because of these factors all companies which do not have a foothold in Europe will suffer a decline in competitiveness.

Of concern is the fact that SA's exports to Europe have been falling for many years, although off a low base.

However, exports to non-EEC nations have remained

at between 25% and 30% of total exports to Europe and could be increased.

Because of the rand's decline, SA's competitiveness in Europe has improved by 1,3% annually for the past eight years. The result is that SA exports with a high labour

content may be well placed to enter or expand in Europe. The advantage, however, could be temporary.

Mr Botha says: "SA will continue to experience strict monetary policy with signs of a general economic slowdown already evident."

"The probability, therefore, of declining import volumes coupled with a rand exchange rate which is fundamentally stronger than the actual rate, will tend to stabilise the rand in the months ahead and price differentials will erode the competitiveness of exporters."

56A

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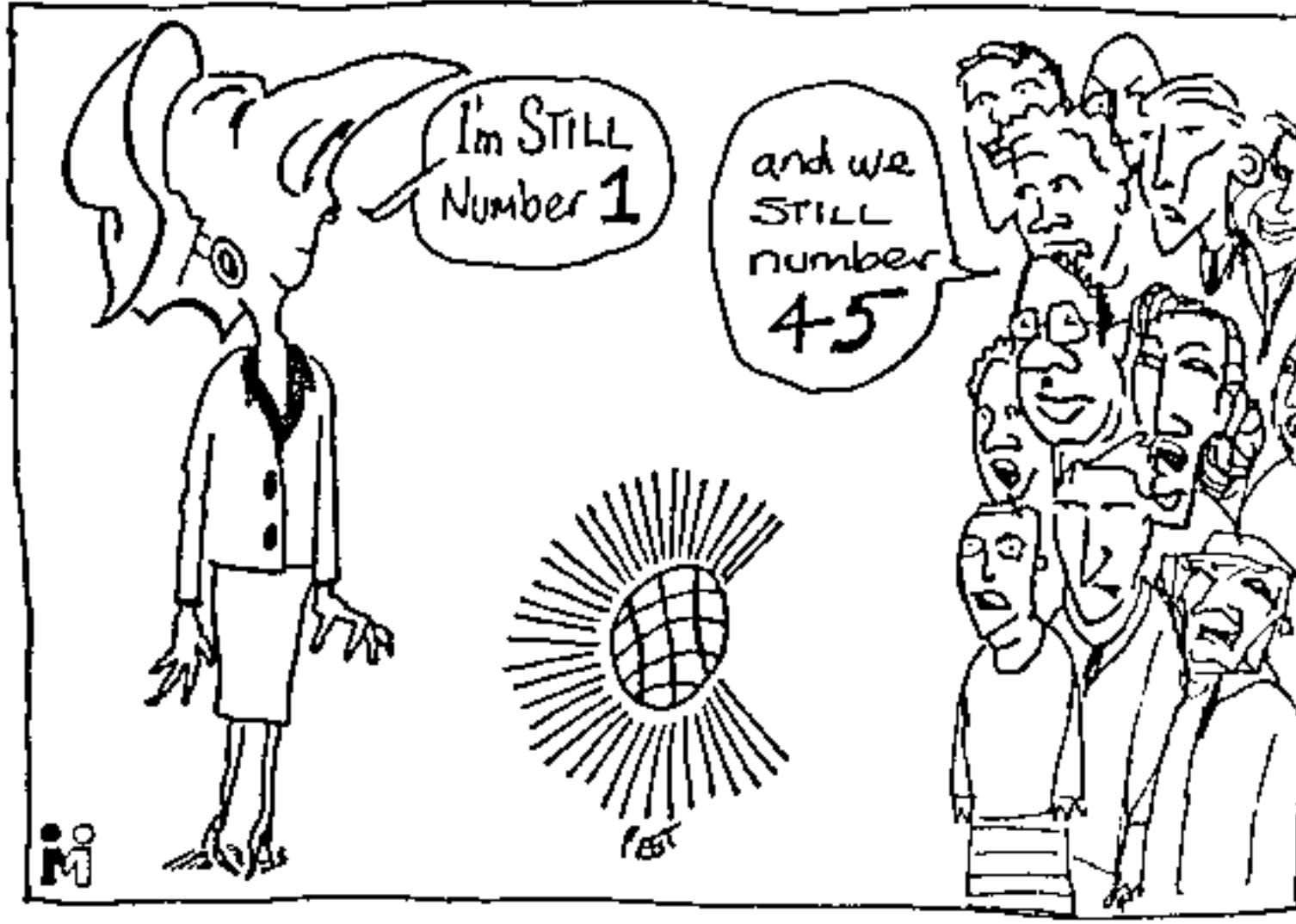
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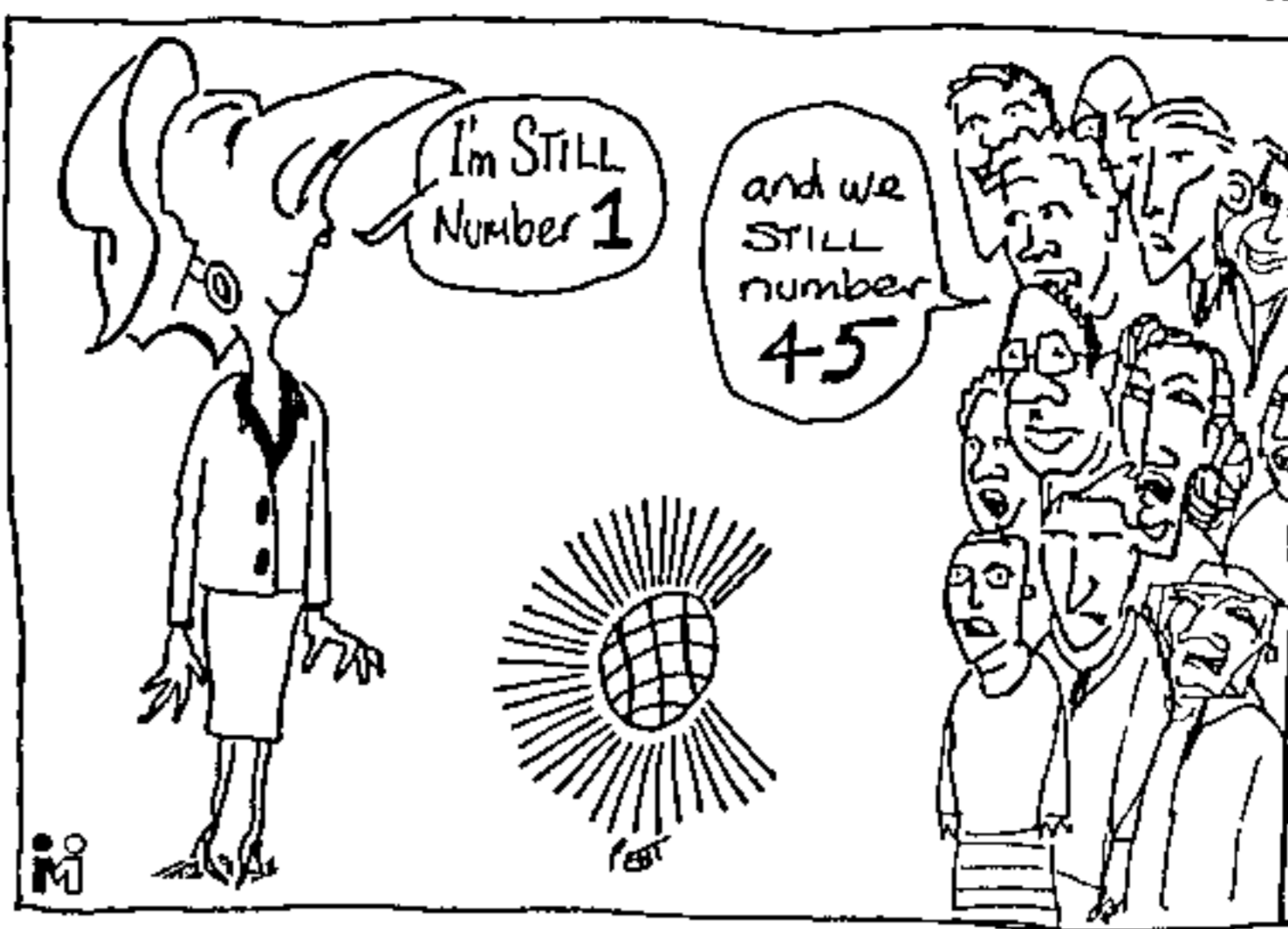
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27/10

“Our aim is to make every job part of a non-racial career path, available on the basis of merit alone,”

The world, say the leaders, has need of new patterns of co-operation, and the group will set out to identify roles the Commonwealth needs to play and to decide whether its institutions are properly equipped for the task.

The decision to embark on this exercise has not been made from a position of doubt or weakness. On the contrary, it has sprung from growing optimism that the Commonwealth has developed ways of working that have not been exploited to the full.

The modern Commonwealth, born 40 years ago when India became a republic and opted to stay in the Commonwealth, has been growing and experimenting.

The time has arrived to take a leap forward. The experiment has worked, and now the leaders want to see if its benefits can be carried forward in the interests of the world.

This is not pie in the sky. The range of measures that were decided in Kuala Lumpur show what is already

being done — the formation of a Commonwealth Equity Fund, the harnessing of new information technology to strengthen higher education development, new ideas to counter drug trafficking, the setting up of a group of specialists and managers in the field of technology management. One of the most important possibilities that sprang from the meeting was the proposal by Jamaican prime minister Michael Manley for a resumption of the North-South economic dialogue after the eight barren years that followed the Cancun (Mexico) meeting of 1981.

Former American President Ronald Reagan turned a deaf ear to North-South dialogue and nothing developed. Now, argues Manley, the dialogue is much more propitious for dialogue than for many years.

All this has been launched in Kuala Lumpur in addition to the headline-grabbing top items on the agenda: the environment and South Africa. Mahathir should be pleased. The balance sheet shows many pluses and very few minuses. The Thatcher side-show may have filled a lot of news columns, but it was only a sideshow.

How dare they?

56A
5/10/89

COMMONWEALTH unity, often paper-thin during the last 25 years — usually over South Africa — has finally been ruptured by Mrs Margaret Thatcher living up to her Iron Lady image with a vengeance. Nothing in her long political record of confrontations, challenges and single-mindedness has equalled her dramatic cock-a-snook gesture at the Kuala Lumpur summit.

Even those who share her dislike of sanctions and her "give De Klerk a chance" call must have been astounded by her repudiation of much of the statement on South Africa issued by the 49 heads of government, especially after she had proposed its acceptance.

In later statements, neither

Mrs Thatcher nor her Foreign Secretary, Mr John Major, has satisfactorily explained this unprecedented behaviour. Reaching a new level of imperiousness, the Prime Minister dismissed criticism as interference in Britain's affairs.

Whatever her motive (disbanding the Commonwealth, perhaps?), Mrs Thatcher remains a powerful external force for change in South Africa, recognising that momentum is present and needs to be encouraged. Pretoria is fortunate indeed to have her support in the face of tougher sanction threats and unrealistic deadlines. The consequences of such faith going unjustified are not to be contemplated lightly.

5/10/89

'Six months or else' threats

Thatcher in lone fight to buy SA time

By Sue Leeman,
The Star's Foreign
News Service

Kuala Lumpur

Sharp differences have emerged between Britain and the rest of the Commonwealth over the Hawke five-point plan on South Africa and a proposal to give Mr F W de Klerk a six-month deadline for reform.

The scene is set for a showdown as a special committee of Commonwealth Foreign Ministers considers these, and other proposals, over the weekend.

Mrs Thatcher made it clear during the debate on South Africa yesterday that she is firmly welded to her "carrot-rather-than-stick" approach and will not countenance the strong financial measures proposed in the Hawke plan.

Other leaders have signalled their willingness to endorse the Hawke proposals — once more leaving Mrs Thatcher in a minority of one.

The Hawke proposal calls for:

- Commonwealth backing for the negotiating framework in the Harare Declaration of the OAU.
- Maintaining existing sanctions.
- Development of new forms of financial pressure, but with a second step to explore the possibility of the IMF developing a major supportive financial package for South Africa tied to political reform. This is seen as a "sweetener" to Mrs Thatcher, and at least one item she might agree to.

Watered down

What emerges from the committee's deliberations on Sunday is likely to be a watered-down version of what the rest of the Commonwealth wants.

Also the subject of much debate by the Foreign Ministers will be a proposal to inform Mr de Klerk that he has six months — roughly until April, according to Australian premier Mr Bob Hawke — to press ahead with substantive reform, including the release of Mr Nelson Mandela, the unbanning of the ANC and the removal of pivotal apartheid laws.

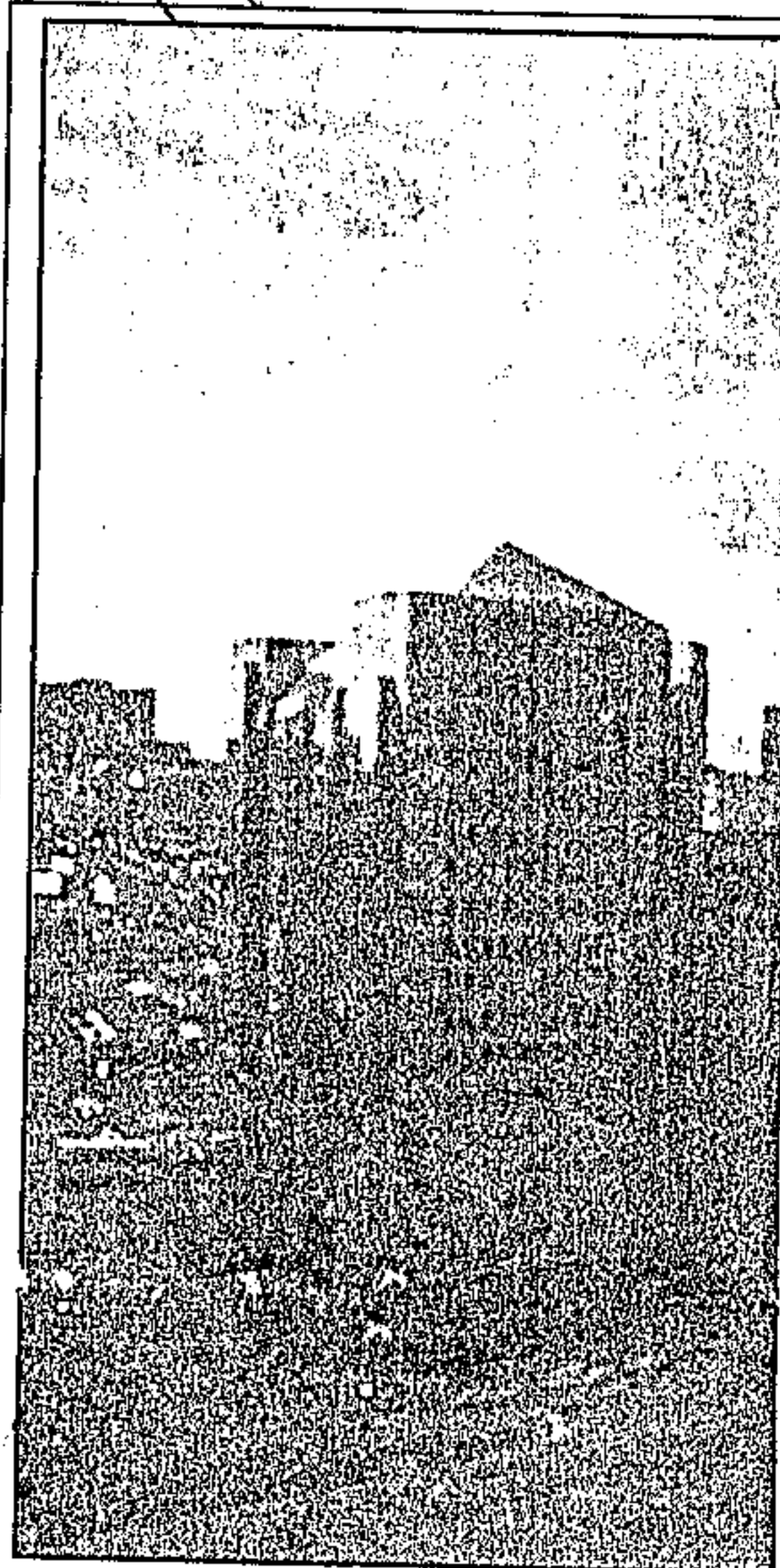
Most Commonwealth leaders have also indicated their support for this.

But Mrs Thatcher fought back in the later stages of the debate yesterday, accusing Commonwealth leaders of being destructive. Britain, she said, could withstand criticism of its approach because it was "trying to relieve hunger, whereas this conference is trying to multiply suffering".

Very important things were happening in South Africa, she told the conference, saying 70 percent of whites, as demonstrated by the election result, were working for change.

● The Star's Washington Bureau reports that President de Klerk will be invited by the White House and the US Congress to visit Washington next year if he meets the reform conditions now before Congress.

If he fails, the plan makes provision for sweeping new sanctions.



Waiting for rain . . . a bemused George Szigethy soon blown away by the strong winds, which w

Quake toll may be due to baseball exc

SAN FRANCISCO — Strong aftershocks have rattled a jittery northern California, and rescuers have said the death toll from this week's earthquake may be lower than feared because the US baseball championship had reduced rush-hour traffic.

President George Bush planned to visit the region today. He has declared the San Francisco Bay area a disaster area and allocated an initial \$273 million dollars (about R700 million) for relief.

Officials in Oakland, across the bay from San Francisco, had estimated that up to 250 people died when the upper deck of a two-tier highway collapsed.

The earthquake hit at the height of the evening rush hour, but officials speculated that traffic was light because many people had left work early to attend the World Series baseball championship.

Victims from the highway collapse made up the bulk of the overall estimate of 270 dead given by officials after the earthquake. Yesterday, officials said the toll

would probably be

"We're not going to estimate," said Sergio of the Alameda County office. "I don't know how many people are there. We have to know until they

Thirty-five bodies have been covered so far.

Yesterday more than 100 people were jolted by the aftershocks, the most since 1906, a 5.0 on the Richter scale.

Relief aid has been sent from as far away as Britain. Israel and the United States are to send disaster relief.

California Governor Deukmejian demanded that the state's contribution into the collapsed land highway, which has been built since the 1906 earthquake.

The highway, built in three phases during the 1950s, was reinforced in the second phase had collapsed. Associated Press.

● See P

RICHARD ROLFE

in LONDON

Europe on centre stage

THE year 1990, and perhaps the next decade, seem certain to be a time when all eyes will be on Europe. Yet the view in SA has often been that Europe is washed up.

Anglo American's Clem Sunter is one who has discounted Europe as a major influence on world affairs. That was in 1987 in his book, *The World and South Africa in the 1990s*.

HINDSIGHT

Mr Sunter wrote in the chapter headed, *The Three Main Actors*: "After careful consideration, and despite the obvious importance of West Germany as an economic actor, we decided that the world's destiny over the remainder of this century will pivot on the relationships between the United States and the Soviet Union, and between the US and Japan."

The reason he advanced was Europe's loss of competitive advantage to the US and Japan in "the technology race".

world's destiny in the next decade, it will be developments in Europe — the democratisation of the eastern part of the continent after the revolutions of 1989 and future relations between the two halves of the continent, the US and the USSR.

That is true whichever way events turn out. The opportunities and scope for mistakes are both considerable.

SUFFERING

Everyone recognises that the East-West cold war imposed suffering and underdevelopment on the East. On the other hand, it also provided Europe with 40 years of peace.

Idealists hope that the end of the dictatorships in Europe will lead to the evolution of peace-loving, entrepreneurial democracies on the far side of what used to be called the Iron Curtain.

Realists must note that Eastern Europe has always been unstable when not under armed occupation and that the last two world wars began there.

None of this is reason for resenting the overthrow of the totalitarian regimes. However, it seems possible to

me that the euphoria will not last long into 1990. Next comes the difficult bit.

AT least the region's strongest economy is in good shape. West Germany is forecast to grow at 4% in 1990, double its average rate of the past decade.

This has been reflected in the stock market. In Frankfurt — where investment is a serious matter — the indices have risen by 20% since the Berlin Wall was breached in November, adding \$40-billion to the value of the market.

The Japanese have been investing heavily in West German stocks in the belief that the freeing of Eastern Europe will bring a host of profitable opportunities for business.

The rise in the Frankfurt market in the past six weeks is equivalent to nearly half of Eastern Europe's hard-currency debt, which puts one of the Eastern bloc's main problems into perspective.

West German banks are not in the business of helping people, but it is a matter of self-interest for them to invest in the East.

West German companies

are preparing to shift production facilities to Eastern Europe, taking advantage of skilled but underpaid labour.

On an optimistic scenario, the great West German savings and industrial machine will help to deliver economic success to the emergent democracies of the Eastern bloc.

On a pessimistic one, the costs will be too great for even West Germany to bear. Its own population will tire of the sacrifices needed to keep the East solvent, while the new regimes will not be able to put goods in the shops before their people tire of them.

At least the 1990s will not be short of human drama and action.

GOLD fell further this week, dipping below \$400. But the pundits say the uptrend is still intact and will remain so unless the price breaks below \$385.

If it does break down, there will be a bloodbath second to none because gold shares appear to be discounting a price of about \$450.

At present every analyst in the world is positive about gold and all are convinced it is in a new bull market. So it

is obviously time to be cautious.

Even the Aden sisters of Costa Rica have been exhorted to urge gold on to greater and greater heights. What next — the Beverly sisters?

This week, securities group Drexel Burnham advanced weakening international tensions as the reason for gold's setback.

That is true, as is the fact that inflation in the developed world is subdued, though tending to rise.

It is worth recalling that gold hit its all-time high when the Soviets invaded Afghanistan, US inflation was nudging 15% and Jimmy Carter was in the White House.

Today the Russians look incapable of invading a paper bag, US inflation is 5% and Mr Carter has been in his political grave for 10 years.

Perhaps there is some good reason why gold is in a bull market. I shall believe it when I know what it is.

THE wise and learned Ian Lamont of Yorkton Securities says that as far as gold shares are concerned, two



games are being played — the beauty contest and the greater fool theory.

The beauty contest was Keynes' description of investment. You do not choose what you yourself consider to be the most beautiful girl/share, but what you think the judges of the contest — other investors — will choose.

The greater fool theory is that you can buy an overpriced share as long as you can be sure that someone even more stupid will buy it off you.

Mr Lamont comments: "As the bull market develops so confidence will grow and people will turn to second line stocks because they perceive them to offer better value. Of course, if the bull market runs full cycle, caution will go to the wind and there will be a free-for-all."

"At that stage the judges' verdict counts for nought — and many of the contestants on the stage will be transvestites."

EC row over united stock market

CAPE TOWN — Heated argument is taking place in the EC over plans for one "mega stock exchange" after 1992, says Syfrets research department head Matt Brenzel.

He says in the Syfrets investment newsletter, Money Matters: "The idea is to form one large market consisting, initially, of the 200 to 300 most widely traded European shares. Counters will be added until a mega-market transpires." 10/2/89 29/12/89

Own Correspondent

Brenzel says the Europeans are divided on the concept. "The French are in favour, given that they would be well placed following the recent computerisation of their exchange." (56A)

The Germans, however, are opposed to one market. "Some say this is ... because German shares would be relegated to second- or third-tier status."

And many walls came tumbling down

LONDON — The breaking open of the Berlin Wall in November was for many the crowning image of a year that saw the vast improvement in US-Soviet relations consolidated by Mikhail Gorbachev and George Bush.

After a Superpower summit in Malta at the beginning of December, Mr Gorbachev said: "We both stated that the world is leaving one epoch of cold war and entering another epoch."

The new Soviet policy of co-operation with Washington to cool regional trouble spots had a global impact.

Foreign debt *skw 28/12/89*

But the army of the world's poor continued to grow, with the global foreign debt reaching \$1.3 trillion (about R3.4 trillion) and the newly emerging democracies of Eastern Europe joining Latin American and African countries in the queue for aid from the rich.

Events moved with bewildering speed after Mr Gorbachev made clear at a Warsaw Pact summit in July that Moscow would no longer underwrite communist regimes in its East

In 1989 communist rule collapsed in Eastern Europe, raising hopes that the Cold War was finally dying away but also disrupting the East-West balance that has kept a chilly peace for 40 years.

European allies, reversing a policy in force for four decades.

With the Soviet prop pulled away, the East bloc governments simply fell to pieces as increasingly confident populations demanded the political freedoms and economic prosperity they saw in their Western neighbours.

In Moscow, Mr Gorbachev began to find himself outpaced by the East European changes he himself had promoted. He set limits to the economic scope of his ailing reform programme and said the Soviet Communist Party must retain its leading role.

But he faced increasing unrest among the country's numerous ethnic groups. The Baltic republics of Lithuania, Estonia and Latvia steadily distanced themselves from Moscow.

The eclipse of East European communism, which American futurologist Francis Fukuyama said marked the

"end of history," was welcomed in the West and beyond.

Although peace appeared to be breaking out in Europe, wars raged on elsewhere despite the Kremlin's new policy of ending its involvement in Third World conflicts.

In February, the last of 100 000 Soviet troops returned home from Afghanistan almost 10 years after they were sent there to support the leftist regime against Muslim rebels.

The Cubans began their pullout from Angola and South Africa agreed to independence for neighbouring Namibia which it had controlled for 74 years. That independence, expected by April 1990, will leave South Africa as the only white-ruled country on the continent. But here too, new President F W de Klerk appeared to be moving towards an accommodation with the black majority.

Some parts of the world seemed immune to improvements in superpower ties, notably the Middle East.

Some 900 people have died in Lebanon in a new six-month flare-up of the Christian-Muslim civil war. In the Israeli-occupied territories a Palestinian uprising raged on into its third year and the death toll reached 600.

The 1988 Gulf War ceasefire held through 1989 but peace talks between Iran and Iraq made no headway despite the June death of Iran's revolutionary leader Ayatollah Khomeini.

In many parts of Latin America, violence remained a way of life even though military regimes continued to give way to democracy.

Crushing debts *SLR*

The US has toppled strongman General Manuel Noriega, elections in Chile in December brought victory to Christian Democrat Patricio Aylwin who will take over in March from General Augusto Pinochet, the country's ruler since his 1973 coup.

In addition to the violence, a major threat to democracy in Latin America remained the region's crushing foreign debt, estimated by the year's end at \$420 billion (about R1 100 trillion), roughly one third of the world total. Africa owes some \$200 billion (R520 billion) of the total.

But in 1989 a glimmer of hope emerged for the world's debtors. Western policy-makers began reluctantly to come round to the idea of debt forgiveness and a plan launched in March by US Treasury Secretary Nicholas Brady encouraged banks to reduce loans in return for more secure bonds.

Third World debtors began to worry, however, that they could lose out again as the developed countries shifted resources to restore the economies of Eastern Europe, shattered by 40 years of central planning.

At the centre of the Western aid programme for Eastern Europe was the European Community, whose own plans to create a single internal market by 1992 are now complicated by the prospect that the East bloc would demand to join. — Sapa-Reuter.

TIMELINE: Revolution In Rumania



The hard-line regime of Nicolae Ceaucescu lost its tight grip on the country with stunning speed.

- DECEMBER
- 15-16 **Timisoara:** Protesters ring church to protect a minister from being evicted by authorities for campaigning for human rights of ethnic Hungarians, whose villages were being razed by the government.
- 17 **Timisoara:** Thousands join crowd at church; troops move in; riots break out and some deaths reported.
- 18 **Timisoara:** More clashes between police and protesters leave dozens dead; western border sealed.
- 19 **Western Rumania:** Fires and shootings in several cities; up to 400 reported killed.
Bucharest: Troops patrol streets and ring capital.
- 20 **Timisoara:** 10,000 protesters march unhindered.
Nationwide: Troops put on alert.
- 21 **Bucharest:** Anti-Ceaucescu demonstrators attacked by troops and tanks; 13 reported killed.
- 22 **Bucharest:** Some military units change sides and join with protesters to overthrow government; Ceaucescu reportedly flees city by helicopter; TV station seized by protesters.
- 23 **Bucharest:** Ceaucescu captured Saturday along with his wife Elena. Soviet television said they were hiding in an underground bunker. Reports estimate more than 5,000 people were killed between Friday and Saturday night.
- 24 **Bucharest:** The revolutionary government issued a cease-fire call on Christmas Eve.
- 25 **Bucharest:** Ceaucescu and his wife executed after a secret trial found them guilty of genocide and "grave crimes".

AP

EC rejects (56A) Turkey's bid

BRUSSELS — Turkey's application to join the EC was effectively rejected yesterday. The European Commission advised EC governments against starting negotiations on Turkey's application, but did not flatly rule out Turkish membership for ever.

The long-expected Commission rejection of Turkey's April 1987 membership application was couched in terms of the Community's general need to finish its own single-market project and to take the first steps towards monetary union before contemplating any increase in the number of member states.

But in its opinion, relayed yesterday to Ankara and to the EC's 12 governments, the Commission also said that Turkey's treatment of workers, citizens, and minority rights still fell short of accepted Community political standards, while its relative poverty and large population containing as many farm workers as exist in all 12 EC states together would overburden Community resources. In addition, the Commission said it could not overlook the negative effects of the disputes between Turkey and Greece. — Financial Times Nov 19/12/87

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The taboo that is now at the top of the agenda

56A

13/12/89

Star

In Strasbourg at the weekend the leaders of the 12 member states of the European Community wrestled with the near-impossible task of reconciling the principle of self-determination with their desire not to see frontier questions reopened in Europe as a consequence of the disintegration of the Soviet Empire.

At his press conference, President Mitterrand of France warned against the "contagion" of frontier revision and compared events in Europe today to the collapse of the Austro-Hungarian Empire.

The paragraph upon which the EC leaders eventually agreed, after much agonised drafting and some acrimony, was designed to be a key text for our times and, therefore, should be set out in full.

It states: "We seek the strengthening of the state of peace in Europe in which the German people will regain its unity through free self-determination."

Peacefully

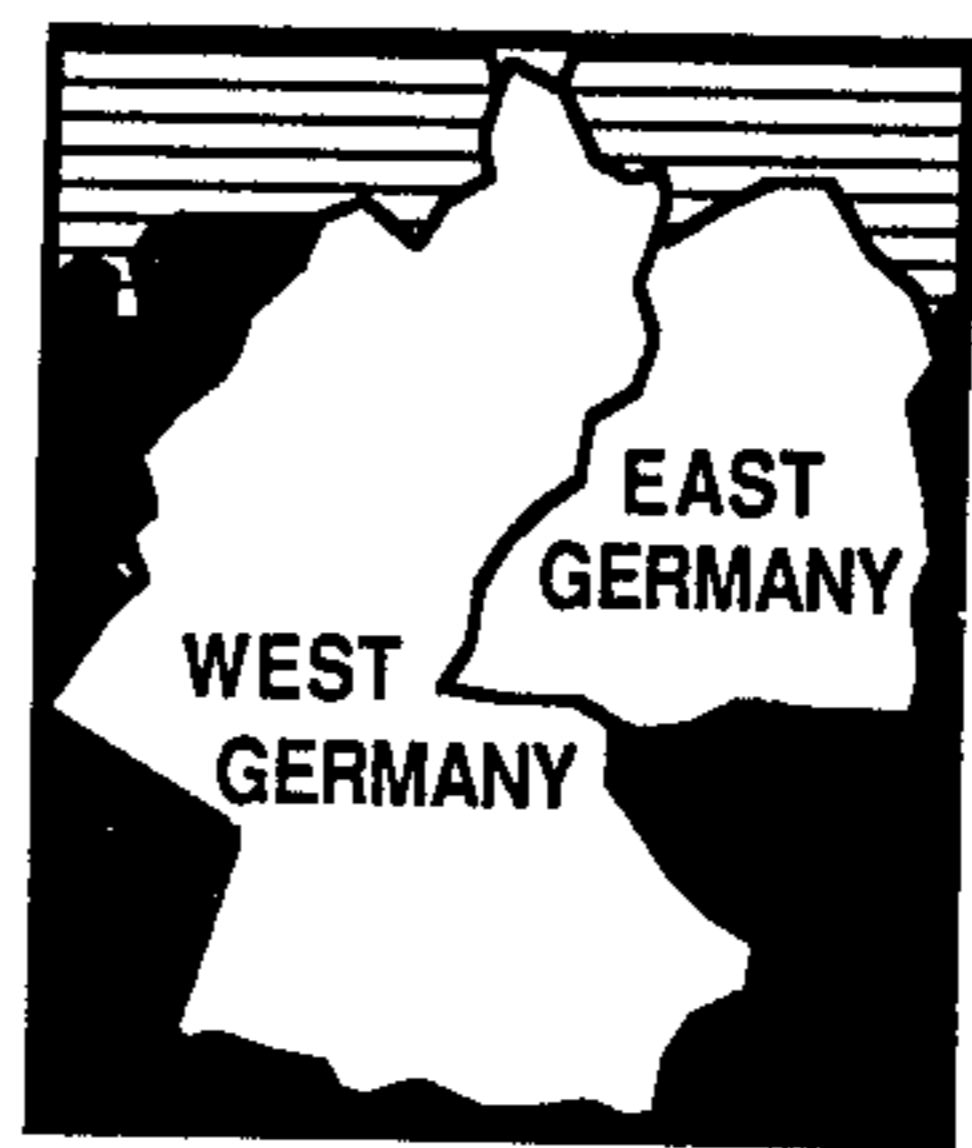
"This process should take place peacefully and democratically, in full respect of the relevant agreements and treaties and of all the principles defined by the Helsinki Final Act, in a context of dialogue and East-West co-operation. It also has to be placed in the perspective of European integration."

The text is full of code and nuance and charged with deep diplomatic ambiguity.

What it tries to say is that the member states of the EC recognise the Germans' right to self-determination, but the Germans must recognise the international obligations and political context within which it must be exercised.

The reference to "relevant agreements and treaties" is designed to locate the right to self-determination within the framework of the Helsinki Final Act, 1975, which con-

Since the breaching of the Berlin Wall on November 9, German re-unification has moved to the top of the agenda. On Monday in Berlin the Four Powers (France, Britain, the United States and the USSR) staged a symbolic meeting, and issued the Strasbourg Declaration — a broad consensus to the effect that the German Question cannot be avoided but must be managed with great care and as slowly as is possible. **PETER JENKINS** reports.



firmed the territorial status quo in Europe, and the Four-Power Agreement dating from the war which gives the United States, Soviet Union, France and Britain a legal say in the future of Germany.

The word "peacefully" echoes Helsinki, which did not rule out frontier changes for ever but said that they could occur only peacefully.

The adoption by the EC leaders of this declaration means that all major capitals with a concern in the matter are ostensibly saying much the same thing about the German Question.

US President Bush, briefing Nato heads of government after his summit meeting with Soviet leader President Gorbachev in Malta, said on December 4 that German unification should come about within a continuing German commitment to the Western alliance and with "due regard for the legal role and responsibilities of the Allied powers".

Two days later, Mr Gorbachev said in Moscow: "We proceed from the assumption that each people has the right to choose, to solve its own problems of independence in its own interests, but also taking into account the interests of other countries."

Until then only President Mitterrand had said anything publicly

about the residual role of the Four Powers. "They," he had said, "must have their word to say."

Until then only Mr Gorbachev had invoked the role of the 35 Helsinki nations in the matter.

When Mr Mitterrand was in Kiev last week for talks with Mr Gorbachev he gave this idea his support. On Monday in Berlin, at the Russians' suggestion, the Four Powers staged a symbolic meeting, their first since 1971.

There has developed, and very rapidly, a broad East-West consensus to the effect that the German Question cannot be avoided but must be managed with great care and as slowly as is possible.

The Belgian Prime Minister, Mr Wilfried Maartens, summed it up best when he declared: "It is urgent to wait."

But the German Question has a nasty habit of waiting for no man. Until Malta the line had been that it was "not on the agenda", at President Mitterrand's Elysee dinner on November 18 it was said not even to have been on the menu.

Yet since the breaching of the Berlin Wall barely more than a month ago, the unmentionable has become the unavoidable, and is today at the top of the agenda.

On recent form the shelf-life of the Strasbourg Declaration may not

be very long. Statesmen may scratch their grey beards and utter words of caution, but events in Europe are being decided not in the Chancelleries of Europe but, once again, on its streets.

Revolution is the word for what is going on, and when people get the bit of self-determination between their teeth, nationalism knows no bridle.

Reluctantly but surely, the West is being drawn into the process of trying to draw up a new settlement in Europe, one which will eventually require a new security system.

When Henry Kissinger floated the idea of a formal dialogue between the Superpowers, the idea was quickly rejected in the West as too redolent of condominium.

Today the two Superpowers are talking about Eastern Europe and talking about Germany.

Forebodings

The visit of US Secretary of State, Mr James Baker, who was in London yesterday on his way to Bonn and Berlin, may see this dialogue develop a stage further.

But what is beginning to emerge is not so much a condominium as a Concert of Europe although one involving both the Soviet Union and the US.

Yet behind the common front of words at Strasbourg last weekend lurked deep anxieties and forebodings.

Foremost among them is that unless the pace of events can be checked, Mr Gorbachev may bow to the inevitability of German reunification and play his last remaining card, that of a neutral Germany.

A Germany united within the framework of Western institutions is an outcome to be desired; a united Germany loose in central Europe would be another matter.

The chief object of diplomacy today is to avoid that choice. — The Independent News Service.

E. E. C. JAN - JUNE

1990

'No reason' for conscription

Blouay 2/13/90 WILSON ZWANE

~~SA~~ SBA

THERE was no reason for conscription when SA was not at war and instead there should be a permanent professional defence force which recruited all South Africans irrespective of race or gender, Witwatersrand University vice-chancellor Prof Robert Charlton said yesterday.

In a statement read out by Prof Mervyn Shear at the End Conscription Campaign (ECC) meeting at the university, Charlton said the permanent defence force would have important economic advantages which would outweigh any additional costs of such a force.

He said if the idea of a permanent defence force was unacceptable, conscription should be replaced by a period of service by all people regardless of race or gender after completion of school or university studies.

"The university is strongly opposed to the suggestion that all male school-leavers should be conscripted before embarking on tertiary education," Charlton said.

He also pleaded with the government to halt all pending trials of conscientious objectors and release those who had already been sentenced to alternative service.

Wits MA student Gary Rathbone, 28, appears today in the Johannesburg Magistrate's Court for refusing to serve in the SADF.

Speaking at the ECC meeting, Rathbone said he found it wrong that white males had to leave school and join the military. He said alternatives such as community work and teaching should be offered.

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SKIPPER FINED AND GILL NET RETURNED

By SHARON SOROUR
Weekend Argus Reporter

A TAIWANESE trawler skipper has been fined R500 for entering Table Bay harbour with a gill net aboard and his confiscated net, worth R100 000, is to be returned to its owners.

Magistrate Mr D J Oosthuysen ruled yesterday that Mr Lin Chu-hsing, 49, was careless in not ensuring that his vessel, the Yung Chien, had been granted a permit for a net before entering the harbour.

"Mr Lin should have ascertained from the agents of the ship that a permit had been obtained and it is clear to me he should have foreseen the possibility of a permit not having been granted," said Mr Oosthuysen.

The gill net should be returned to its owners with the proviso that it be loaded on a vessel permitted to carry it and taken back to Taiwan.

Prosecutor Mr Selwyn Schrock had argued that the net should be forfeited to the State as it was ludicrous that it be returned to Mr Lin "to continue with his illegal possession".

Departmental error

Mr Nicholaas de Klerk, marine services manager of the ship's agency, TRT Shipping Services, said it had not applied for a permit for the Yung Chien owing to a departmental error.

"Either the agent or the operations manager applies for a permit from the Directorate of Sea Fisheries and in this case each party thought the other had applied when, in fact, neither had," said Mr De Klerk.

He said it would have been impossible for Mr Lin to know his vessel did not have a permit. Communication between the ship and the agent was complicated because Taiwanese vessels did not have radio operators who spoke English.

Mr De Klerk said that as far as he knew Taiwan was one of the few countries still fishing with gill nets, which had been banned worldwide.

Bankrupt...

Thatcher vows to reward

Conf Fr. ES 29/6/90
Sof

Own Correspondent

LONDON. — During the next six months, Britain will ensure that further progress in scrapping apartheid is rewarded by the gradual lifting of European Community sanctions, Mrs Margaret Thatcher told the House of Commons yesterday.

Mrs Thatcher also again criticised the ANC's continued adherence to the armed struggle — setting the scene for a possible clash on the issue when she meets Mr Nelson Mandela here next week.

Although on this occasion she did not spell out what changes the EC required of President F W de

Klerk, at the European Council's summit in Dublin earlier this week she said "apartheid itself" now had to be tackled, specifying the repeal of the Group Areas Act.

British officials are optimistic that over the next six months, under the Italian presidency which is more moderate than the Irish, decisive steps can be made to phase out sanctions step-by-step, in response to further changes by Mr De Klerk.

Among the first measures likely to go is the voluntary ban on new investment, which has already been lifted by Britain and Italy. Other key statutory EC measures which could be affected are the ban on the import of South African iron, steel and gold

coins, as well as the restriction on sporting links with South Africa.

In her opening comments to parliament on the Dublin summit, Mrs Thatcher referred to the council's call on "all parties in South Africa to refrain from violence and the advocacy of violence".

This, Mrs Thatcher said, "of course covers the ANC's continued support for armed struggle, of which we strongly disapprove".

She then referred to the council's affirmation of its "willingness to consider a gradual relaxation of... pressure when there is clear evidence that the process of change already initiated continues" towards "profound and irreversible change". Acceptance of the principle of a gradual relax-

FW

ation of sanctions was something "for which we have been pressing for months", she said.

She repeated the disappointment she expressed in Dublin on Tuesday at the council's inability to "make a start now" in lifting some of the EC statutory sanctions.

But she added: "We shall look at this again under the Italian presidency in the light of further progress in South Africa."

Mrs Thatcher added that "in practice, several countries have already begun to lift various measures and I am sure that will continue".

Replying to a question, she said Italy had lifted its ban on new investment, Spain had recently set up a new cargo service to South Africa and Denmark had returned its ambassador.

Groote Schuur Minute endorsed by overseas leaders

EC treads a tightrope between Mandela, FW

SGA

Sowetan 29/6/90

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LONDON - In their search for a consensus on sanctions, European leaders this week hammered out an carefully crafted statement which manages simultaneously to address the disparate needs of Mr Nelson Mandela and Mr FW de Klerk.

For Mandela, whom the leaders said had great "qualities of statesmanship", there was the assurance that the EC remains committed to sanctions as a means to end apartheid.

He will go home to South Africa on July 18 reassured that EC solidarity with his people's struggle is intact; that sanctions remain a valuable bargaining chip in his future talks with Pretoria.

But for De Klerk, described in the EC's communique as a man of "foresight and courage", there was the offer of encouragement for the "important changes" that have been made - and a promise to consider a gradual relaxation of sanctions once clear progress is made towards removing all traces of apartheid.

This gives him the impetus to push on with reforms, knowing that there is a reward waiting down the line. And it provides him with some spoils to show his electorate he is making progress in the battle for international recognition.

Document

But the EC document was not easily come by. Debate was described as brisk and an anticipated agreement by foreign ministers on the first night of the summit was not forthcoming, only emerging after a second session of talks.

The difference of views was to be expected, since this is the kind of forum where Britain's Mrs Margaret Thatcher tends to trumpet her anti-sanctions views.

But there are now signs that other EC nations are becoming more amenable to her pleas that the Community go beyond words in rewarding De Klerk.

Some are actually taking steps

THE European Community's decision to maintain sanctions is a clear attempt to accommodate Mr Nelson Mandela - but he is not the only one to gain from the communique on South Africa which came out of the Dublin summit this week. Sue Leeman, *Sowetan* Correspondent reports.

of their own: Italy has lifted its ban on new investment, Spain has restored cargo flights to South Africa and for the first time Denmark has accredited an ambassador to Pretoria.

Major West German companies are involved in new projects in the Republic and France has recently sent a trade mission there.

So Thatcher, who was hoping for some lifting of sanctions at this summit, is consoling herself with the conviction that the others appear to be moving towards her view.

Investment

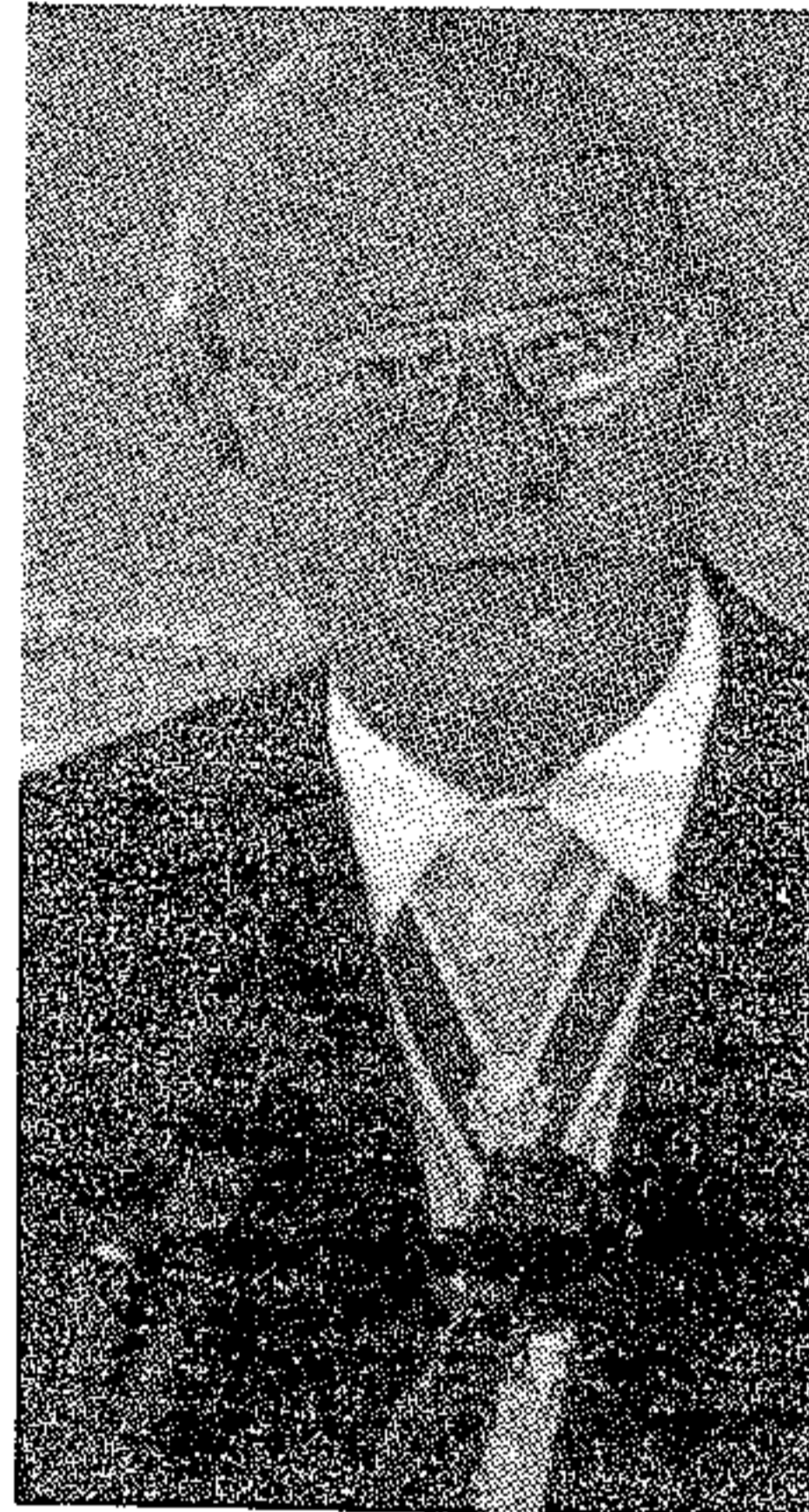
Perhaps that was why she was persuaded to put her signature to the Dublin document without the kind of unilateral gesture which so irks her fellow leaders.

Britain was derided after April's summit in Dublin when it decided to go it alone in lifting the ban on new investment.

Thatcher is clearly pleased that some of the "voluntary" measures imposed by EC members are being relaxed.

But she is going to push for the "big ones", namely those measures agreed by all the EC countries and therefore statutory between them, including the ban on imports of iron, steel and Krugerrands.

She has signalled that she will put Italy, in its new position as EC president, under pressure to put the Community on the road to lifting the statutory bans, something she believes could happen in the six months that Italy has the president's chair.



FW de Klerk



Margaret Thatcher

But other EC leaders remain adamant that they are committed to sanctions for now.

Irish Prime Minister Charles Haughey said the EC believes South Africa is in a "transitional situation": there has been progress, but not enough to warrant the lifting of sanctions.

Others who have come out against a relaxation of sanctions have been Denmark and France.

But in their communique, all the leaders agreed that South Africa had seen "significant changes".

Violence

They endorsed the Groote Schuur Minute and called for an early resumption of talks between Pretoria coupled with a renunciation of violence on all sides.

The post-apartheid South Africa, they said, should have access to wide economic resources, including external finances, and "positive steps" should be taken to redress the economic imbalances inflicted by apartheid.

As a start, the EC will increase its funding to apartheid's victims, including political exiles.

FOCUS



Nelson Mandela

THE SOWETAN 29/6/90

Thatcher pledges rewards for SA

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LONDON — During the next six months Britain would ensure that further progress towards scrapping apartheid was rewarded by the gradual lifting of EC sanctions, Prime Minister Margaret Thatcher told the House of Commons yesterday.

And she again criticised the ANC's continued adherence to the armed struggle, thereby setting the scene for a possible clash when she meets ANC deputy president Nelson Mandela in London next week.

Although she did not spell out what changes the EC required of President F W de Klerk yesterday, in Dublin earlier this week she said "apartheid itself" now had to be tackled, specifying the repeal of the Group Areas Act.

British officials are optimistic that over the next six months, under an Italian EC presidency more moderate than the Irish, decisive steps can be made to phase out sanctions step-by-step.

Likely to go is the voluntary ban on new investment, which has already been lifted by Britain and Italy. Others are the ban on iron, steel and gold coin imports and the restriction of sporting links with SA.

Reporting to the Commons yesterday on this week's EC summit meeting in Dublin, Thatcher's first comments referred to the council's call on "all parties in SA to refrain from violence and the advocacy of violence".

This, she said, also applied to the ANC's support for armed struggle.

KIN BENTLEY

She then referred to the EC's willingness to relax pressure on evidence of "profound and irreversible change".

Acceptance of the principle of a gradual relaxation of sanctions was something "for which we have been pressing for months", she said.

She again expressed disappointment over the EC's inability to "make a start now" in lifting some sanctions. But she added: "We shall look at this again under the Italian presidency (of the EC), in the light of further progress in SA."

Meetings of the EC are planned for October and December in Rome.

Thatcher added that "in practice, several countries have already begun to lift various measures. I am sure that will continue".

Replying to a question, she said Italy had lifted its ban on new investment, Spain had recently set up a new cargo service to SA and Denmark had returned its ambassador.

While the community had not formally agreed to lift the remaining sanctions, Thatcher said contacts between EC countries and SA were "nevertheless increasing".

She believed this tendency would assist not only De Klerk, but also "all those who are looking forward to a higher standard of living in a future non-racial democracy".

NEWS

FW 'selling white futures for nothing'

By Kaizer Nyatumba

The Conservative Party yesterday expressed disappointment at the European Community's decision not to lift sanctions and said President de Klerk's reforms had drawn no positive response from the international community.

In a statement issued yesterday, Foreign Affairs spokesman Tom Langley said the EC's decision was a sad one.

Mr Langley, MP for Soutpansberg, said the CP had warned that the success of Mr de Klerk's European tour would be measured not by the pomp and ceremony with which he was received, but by tangible results.

"He has received nothing. He is busy selling the future of the whites for nothing."

Squatters

Mr Langley said there were certain elements in the EC who wanted "nothing less than a total capitulation to their friends the ANC, and the sooner the Nats realise this the better".

In another development, CP MP for the Roodeplaat, near Pretoria, DP du Plessis, has called for the removal of squatters who were in the process of erecting shacks in the "buffer



Tom Langley ... certain EC elements want nothing less than capitulation.

zone" between Soshanguve and white-owned farms to the east.

In a statement, Mr du Plessis said he had found during an inspection of the area that some structures had already been built on unoccupied property belonging to whites.

Some of the squatters told him they were from Winterveld in Bophuthatswana. They had been expelled from the area because they were neither Tswanas nor citizens of the homeland, and said they had been given permission to settle in the area.

He had since tried numerous times to contact the Deputy Minister of Planning and Provincial Affairs, Andre Fourie, without success and his calls were not returned.

"The CP is extremely concerned about the safety of the white residents of the area and urges that the squatters be removed," he added.

EC believes SA solution in reach

28/6/90 (56A)
From MIKE SILUMA
Argus Foreign Service
in London

THE European Community summit's declaration on anti-apartheid sanctions was an indication of Europe's optimism that a solution to South Africa's problems was within reach.

This has been the view held by some Fleet Street writers after EC leaders agreed this week to the gradual relaxation of sanctions if there was clear evidence of the continuation of changes already initiated by Pretoria.

SANCTIONS

Writing in The Independent, David Usborne said the EC decision was "the strongest signal yet of the Community's recognition that the prospect of an end to apartheid may be in sight".

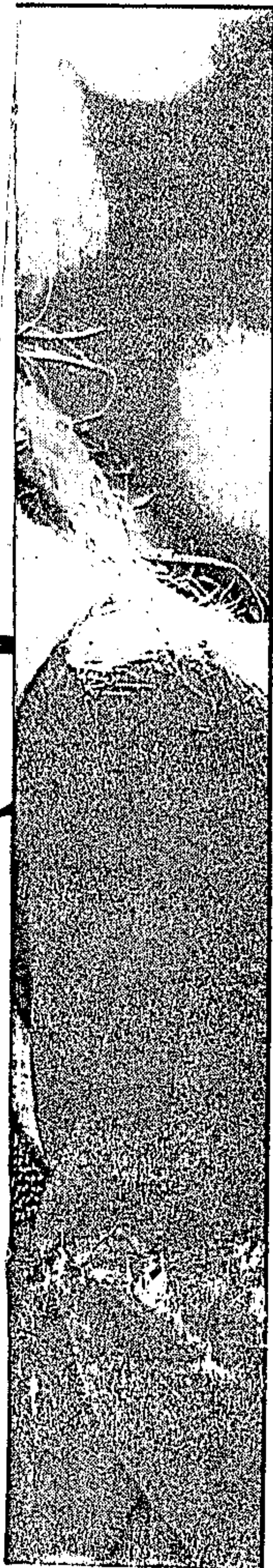
"While a clear resistance remains among most EC states to removing sanctions on South Africa too quickly, the declaration was strikingly positive in congratulating both President F W de Klerk and the ANC deputy president Nelson Mandela, on the progress made so far towards ... a negotiated settlement."

The Guardian's Michael White even hinted at the prospect of a review of the EC's stance as early as next month. "Some EC officials," he wrote, "expressed hope that if Mr Mandela's scheduled meeting with President De Klerk on July 10 goes well then the EC foreign ministers' meeting on July 18 might be able to move towards lifting some voluntary sanctions as a group."

He pointed out that Italy, which will soon take over the community's presidency from Ireland, supported the long-standing British view that some sanctions ought to be lifted as a reward for President De Klerk's concessions.

According to The Financial Times' Philip Stephens, the community's decision was "a significant step towards a progressive easing of sanctions against South Africa".

The implication of the declaration was that "further moves by Pretoria in releasing political prisoners and dismantling the remaining legal framework supporting apartheid would be followed by a speedy sanctions relaxation", said Stephens.



EC's leaders move to easing of sanctions

Star 27/6/90

56A

DUBLIN — European leaders yesterday took a significant step towards a progressive easing of sanctions on South Africa.

But at the end of their Dublin summit, the leaders of the 12 rejected a British call for an immediate lifting of the voluntary embargo on investment and the ban on imports of iron, steel and Kruggerrands.

Their final declaration held out a clear olive branch to President de Klerk in the form of a commitment to consider a gradual relaxation of pressure when there was clear evidence the process of change was continuing.

The implication was that further moves by the Government in releasing political prisoners and dismantling the remaining legal framework supporting apartheid would be followed by a speedy relaxation of sanctions.

British Prime Minister Margaret Thatcher voiced disappointment that she had been unable to secure agreement for an immediate lifting of some of the measures, but expressed satisfaction that the principle of a gradual relaxation had been accepted.

The EC's announcement had a mixed response from South African political and business leaders.

Foreign Minister Pik Botha said sanctions were crumbling and the country's international isolation had ended.

Chris Hani of the ANC said: "This is wonderful news. Sanctions have an important role to play in pressing the Government to move towards a peaceful negotiated settlement."

Ron Haywood, deputy director-general of the SA Chamber of Business, said: "The decision was regrettable, but predictable. For South African businessmen it will be business as usual. Already, the climate has changed considerably and we are being accepted back into the world community." — The Star's Foreign News Service-Financial Times-Staff Reporters.

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SANCTIONS

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PRETORIA. — The declaration by the European Community (EC) meant that in practical terms South Africa's isolation had ended, Foreign Affairs Minister Mr Pik Botha claimed yesterday.

Pik claims victory, approval for SA

"On the basis of information available to me there was, with few exceptions, a consensus that President (F.W.) de Klerk had already crossed the 'threshold,'" Mr Botha said in a statement. "What the declaration says albeit not in so many words, is that South Africa has regained international respectability."

The EC decided yesterday that sanctions against South Africa would be relaxed when "clear evidence" emerges of continuing progress towards removing apartheid. British Prime Minister Mrs Margaret Thatcher said she expected the EC would begin lifting sanctions within six months, but called it "a great pity" the relaxation did not begin immediately. "Quite clearly things are moving our way," said a Thatcher aide. "Previously, the concept of step-by-step was not accepted. It is now. The EC leaders said they welcomed recent reforms in South Africa, and 'pay tribute' to the roles of Mr De Klerk and Nelson Mandela. "The efforts of President De Klerk to bring about a new era in South Africa are testimony to his foresight and courage," the EC leaders said, while Mr Mandela "has inspired millions of South Africans opposed to apartheid". The EC told Mr De Klerk that some sanctions could be lifted if his apartheid reforms continued. Irish Prime Minister Mr Charles Haughey, the EC president and summit host, said an "intermediate stage" had been reached. "Progress

has been made but we're not yet satisfied that sufficient progress has been made," he said. Mr Botha said in a statement that the EC had clearly acknowledged that important changes had already occurred in South Africa. "In the declaration full credit is given to President De Klerk's bold initiatives. "Emphasis is placed on the necessity to achieve a solution to South Africa's problems through peaceful means. The use of violence is rejected. By implication this means that the ANC's adherence to the armed struggle is unacceptable." He said it was important to note that the EC supported the idea that respect for universal human rights would be guaranteed. "This implies that the future constitution would have to contain a mechanism which would make it impossible for a simple majority to violate or infringe those rights. "Protection of minority rights is not explicitly dealt with, but the concept is certainly not excluded."

Mr Botha said the declaration acknowledged that conditions should be negotiated for the return of exiles and a definition of political prisoners. **To page 3**



NEW HEART ... Mr Leon De Klerk, 39, with his wife Audrey and daughter Natalie, 6, was all smiles before he was discharged from Grooteschuur Hospital yesterday to begin a new life. His was the 200th heart transplant at the hospital. **Report, page 3** Picture: RICHARD BELL

From page 1

Sanctions 27/6/90

ers, leading to their release, should be agreed upon. **SA** "Another positive point in the declaration is the acknowledgement that the state of emergency has been substan-

From page 1

tially lifted and that the South African government is committed to creating a democratic and non-racial South Africa." The prospect of financial and commodity markets opening up to a non-racial democratic South

Africa was also presented by the European leaders, it is reported from Dublin. They pledged that all economic resources, including foreign finance, would become available to a post-apartheid South Africa. The 12 leaders, who during their two-day

summit took decisions further entrenching their own economic and political co-operation, also resolved to increase funds to the "victims of apartheid", with programmes being adapted to assist in the return and resettlement of exiles. — Sapa and Own Correspondent

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ROTHMANS SPECIAL
LEXINGTON
RANSOM
VOGUE
LION

Pik Botha, ANC welcome move (56A) (280)

EC sanctions to 'relax' if progress made

BIDAY 27/6/90

REP. SIGN. _____
MEMBER SIGN. _____

DUBLIN — The EC decided yesterday to retain its sanctions against SA, but agreed to a "gradual relaxation" of pressure in response to the abolition of apartheid laws.

It also condemned violence and the advocacy of violence, and praised the SA government for the changes it had made over the past six months, including its commitment to enter into negotiations.

Special praise was reserved for President F W de Klerk and ANC deputy president Nelson Mandela for getting the reform process under way.

Britain yesterday claimed the EC decision was a vindication of its repeated call for step-by-step rewards for changes.

Addressing a post-summit Press conference, Prime Minister Margaret Thatcher said she was sorry the Community leaders did not start lifting sanctions straight

KIN BENTLEY

away as many of the conditions set by the EC last year had already been met.

And, in a move sure to upset Mandela on the eve of his meeting with her next week, Thatcher condemned the ANC's "armed struggle" and nationalisation policy.

She predicted that in the forthcoming six months, under the Italian presidency, a start could be made with lifting some of the joint EC measures in force against SA.

Asked what steps were still required by the EC, Thatcher said: "Things which deal with apartheid itself." For instance the Group Areas Act should be scrapped.

Also addressing the Press conference, Irish premier Charles Haughey said there had been insufficient progress to warrant

To Page 2

Sanctions ^{BIDAY 27/6/90}

lifting sanctions. If the changes continued proposals to lift some sanctions would be considered.

In its official communique, the EC called on all parties to "remove the remaining obstacles to peaceful negotiations and to refrain from violence or advocacy of violence".

Thatcher said this "goes straight to the armed struggle" which, she added, should be abandoned. And, she said, the same applied to nationalisation.

Sapa reports that Foreign Minister Pik Botha said last night that in practical terms SA's isolation had ended.

"On the basis of information available to me there was, with few exceptions, a consensus that President de Klerk had already crossed the threshold," Botha said in a statement. "What the declaration says, al-

(56A) (280) From Page 1

beit not in so many words, is that SA has regained international respectability."

Botha said it was important to note that the EC supported the idea that respect for universal human rights be guaranteed.

JAYNE LA MONT reports from London that ANC national executive committee member Joe Nhlanhla last night said the EC's decision was a "tremendous victory" for anti-apartheid forces.

"The EC has said it is willing to consider gradual relaxation when there is clear evidence that the process of change is continuing. In the months ahead the ANC will be monitoring the progress and we will continue to discuss with our friends and others the correct time to relax the pressure."

● Comment: Page 10



Pressure to be eased

‘Trade is increasing, investment is increasing’ — Thatcher

From SUE LEEMAN

The Argus Foreign Service
DUBLIN. — The European Community has applauded “important changes” in South Africa but has agreed not to lift sanctions now.

However, British Prime Minister Mrs Thatcher, who is keen to reward President De Klerk for his reforms, has predicted a distinct relaxation of EC sanctions within the next six months.

“Trade is increasing, investment is increasing... I believe the restrictions on South Africa will continue to be eased,” she said.

In a joint communiqué at the end of its summit here, the European Council of leaders promised to consider a gradual relaxation of sanctions when there is “clear evidence” of continued movement towards the total dismantling of apartheid.

The EC accepted that Pretoria had made a commitment

What Mandela told Congress about sanctions, page 24.

“to abolish the apartheid system and to create a democratic and nonracial” South Africa, describing President De Klerk as a man of “foresight and courage” who had brought about a new era.

And it praised Mr Mandela for his inspirational “qualities of statesmanship”.

The communiqué called for an early start to negotiations on a new South Africa, coupled with the renunciation of violence by all sides.

It recognised that a post-apartheid South Africa should have access to wide economic resources, including external finance, and pledged more funds for apartheid’s victims, including exiles.

The statement is expected to satisfy Mr Mandela, who is due in Dublin next week.

But Mrs Thatcher is not alone in pointing out that while the EC has retained its symbolic commitment to sanctions, some of the measures themselves are being quietly whittled away.

Among those apparently shifting stance is Italy, the EC’s next president.

Mrs Thatcher made it clear that Britain will pressure Italy to push for a let-up in sanctions during its six months in the president’s chair.

She told a post-summit Press conference that Italian Prime Minister Mr Giulio Andreotti had agreed in Dublin to monitor further steps by Pretoria “to see if they justify a reduction in sanctions”.

In welcoming steps such as the release of Nelson Mandela and the unbanning of political organisations, it had recognised that key demands made at its December summit in Strasbourg had been met.

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No concrete steps to lift sanctions

EC expected to 'encourage' FW

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26/6/90

From KIN BENTLEY

DUBLIN. — A joint communique expressing encouragement to President F W de Klerk for the reform process he has initiated is expected to be made by the 12 European Community leaders meeting here.

As the summit got under way yesterday it emerged that no concrete steps to lift sanctions will be made.

Instead, the statement will be a compromise between a "wide spectrum" of views on the lifting of sanctions held by EC countries. Coming as the first concerted Western approval for a South African government's policy in decades, such a move will ensure that neither Mr De Klerk nor the ANC is seen as losing out.

The move will enable Mr De Klerk to show whites that they will benefit further as reform proceeds, and Mr Nelson Mandela's call for sanctions to be maintained will, for the interim, be adhered to.

The EC divisions on sanctions range from those like Britain, who favour an immediate, symbolic move to reward Mr De Klerk, to Ireland, which wants no softening of sanctions now.

However, a senior Foreign Office official said yesterday that the UK was likely to wait until enough steps had been taken by Pretoria to prompt joint EC action on lifting sanctions.

By late yesterday all indications were that a clash between the UK and the rest of the EC on sanctions was unlikely. The Foreign Office spokesman said

many EC countries were talking of an early response, rather than for the EC to "wait for the last vestige of apartheid to go".

But, he said, such was the diversity of views, a compromise in the form of a statement of encouragement to Mr De Klerk was the most likely form that consensus might take.

In the EC, he said, some countries believed there should be a "firm response" now to Mr De Klerk, such as ending the voluntary ban on new investment, which Britain lifted unilaterally in February. A number of countries, like Italy, were "doing it anyway". Apart from Italy, he said Spain, Portugal and probably Greece supported such a step. Others, like Ireland and Denmark, "and probably Holland and France", were saying it was too early to lift any sanctions.

Big step taken towards closer European unity

DUBLIN. — Common Market leaders yesterday took potentially the biggest step towards closer European unity since the founding of the community 33 years ago when they agreed that two conferences to plan political, economic and monetary union should be held in Rome in December.

In a noticeable quickening of the pace of European union, the summit decided to call the two inter-governmental conferences of all 12 member states to draw up far-reaching changes to the EC's treaties.

Advocates of closer unity made clear yesterday they believed the community was now embarked on a road which could lead to a federal "United States of Europe" by the late 1990s.

According to President Francois Mitterrand of France, who, with Chancellor Helmut Kohl of West Germany, has been the driving force behind the move towards political union, the community is now moving towards the "concept of federalism".

He signalled that he wanted a new treaty agreed by January 1, 1993, though at this stage such a timetable seems highly optimistic.

Mrs Margaret Thatcher, while re-affirming her determination to retain the maximum British sovereignty, bowed to the inevitable and signed up to the two conferences.

It was clear here yesterday that there was now a near-unstoppable momentum for closer unity, which could lead ultimately to a single European currency and a common foreign and security policy.

— Own Correspondent

EC 'no hostage to ANC'

Own Correspondent

LONDON. — The Dublin summit should demonstrate that European foreign policy is no longer hostage to the ANC's "confused agenda", the Times newspaper said yesterday.

As the Dublin summit opened yesterday, the influential London paper came out strongly for ending sanctions.

In a lengthy editorial, it said it was time to offer President F W de Klerk "something more nourishing than a pat on the back".

While most European governments privately agreed that conditions for lifting sanctions had been met, if new conditions were invented they would be walking into a trap baited by the ANC.

"Lifting some sanctions would not only reward Mr De Klerk for progress so far, it would also concentrate the ANC's mind," it said.

CSIR advises companies to follow European standards

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ANY country that did not harmonise measurement and testing facilities with those of the EC could be faced with technical barriers against the entry of its products into the EC, the CSIR said yesterday.

It said this was the implication of an EC directive that said any product, service or organisation operating in accordance with European approved standards, would be allowed into EC states without hindrance.

This meant SA manufacturers needed to obtain the correct European specification. The solution would be to send the product to an "approved body", but this might prove impractical because the required approved body would be abroad.

However, efforts were well advanced to have the Europeans recognise the testing and measurement facilities at CSIR's production technology division and the National Calibration Service.

The path for SA products' acceptance abroad lay through mutual agreements with trading partners for national measuring standards facilities, calibration services and accreditation schemes for testing laboratories.

However, before mutual recognition of national facilities could happen, mutual confidence had to be established, the CSIR said. SA and Taiwan were already partners and the Taiwanese were also developing their national measurement system and had agreed to join SA in mutual recognition exercises.

EC battles to break sanctions deadlock

By Sue Leeman,
The Star's Foreign
News Service

DUBLIN — European leaders last night laboured to produce what is expected to be a compromise statement aimed at breaking the deadlock on South African sanctions.

Insiders predict that they will opt for well-chosen words of encouragement for President de Klerk but, mindful of Nelson Mandela's pending visit to the Irish capital next week, will leave sanctions intact.

But the summit's final communique may raise the possibility of an early lifting of sanctions if irreversible progress is made towards the dismantling of apartheid.

Britain, usually the odd man-out on sanctions and bruised by successive rows with its European partners on the issue, seems set to take a less combative line this time.

'Blood on carpet'

"It is unlikely there will be blood on the carpet," said one Foreign Office spokesman.

Discussions last night were nevertheless expected to be brisk, with the Community still sharply divided on how to respond to Mr de Klerk's reforms.

Britain favours a relaxation of sanctions, starting with an end to EC countries' bans on new investment, and believes Italy, Spain, Greece and Portugal are now ready to consider at least some easing of sanctions measures.

But Ireland, Denmark, France, and probably the Netherlands, are opposed to any immediate moves.

Foreign Secretary Douglas Hurd confirmed yesterday that at a dinner last night Mrs Thatcher was set again to "deploy our view", namely that some sanctions should be lifted as a reward for Mr de Klerk.

But Mrs Thatcher's press secretary, Bernard Ingham, indicated at a briefing earlier that Britain was not going to push the issue.

KIN BENTLEY

DUBLIN — A joint communiqué expressing encouragement to President F W de Klerk for his reform process is expected to be issued today by the 12 EC leaders at their two-day summit.

But as the summit got under way yesterday, it emerged that no concrete steps to lift sanctions would be made.

Instead, the statement will be a compromise between differing views.

The EC divisions on sanctions range from those such as Britain, which favours an immediate, symbolic move to reward De Klerk, to Ireland, which wants no softening of the sanctions package.

However, a senior British Foreign Office official said yesterday the UK was likely to wait until Pretoria had taken sufficient

EC unlikely to act on sanctions issue

B10am 26/6/90
steps to prompt joint EC action on lifting sanctions.

After yesterday's session in Dublin Castle, EC leaders and foreign ministers had a working dinner at Malahide Castle outside the city. The sanctions issue was due to be aired fully at the dinner.

By late yesterday it appeared that there was unlikely to be a clash between the UK and the rest of the EC about sanctions.

The British spokesman said some countries believed there should be a "firm response" now to De Klerk, such as ending the voluntary ban on new investment.

To Page 2

EC summit

B10am 26/6/90
which Britain lifted unilaterally in February. A number of countries, such as Italy, were "doing it anyway". Apart from Italy, he said Spain, Portugal and probably Greece supported such a step.

Others, such as Ireland and Denmark, "and probably Holland and France", believed it was too early to lift any sanctions.

He said it was improbable that the EC would agree to a step-by-step plan, such as that mooted by Holland earlier this year.

SB From Page 1

For most of yesterday, the summit focused on internal EC issues, such as political and economic union. Also debated were the environmental issues in central and Eastern European countries.

East German Prime Minister Lothar de Maiziere had lunch with EC leaders yesterday — a symbolic move presaging the integration of East Germany into the EC.

© Picture: Page 3

EC leaders work on sanctions compromise

26/6/90
564

The Argus Foreign Service

DUBLIN. — European leaders are labouring here to produce what is expected to be a compromise statement aimed at breaking the deadlock on South African sanctions.

Sources close to the delegations predicted they would opt for well-chosen words of encouragement for President De Klerk but, mindful of Mr Nelson Mandela's pending visit to the Irish capital next week, would leave sanctions intact.

However, the summit's final communique may raise the possibility of an early lifting of sanctions if irreversible progress is made towards the dismantling of apartheid.

Britain, usually the odd-man-out on sanctions and bruised by successive rows with its European partners on the issue, seems set to take a less combative line this time.

A Foreign Office spokesman said: "It is unlikely there will be blood on the carpet."

SHARPLY DIVIDED

The Community is still sharply divided on how to respond to Mr De Klerk's reform moves. Britain favours a relaxation of sanctions, starting with an end to EC countries' bans on new investment — and believes Italy, Spain, Greece and Portugal are now ready to consider some easing of curbs.

But Ireland, Denmark, France and the Netherlands are opposed to any immediate moves in this direction.

The respected Irish Times newspaper said that in the light of this it was "difficult to foresee an amicable conclusion to the summit discussion on sanctions".

But senior British and Irish officials were yesterday predicting a reasonably amicable meeting aimed at a consensus.

A senior official in Foreign Secretary Mr Douglas Hurd's office did not foresee the adoption of a step-by-step reform-linked plan for lifting sanctions.

"You have movement in South Africa when compared with six months ago. Everyone agrees that Mr De Klerk has moved and we must talk about a measured response rather than waiting for the last vestige of apartheid to go.

"There are people who think there should be a firm response like ending the ban on new investment and there are those who say no. The consensus may be for the time being just to issue words of encouragement."

LUXEMBOURG — The beginning of a step-by-step removal of European Community trade sanctions against South Africa is unlikely in the short term.

A majority of EC foreign Ministers opposed such a move when they met yesterday, but a final decision will be taken next week at the EC summit in Dublin.

Mr Gerard Collins, Irish Foreign Minister who chaired the

First step on sanctions 'not likely yet'

meetings, said: "There was not a majority in favour of lifting sanctions."

But the EC Ministers gave "a favourable reaction" to a proposal to expand positive measures under the European Commission's Victims of Apartheid programme, mainly directed at church groups. Mr Collins said it was unlikely

the 12 heads of state would reach a consensus in Dublin on a first step on lifting sanctions.

The Irish and the Danes are ready to block the majority of EC states which it is claimed are ready for a first step.

The Irish referred to the lack of progress in freeing political prisoners as one stumbling block. But

they accepted that another EC condition, lifting the state of emergency, had been met.

Mr Douglas Hurd, the UK Foreign Secretary, said there were a number of EC states ready to take a first step in removing sanctions.

Mr Hurd said: "The Irish presidency said there was a spectrum of opinion in endorsing a step-by-

step process. You don't have to have an end to apartheid before you relax sanctions."

The commission wants to expand the funding of anti-apartheid support groups to about R120 million in 1991. Catholic and other church groups, the Kagiso Trust and trade unions have been the major recipients of financial aid

from the EC. Projects for funding must have a non-violent character and promote non-racism.

● **WASHINGTON** — Sapa-AP reports that President Bush plans to assure Nelson Mandela that US sanctions against South Africa will remain in place at least until all political prisoners in that country are released, officials said yesterday. The deputy ANC leader will visit Washington next week as part of a 12-day visit to the United States.

Sanctions D-day

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World spotlight on SA in Dublin, Washington meetings

Own Correspondent
LONDON. -- Leaders of the 12 European Community countries met in Dublin today for what could be a crucial decision on South African sanctions.

The EC is sharply divided on how to help both President F W de Klerk and ANC vice-president Mr Nelson Mandela in their attempts to end apartheid. Sources say the outcome is likely to be a wordy bouquet for Mr De Klerk for the changes he has introduced this year and an

increase in EC "positive measures" designed to help the victims of apartheid. No immediate steps to lift sanctions are likely to be made in the face of the ANC's repeated calls for pressure to be maintained. But surprises cannot be ruled out. Mrs Margaret Thatcher in particular is expected to argue that a clear signal must be sent to Mr De Klerk by the lifting of some sanctions, to avert a right-wing backlash in South Africa. She is expected to be supported by Portugal.

The most intense discussion is expected to centre on the ban on new direct investment as well as the bans on the imports of gold coins, iron and steel.

And in Washington sanctions will also dominate when Mr Mandela meets President George Bush at the White House. The world's most celebrated former political prisoner, in the middle of a 12-day, hit-city American tour, has attracted throngs of well-wishers at every stop, from a hero-style ticker-tape parade in New York to a music-filled rally in Boston yesterday where he praised the city as a beacon of democracy.

Mr Mandela is expected to press Mr Bush for more sanctions. The US president has so far sharply denounced apartheid, but dismissed the possibility of further sanctions. After meeting Mr Bush, Mr Mandela will

also address a joint session of Congress. At the European summit leaders are divided over aid to Russia and South African sanctions but are set to press ahead with plans to achieve political and monetary union by 1993.

For the first time an East Bloc leader, East German Prime Minister Mr Lothar de Maiziere, will attend the summit as a guest. East Germany is due to become part of the wealthy trade bloc after German unification, expected by the end of the year.

Despite grave reservations by Mrs Thatcher, the summit appeared certain to agree to fix a date in December for the start of an inter-governmental conference on political

union. Britain, threatened with being side-lined while the other 11 nations move toward economic union, last week suggested that the community create a new currency, primarily for tourists and businessmen. The banknotes of the so-called ECU, the European Currency Unit, would circulate with the 12 existing currencies. The issue of aid to the Soviet Union was a last-minute addition to the agenda after West Germany and France last week called for the swift organisation of a major Western aid program to help President Mikhail Gorbachev's crumbling economy.

● **Mandela mania** -- Page 9

Sanctions policy at the crossroads

Star 25/6/90

56A

The Star's Washington and London Bureaux

The future of sanctions against South Africa hung in the balance today as crucial talks opened in the United States and Europe.

In Washington, Nelson Mandela was meeting President Bush to ask for sanctions to be intensified, and in Dublin European leaders gathered to discuss the issue, now a major controversy.

The Bush-Mandela meeting, which included a working lunch at the White House, was scheduled to last two and a half hours. Later, Mr Mandela was to hold talks with Secretary of State James Baker.

On arrival in the US capital from Boston last night, Mr Mandela said that as well as seeking stricter sanctions, he had come "to ask for resources so that we can address the problems that are facing our country today".

The US Assistant Secretary of State for African Affairs, Hank Cohen, said the meeting would focus on the state of negotiations and how the US could support them.

Mr Mandela's views on a post-apartheid society, especially in the constitutional area and in the area of economic policy, would also be discussed. The US government was also interested in discussing such questions as the violence in Natal and how Mr Mandela planned to end it.

For the European summit in Dublin, sanctions or lifting them presents a growing dilemma.

Carrots and sticks

Many leaders have acknowledged in recent weeks that, in the words of Irish Foreign Minister Gerry Collins, "something very important is happening in South Africa".

The question is how to spur this process on: by offering new carrots or continuing to apply the sanctions stick.

The Community has previously insisted that there can be no lifting of sanctions until change is both "profound and irreversible".

Mr Mandela has often echoed this.

But foreign Ministers meeting in Luxembourg last week acknowledged that South Africa was changing.

And they signalled for the first time that some sanctions measures could be lifted.

They stopped short of announcing any immediate steps, leaving the question hanging for Dublin.

So the issue that will tax European minds in the Irish capital this week is whether to offer more than just welcoming words, and how this can be done without setting the Community



Help came too late ... 21-year-old Miss Monique Price of Sandton is lifted into an ambulance and a blood transfusion on the spot, but died soon after being admitted to hospital.

SAP ready to act against right-wing terror attacks

By Craig Kotze

Police are prepared for a potential far right-wing terror campaign after two bomb blasts at two Reef National Party offices and the formation of a new "Doere army" at the weekend, a senior police spokesman said today.

Party politician Boy Geldenhuys before the September election last year is also believed to be the work of right-wingers.

In another show of right-wing mobilisation at the weekend, a new alliance, with a military wing, was announced between the Boerestaat Party (BSP) and the Boeremooi

"We take serious notice of the spate of terrorism against all those who stand for the law ... from the right wing," he said.

The BSP-BW was formed in Randburg. Fugitive saboteur ...

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So the issue that will tax European minds in the Irish capital this week is whether to offer more than just welcoming words, and how this can be done without setting the Community at odds both with itself and the United States.

Britain has already decided unilaterally to lift the ban on new investment and is pressing the rest of the EC to follow suit.

British Foreign Secretary Douglas Hurd believes most other Community members can be persuaded to endorse a step-by-step strategy of lifting sanctions gradually as apartheid is scrapped, a view initiated by the normally hardline Dutch.

But Ireland and Denmark are reported to have argued against any change in the sanctions agenda. And France's President Mitterrand changed course after meeting Mr Mandela, saying now was not the time to lift sanctions.

EC sanctions include bans on exports of oil and police and army equipment to South Africa and on imports of South African iron, steel and gold coins.

All eyes on Dublin as Europe debates easing of sanctions

By Derek Tommey

Top men in business and government, and particularly in banking, mining and steel will be paying close attention to the media this week.

Today sees the start of the European Community summit meeting in Dublin. And SA businessmen will be keen to learn whether the British and Portuguese have been successful in persuading other members of the EC to ease sanctions.

There have been conflicting reports from Europe on prospects of this happening.

But a belief appears to be gaining ground in Europe that SA deserves some reward for its reform achievements.

Local businessmen hope that this could result in the rescinding this week of the last sanctions measures imposed in September 1986.

These banned the sale in Europe of SA iron and steel and gold coins. They also banned new European investment in SA.

Local businessmen tend to play down the effects of sanctions. But there is no doubt that if these sanctions were lifted the move would have both immediate and long-term benefits.

In the main, the move would result in an immediate boost in morale, say businessmen. In the long-term it would lead to increased trade and greater prosperity.

However, it could also have immediate benefits for Iscor and other steel producers.

Iscor was an active steel exporter to Europe until 1986, securing valuable markets from rivals on its price, quality and reputation as a reliable supplier.

Even today its name is still well known in the steel industry as it continues to export to Europe tremendous quantities of iron ore, which is not banned.

Iscor has a sales organisation overseas and so should have little difficulty in re-establishing itself in the European market, say industry officials.

It should be noted that the re-opening of the European market is not essential to Iscor's prosperity.

Since 1986 it has built up a thriving and profitable trade in the Far East. But a return to Europe would widen its markets, reduce its dependence on Far Eastern customers — and put it in a better position to bargain for higher prices.

Usko is another steel producer which would gain from the re-opening of the doors to Europe.

Against this, the lifting on the ban on the sale of SA gold coins in Europe would have no effect at all at this stage, says Herman van Heerden, general managing of Rand Refineries, who is in charge of marketing the Krugerrand.

South Africa scored a major

marketing triumph with its Krugerrand in the 1970s and early 1980s, but Mr van Heerden says it would not be possible to do this today.

Not only are there far more gold coins on the market these days, but there is virtually no demand for them at the moment.

In the 1970s, Krugerrand sales accounted for up to 6 million ounces of gold a year.

This was equal to roughly a third of South Africa's production and helped to keep the bullion market firm.

Even in the mid-1980s Krugerrands were absorbing 2.6 million ounces of gold a year. But the imposition of sanctions virtually destroyed the market for the coin and many countries moved to grab SA's market share.

Last year South African gold coins used only about 200 000 ounces, says Gold 1990, issued by GFSA.

Similarly, a lifting of the ban on new investments would also have little effect initially, says Jimmy Mackenzie, senior general manager of First National Bank.

But it would be a huge step in the right direction and give South Africans confidence to continue with their present policies, he says.

Foreign investors would have to study local conditions first and see what profits could be made. But in time lifting sanctions should lead to fresh investment.

Time is running out for Africa

effren 24/6/90

THE message coming through loud and clear from Europe, traditionally Africa's biggest trading partner, is that southern Africa will soon have to stand on its own feet.

The move towards European economic unity in 1992 is a dominant theme when South African leaders hold discussions in Europe. It happened during State President F.W. de Klerk's visit and has played an important part in Nelson Mandela's discussions in Europe.

The Soviet Union, Japan and the US are preparing to do business with the new Europe - which is going to be the biggest trading bloc in world history.

What are South Africans doing to get ready? The impression most South Africans have is that our leadership is so taken up with local politics that insufficient attention is being paid to international economic changes. The underdeveloped

growth, and the incentives to invest in Eastern Europe, no entrepreneur who is not also a philanthropist will give Africa a second thought."

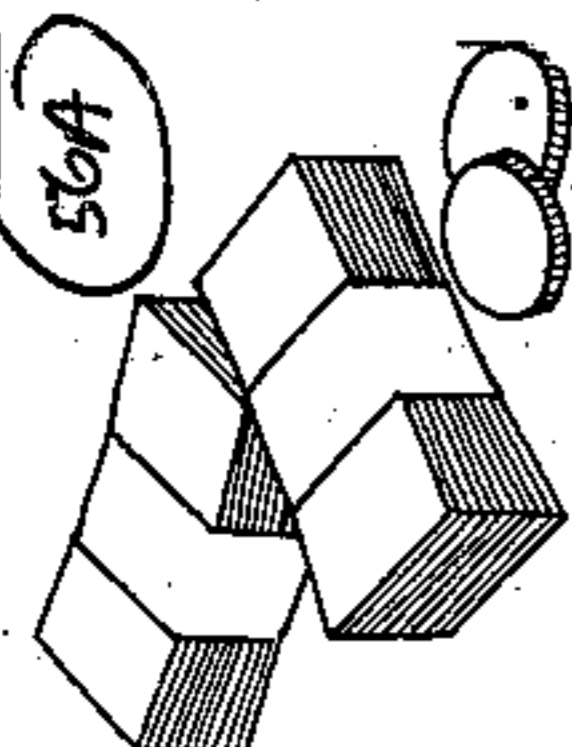
In reaction to European consolidation, the world might become more sharply divided into large trading blocs. Japan might seek to create a new "co-prosperity sphere" in East Asia, while the US might turn to Central and South America.

Where will South

Africa and the rest of the poor continent fit in?

Unfortunately, Africa's bargaining power is extremely limited because its share in world trade is so small. In 1970 Africa's share was 2.3 percent, but by 1985 it had dropped to about 1.3 percent. The present figure might be well below 1 percent.

Unless a united front is presented in negotiations with the big economic powers, we will slide into worse poverty.



MONEY TALK

world is going to find conditions more difficult. As one German commentator said: "Given the prospects for economic

D-Day looms for decision on sanctions

51 Times 24/6/90

24

56A

By JEREMY BROOKS: London
THE acid test on the effect of Mr Nelson Mandela's and President F W de Klerk's caravans through Europe takes place tomorrow as European Community premiers meet in Dublin to debate sanctions.

The ANC deputy president has urged community countries to stand firm on the economic boycott. Mr De Klerk, meanwhile, has called for some gesture recognising his reforms.

Whether either has succeeded will become clear over the next few days as Mrs Margaret Thatcher and her counterparts thrash out the issue.

There are already signs that the EC is pushing for some tangible reward for Pretoria's initiatives.

Holland, for 10 years South Africa's most vocal opponent, has prepared a blueprint calling for a gradual easing of sanctions in return for further dismantling of apartheid.

British Foreign Secretary Douglas Hurd has met twice with EC foreign ministers to prepare the groundwork for the summit.

Two weeks ago he predicted the EC would move to lift its ban on new investments in South Africa.

But Irish Foreign Minister Gerry Collins tersely denied any agreement had been reached.

Subtle changes in attitude towards South Africa were reflected

ted this week in a Guardian report by respected columnist Hugo Young.

He argued that the Labour party — which has promised full sanctions within 24 hours of being elected — should rethink its policy on SA. It was time to consider when sanctions should end, he said.

The Financial Times said there was now a strong case for the EC to remove iron, steel and gold coins from the sanctions list.

Confusion in EC over future of sanctions

BRUSSELS — The European Community wants to help both President F W de Klerk and Nelson Mandela in their attempts to negotiate an end to apartheid in South Africa. But it cannot agree on how best to go about it.

Just days before heads of state discuss sanctions in Dublin, it is becoming increasingly likely that their signal will consist of a lot of encouraging words, and little, if any, action.

The views of the EC nations can no longer be seen in black or white, but cover a spectrum of greys.

At one extreme are the United Kingdom and Portugal, which argue that a clear signal must be sent from Dublin to South Africa by some lifting of sanctions.

Failure to do so could result in a rightwing backlash, they say.

At the other extreme are Ireland and Denmark, which want to keep sanctions until profound and irreversible change has taken place.

The rest are willing to move a little on sanctions before apartheid is completely dismantled, but are unsure whether they should do so now.

Many want to see the easing of sanctions tied to further reforms by South Africa, in particular a complete lifting of the state of emergency (still in force in Natal), and the release of all political prisoners.

This camp would prefer to wait, arguing that, while Mr Mandela continues to tour Europe campaigning for sanctions to remain, any EC action to lift them would be clumsy.

A further suggestion is that sanctions could be suspended rather than lifted.

Given this range of views, an Irish official doubted there would be any decision to lift sanctions in Dublin.

LUCY KELLAWAY

"These sanctions were imposed by consensus, and there is no consensus to lift them," he said.

There is, however, agreement that the most serious sanctions should remain. There is no question of lifting bans on trade in arms with South Africa, on oil sales, on exports of supplies for the police or army, and on nuclear and military co-operation. Neither is there any question that the ban on sport be lifted.

Instead the discussion is over sanctions on imports of gold coins, imports of iron and steel and the ban on direct investment. The UK angered its EC counterparts by lifting its ban on investment after the release of Mr Mandela, and may press next week for others to follow.

Careful

It is, however, being careful not to be seen to be taking too firm a lead. Douglas Hurd, the UK Foreign Secretary, believes there remains a gap between member states, which cannot decide when to take the first step.

"The principle was established that you don't have to wait for apartheid to end before relaxing pressure on South Africa," he said.

Since February, however, events have moved so quickly that the UK is no longer isolated in its willingness to lift sanctions.

Its tactic now appears to be to keep the issue on the agenda at every meeting in the hope that reforms will now bring everybody round.

The effect of a modest reduction in sanctions would be political rather than economic, and difficult to quantify in any case. The effects of the investment ban, for example, are by their nature impossible to measure.— Financial Times.

(564) (2018) 20
Apr 22/6/90

'Club' eager to welcome purified SA

Out of
London
Stanley
Uys



Once South Africa has a government that is "truly representative" of all its people, it will be readmitted to the Commonwealth with open arms, but not before then, according to senior Commonwealth sources.

The ANC for its part takes the view that South Africa never left the Commonwealth, that the years between 1961 and 1990 were an aberration for which the white regime, lacking legitimacy, must take responsibility.

ANC President Oliver Tambo made this clear when he addressed the Royal Commonwealth Society in London before a stroke left him partly incapacitated.

For an ANC government, therefore, readmission to the Commonwealth would be almost a matter of course, and it would be supported by the National Party.

Once the De Klerk-Mandela talks reach a satisfactory conclusion, therefore, and a new, power-sharing government is installed, South Africa will almost automatically be restored to membership.

South Africa would become the Commonwealth's 51st member — Namibia was the 50th.

The debate on the value of Commonwealth membership is waged endlessly, particularly in Britain, where there are many vocal critics who want Britain to pull out, because they say the Third World tail tries to wag the imperial dog. However, the chances of this happening are nil.

For South Africa readmission would confer decided advantages.

The Commonwealth would provide the new South African government with a forum, additional to the UN, and smaller and more intimate, in which to explain its views. After five decades of growing isolation, South Africa under a new government would be an unknown actor in international politics.

Own resources

Also, with the opening up of Eastern Europe to foreign investment, other needy parts of the world, Southern Africa included, would have to depend more and more on their own resources and other contacts.

UN membership would give South Africa political access to the international community, but Commonwealth membership would provide it with a club in which it could address an extended "family" with shared associations and a myriad of potentially beneficial economic links.

A further point made by Commonwealth leaders is that a new South African government, functioning in a multicultural context, would find merit in belonging to an organisation whose whose structure is multicultural and in which anti-racism is a fundamental principle.

On a more practical level, the Commonwealth implements diverse programmes relating to education, health, science, law, exports, technical assistance and so forth. Member countries are enabled to draw on a pool of Commonwealth expertise and in turn to contribute their own expertise.

South Africa has many skills that are relevant to the continent, and particularly to the Southern African region, where there are already half-a-dozen Commonwealth members.

Finally, a number of bilateral programmes operated by richer Commonwealth countries like Britain and Canada are heavily weighted in favour of lesser developed Commonwealth countries. Some 70-80 percent of Britain's programmes and a substantial portion of Canada's, are weighted in this way.

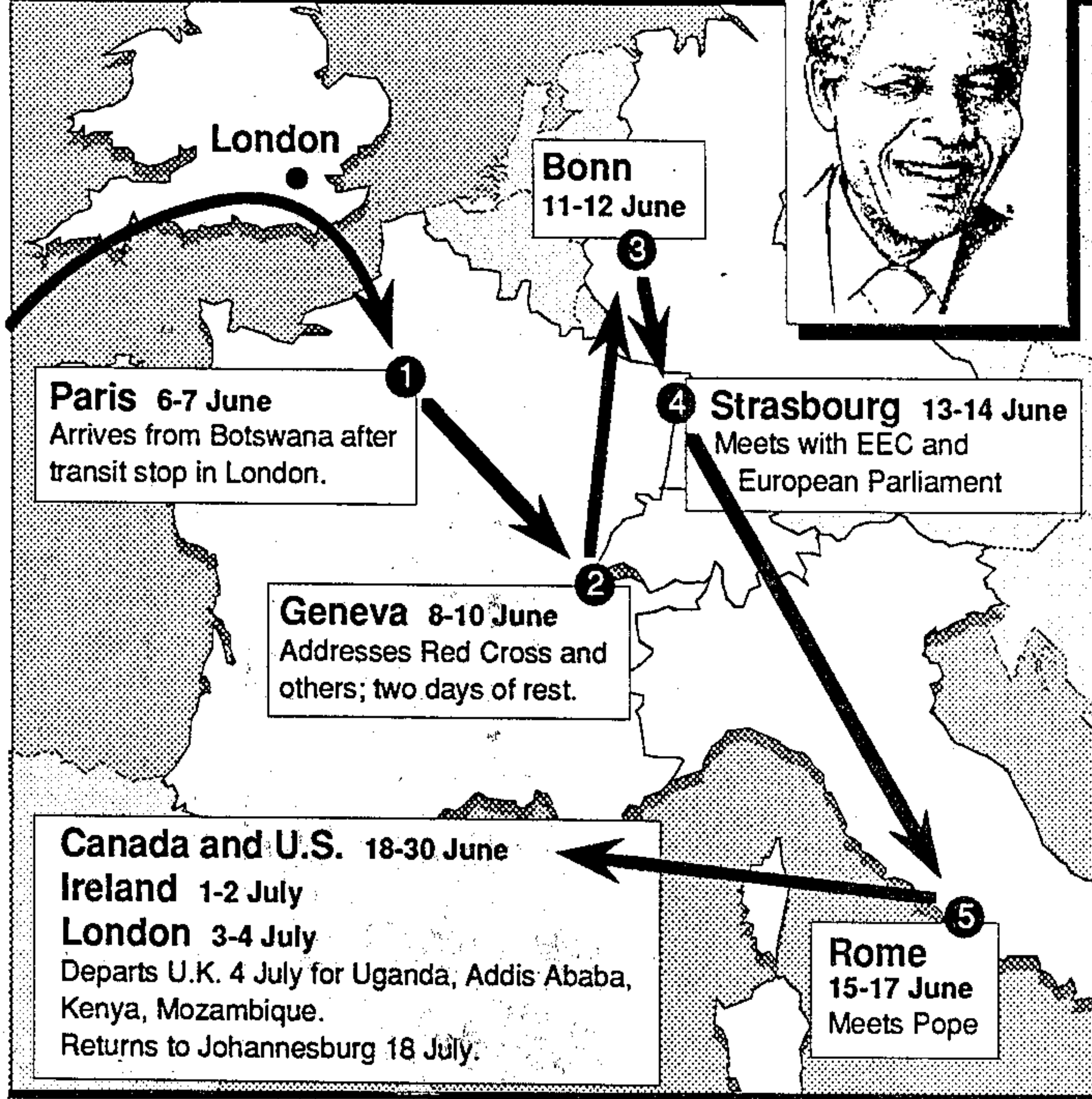
However, South Africa's most pressing need when a new power-sharing government is created will be to inform the world what kind of regime has emerged in a country that has lived for half-a-century in the dark ages.

(56A)

Mandela's Europe Trip

AP/T. Dean Caple

Source: African National Congress



Mandela remains firm on sanctions

By Esmaré van der Merwe,
Political Reporter

PARIS — As President de Klerk moved another step towards satisfying European Community prerequisites for the lifting of sanctions, ANC deputy president Nelson Mandela said the partial lifting of the state of emergency would not change the ANC's stand on economic curbs.

Mr de Klerk's announcement on the lifting of the emergency was broadcast live in France on the television cable network CNN as Mr Mandela was holding discussions with French President Francois Mitterrand.

Last night, Mr Mandela said he had had no problem convincing President Mitterrand that sanctions should be maintained.

Dismissing reports that France and the European Community could decide to ease sanctions at an EC summit in Dublin at the end of the month as a "misunderstanding", Mr Mandela said: "The French president, government and people will stand behind us."

Mr Mandela welcomed the scrapping of the emergency regulations, but said there was no need for the measures to continue in Natal, as they had not stopped black-on-black violence.

After lengthy talks with President Mitterrand, Mr Mandela met the leaders of the Communist and Socialist parties, the Mayor of Paris opposition leader Jacques Chirac, parliamentarians and French Prime Min-

ister Michel Rocard.

After his meeting with Mr Chirac, Mr Mandela said a system of minority rights was not needed in SA. "... We have proposed a Bill of Rights and that is enough."

The ANC delegation will leave for Switzerland today, the next stop on their 13-nation tour.

● South Africa could very soon be helping the rest of Africa out of its economic crisis and tripartite agreements with Europe would then be likely, a French Cabinet Minister said yesterday.

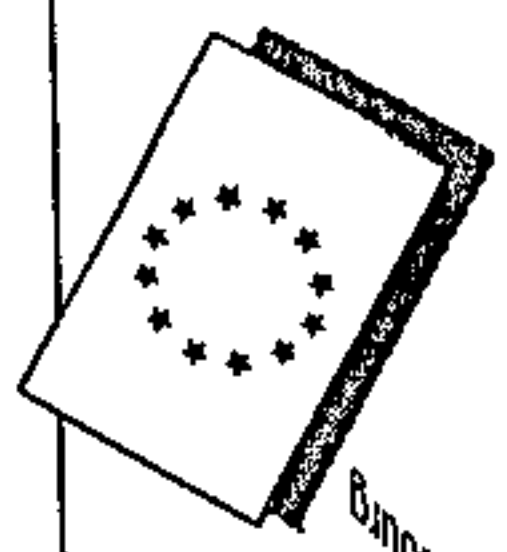
Co-operation Minister Jacques Pelletier, who is in charge of France's aid programme for Africa said SA was on the right track in its quest for political and economic stability.

56A 9/2 2/6/90

BACKGROUND

De Klerk or Mandela: the EC will choose in Dublin

EUROPEAN SANCTIONS



Country	Gold coins	Iron & steel	Coal	Uranium	Agricultural produce	Products of parastatals	Arms	Petroleum products	Sensitive equip. to army, police	New nuclear collaboration	New investment	Air links
United Kingdom	●	●	●	●	●	●	●	●	●	●	●	●
France	●	●	●	●	●	●	●	●	●	●	●	●
Italy	●	●	●	●	●	●	●	●	●	●	●	●
West Germany	●	●	●	●	●	●	●	●	●	●	●	●
Spain	●	●	●	●	●	●	●	●	●	●	●	●
Portugal	●	●	●	●	●	●	●	●	●	●	●	●
Netherlands	●	●	●	●	●	●	●	●	●	●	●	●
Greece	●	●	●	●	●	●	●	●	●	●	●	●
Belgium	●	●	●	●	●	●	●	●	●	●	●	●
Denmark	●	●	●	●	●	●	●	●	●	●	●	●
Ireland	●	●	●	●	●	●	●	●	●	●	●	●
Luxembourg	●	●	●	●	●	●	●	●	●	●	●	●

● Mandatory
○ Voluntary
/ Not applicable

■ Considered binding on EC member states
□ Applied country-by-country by EC members

● Except exports to Koenig

● The European Community discourages scientific and cultural agreements except where these contribute to ending apartheid.
● EC members recalled military attaches in 1985 and refuse accreditation to SA attaches.
● The EC proposed a freeze on official sporting and security contacts in 1985.

Graphic and research by CA Robertson
Sources: SA Indicator, South, embassy spokesmen for Spain, Britain, France, Italy, West Germany, Netherlands, Belgium, Portugal and Greece.

the EC's prerequisites for the lifting of sanctions. He lifted the state of emergency in the greater part of the country, released more political prisoners and scrapped one of the pillars of apartheid, the Reservation of Separate Amenities Act.

The EC will on Monday decide whether that was good enough. Two important events over the past two weeks seemed to indicate that it was not.

Removal

In Strasbourg last week, the influential European Parliament overwhelmingly rejected a proposal for the easing of sanctions — a day after Mr Mandela addressed a packed EP assembly and received two long standing ovations.

And this week, the EC countries' foreign Ministers in Luxembourg seemed to have over-turned the advice from their political directors that the time was ripe to start with the easing of sanctions.

The majority of foreign Ministers seemed to have opposed a step-by-step removal of trade sanctions against South Africa.

The EC's heads of state will on Monday be faced with a number of options.

It seems unlikely that they will approve the easing of trade sanctions, a decision which could prompt some countries to follow Britain's lead by unilaterally lifting trade restrictions.

warned that the entire African continent would regard the easing of sanctions as a "stab in the back" of the protracted and bitter struggle for freedom in South Africa.

Demonstrating his firmness on principle but flexibility on strategy, Mr Mandela to some extent allayed Western concerns about the ANC's economic policies by saying the organisation did not have a blueprint but was only concerned about a more equitable distribution of wealth.

But what really won him the hearts and minds of Europe's leaders was his acknowledgement of Mr de Klerk's integrity, his own lack of bitterness after almost 27 years in jail and his expressed eagerness to bring peace — in co-operation with Mr de Klerk — to their strife-torn country.

Both leaders impressed Europe with their sincerity and commitment to a new society free of discrimination.

But whereas Mr de Klerk's warm reception signified the first breakthrough towards international respectability, Mr Mandela was on a victorious lap of honour for having steadfastly resisted the cruel apartheid system and gracefully forced the Nationalists to the negotiation table.

While the recently released ANC leader was honoured by Europe's royals, the Pope, heads of state and adoring crowds, Mr de Klerk quietly got on with the job of meeting

Next week's Dublin summit will be a stormy affair at which the recent European performances of F W de Klerk and Nelson Mandela will be carefully weighed. Political Reporter **ESMARE VAN DER MERWE** reviews the impact the two key political players in South Africa have made on the sanctions debate.

more stable conditions conducive to further reform.

He impressed on his audiences the gravity of the changes he had introduced since coming to power, main tained that these reforms were irreversible and outlined his strategy for the removal of remaining racial discrimination.

And he argued that he needed a reward from Europe to show white voters in the light of the vast gains made by the Right wing.

Pressure

By contrast, Mr Mandela used every platform — from Pope John Paul's private library to the packed assembly hall of the European Parliament — to call for continued international pressure until profound and irreversible change has occurred.

In discussions with six heads of state, he stressed that sanctions had been imposed to dismantle apartheid — a goal which had not yet been achieved. He threatened that the easing of sanctions would retard reform and would jeopardise negotiations.

He elaborated on the hardships caused by apartheid and continued police brutality. He

LONDON — If F W de Klerk was the South African head of state most favourably received in Europe in decades, ANC deputy president Nelson Mandela took the continent by storm.

When the European Community's heads of state meet in Dublin on Monday, they will weigh up the differing arguments presented by the two leaders when they review their collective sanctions policy on South Africa.

The debate will be stormy, the outcome crucial.

It will be a titanic battle between the pro-sanctioneers — eager to stay in the good books of the ANC which is tipped by many as the next government, and determined to keep the pressure on Pretoria — and those favouring the easing of sanctions as a gesture of encouragement to Mr de Klerk for his brave reforms.

But South Africa's interests, ironically, will not be the only issue at stake.

The outcome of the debate could have a significant impact on the power stakes within the EC. The leader of the anti-sanctions lobby, British premier Margaret Thatcher, has been effectively marginalised and a decision to ease sanctions could be regarded as a victory of some sorts for her that many of her counterparts would hate to witness.

Inevitably, the EC summit review of sanctions will decide a key phase in the political bat-

which, in turn, would create

Lift ban on foreign SA investments — Financial Times

LONDON — Britain's most influential business newspaper the Financial Times (FT) yesterday argued that the time was now ripe for the European Community (EC) to lift the ban on new investment in SA. *81 Dec 22/6/70*

And, on the eve of Monday's crucial EC summit in Dublin, the FT added that there was also a "strong case" for the EC to take iron, steel and gold coins off the list of banned

KIN BENTLEY

imports from SA. *(S6A)*

But the newspaper was pessimistic any such steps would emerge from the summit, due to divisions in the ranks of its members and its "preference for consensus". Instead, EC leaders were likely merely to praise President F W de Klerk and withhold concrete steps until constitutional

talks were under way.

The FT leader opined that the momentum created by De Klerk in February was "unstoppable".

While the gap with the ANC remained wide, the FT said it would be "cavilling to suggest, as some anti-apartheid campaigners do, that there has been no significant change and that no reappraisal of Western policy towards Pretoria is warranted".

THE next European Community (EC) summit — crucial to see whether ANC deputy president Nelson Mandela succeeds in his campaign to stop EC countries from prematurely lifting sanctions against Pretoria — takes place in Dublin on June 25 and 26.

After that comes a meeting of the Group of Seven industrialised countries. One or both bodies could decide on some sanctions-lifting.

The Canadian and Australian foreign ministers are leading a bid to stop the forthcoming European Community summit in Dublin easing sanctions against South Africa.

They are acting on behalf of the Commonwealth minus Britain, whose Prime Minister Margaret Thatcher wants to give President FW de Klerk a reward for releasing Mandela.

Cue

Joe Clark, Canadian External Affairs Minister, and Gareth Evans, Australian Foreign Minister, got their cue — at the latest — from the sixth meeting of the Commonwealth Committee of Foreign Ministers on Southern Africa, held in Abuja in Nigeria last month.

The meeting was one of those attended by Mandela during his hectic international travelling schedule since his release in February.

"The unbanning of the ANC and the release of prisoners, including myself, is not what the struggle is all about. It is about the eradication of apartheid," Mandela told the foreign ministers.

All the gains achieved to date could be reversed if Thatcher managed to get

Dublin to decide sanctions' fate

Soul 21/6 - 27/6/90

The question of international sanctions against Pretoria is once again being heavily debated — this time not from the perspective of whether they should be imposed but whether they should be lifted. NOEL BRUYNS and Gemini writer DEREK INGRAM report:

sanctions against Pretoria lifted.

Clark, who chairs the foreign ministers' committee, said they had heard Mandela's "calm, clear message to us and to the world," and, he added, "we understand it".

Clark and Evans went to the Abuja meeting, wondering whether a few carrots, as Thatcher calls them, should be thrown to South Africa.

Frustrate

They quickly forgot all such thoughts when they heard Mandela's advice.

The ministers — from India, Guyana, Tanzania, Zambia, Zimbabwe, Malaysia and Nigeria, Canada and Australia — decided on an all-out attempt to frustrate any plans the EC and Group of Seven might have to ease sanctions. Straight-talking Evans meanwhile has

been to Dublin to see the Irish, who currently chair the EC. Clark talked to the French in Paris and plans were made to tackle all 12 EC countries, as well as two others who make up the Group of Seven — the United States and Japan.

Letters signed by the nine foreign ministers went out to all the governments as well, and the ministers issued what they called 'The Abuja Commitment', a document which says sanctions are working and must remain until there is clear evidence of irreversible change in South Africa.

It adds that "the role of sanctions remains valid and indispensable" and calls on the international community "to look beyond the negotiating process and to help prepare for a post-apartheid South Africa which will be both democratic and prosperous".

Thatcher, meantime, continues her lonely way. Having met De Klerk in Britain on his recent tour of Europe. She has called off her plans to visit South Africa this year, probably because she could be met with hostile demonstrations.

Sidelined

The Commonwealth and Mandela are disappointed that Thatcher seems to have sidelined herself diplomatically, but they still hope there will be a way in which Britain can come together with the rest of the Commonwealth to tackle the South African issue.

Meanwhile, solidarity movements on the Continent are preparing themselves psychologically for the day their sanctions campaigns become obsolete. However, they maintain the time has not yet arrived.

A document, "World Economy and Development", published in conjunction with the Anti-Apartheid Movement in Bonn, warned that sanctions in international politics have an instrumental and (time-wise) limited character.

Intransigent

The case of South Africa had shown economic sanctions could be an effective form of pressure in forcing an intransigent regime to the negotiation table.

"The question now to be asked is: Have they fulfilled their aim, or does relaxing (sanctions) prematurely endanger the dynamics of the transition to a new South Africa without apartheid?" the document asked.

The solidarity movement had to be prepared that the sanctions could not be maintained indefinitely if the South African government began seriously to dismantle apartheid and show credibility at the negotiation table.

"However," the document warned, "the question of timing is important: if it is dropped, the sanctions weapon cannot simply be taken up again."

EC report suggests new look at funding of SA anti-apartheid groups

S6A

TIM COHEN

A HIGH-level report submitted to the EC has proposed a reorientation of its R30m a year in funding to SA organisations. And diplomatic and fund sources said yesterday if the suggestion was adopted, several ANC-sympathetic organisations and newspapers could be placed at risk. The confidential report, compiled locally by the nine EC member states represented in SA, proposed a "developmental" rather than a human rights and welfare approach in the light of changing circumstances, one source said yesterday. Submitted by EC ambassadors in April, it also reflected a feeling among member

countries that political favouritism existed in the distribution of the funds by the SA Council of Churches, the Southern African Catholic Bishops' Conference and the Kagiso Trust, the source said. As a consequence, the report also proposed that the EC become more involved in the administration of the funds. Achmat Dangor, director of the Kagiso Trust, which has administered R30m a year for the past four years, rejected the charges of favouritism, saying the trust benefited 312 projects, 95% of which were "non-aligned". One diplomatic source said the human

rights organisations and the five newspapers funded by the EC would be affected if the re-orientation took place. The newspapers were the Natal-based New African, the New Nation, Umatika, Vrye Weekblad and the Cape Town-based South. The Association of Democratic Lawyers, the National Association of Democratic Lawyers and the Association of Democratic Journalists are among the organisations that have received funding from the

Kagiso Trust. Dangor said yesterday conditions were not yet right in SA to disclose the trust's beneficiaries. He also refused to allow Business Day access to the audited reports of the Kagiso Trust, but issued a public challenge that the trust would publish its audited reports in the same newspaper, on the same day that KwaZulu Chief Minister Mangosuthu Buthelezi's Inkatha movement published its reports. The amount of funds provided to the trust was expected to increase by about 10% next year.

He said because of changing circumstances in SA, funding of certain organisations was no longer necessary. He estimated the three newspapers funded by the Kagiso Trust — the New African, Vrye Weekblad and South — would be only 25% funded by the trust in the next two to three years. The New African yesterday said in a statement that Buthelezi had attempted to stop the EC from funding it because of its reporting on events in Natal. The newspaper, which received about R750 000 last year from the Kagiso Trust, had applied for a similar amount this year.

EC leaders split over sanctions

CAIT Times 19/6/90 (56A)

LUXEMBOURG. — European Community foreign ministers split yesterday on whether to lift EC sanctions against South Africa.

The Irish chairman of the talks said there was no majority for relaxing the pressure yet.

In a rehearsal for what promises to be a difficult debate at next week's EC summit in Dublin, the 12 ministers considered how to encourage the embryonic dialogue between the white government and the black majority over the ending of apartheid.

Irish Foreign Minister Mr Gerry Collins, acknowledging the split in diplomatic language, said there was a "variety of views" over how to respond to President F W de Klerk's reforms.

"We all see our objective as that of encouraging both sides in the process of peaceful change while not undermining the position of one side or the other," he told a news conference.

"There was not a majority in favour of the lifting of sanctions."

Some foreign ministers said there was some support for a phased lifting of sanctions linked to the release of all political prisoners and the results of informal contacts between the government and the ANC. — Sapa-Reuter

Star 18/6/90

SA

SA

EC likely to retain its stand on SA sanctions

The Star Bureau

LONDON — Foreign Ministers of the European Community (EC) are likely to retain anti-apartheid sanctions when they meet in Luxembourg today, in spite of an expected British bid for a relaxation of some of the pressure against Pretoria.

This is according to a report in the Sunday Correspondent, which has predicted that British Foreign Minister Douglas Hurd will make an attempt to persuade the EC collectively to ease its sanctions on South Africa, taking into account the recent concessions which have been made by President de Klerk.

Mr Hurd's bid to take the heat off Pretoria would be followed by a similar call by British Prime Minister Margaret Thatcher at the EC heads of state summit which is due to be held in Dublin next week, the report continued.

Britain has already lifted its ban on all cultural, scientific and British investment previously imposed on South Africa following the historic release of Mr Nelson Mandela and the subsequent unbanning of the ANC.

Expressed confidence

Mr Mandela, who is due to meet Mrs Thatcher in London next month, stated that he was confident that the EC would not follow in Britain's footsteps.

He was speaking after his meeting with West Germany's Chancellor Helmut Kohl.

Writing in the Independent on Sunday, columnist R W Johnson said reforms by the De Klerk government were "directly traceable" to the sanctions campaign, particularly the cessation of foreign loans in 1985.

He pointed out, however, that the major beneficiaries of anti-South African sanctions were exporters in the Far East, including Japan, Taiwan and Hong Kong.

The increase in British exports to South Africa by 12 percent since January could be an indication that countries which had previously lost out in the sanctions campaign were now lining up to recapture South African markets which had been lost.

Established

European Parliament votes to keep sanctions

56A 15/6/90

STRASBOURG (France) — The European Parliament urged European Community (EC) governments yesterday to keep up all sanctions against South Africa until apartheid is abolished.

Voting 177-47 with five abstentions, parliamentarians adopted a resolution urging the 12 EC governments to ensure "economic, cultural and sporting sanctions" remain in force until apartheid is "irrevocably abolished".

The vote comes only days before EC Foreign Ministers meet in Luxembourg to prepare a decision on the sanctions issue.

There is widespread agreement among the 12 EC governments to send a signal of encouragement to President de Klerk, but little agreement on whether this signal should include a partial lifting of sanctions.

There is a majority among the EC states in favour of retaining the EC's sanctions on coal, steel, Krugerrands, new investment and military materi-

als until further progress has been made on reforms to apartheid.

A final decision on whether any sanctions will be lifted and what message will be sent to Pretoria will be taken by EC heads of government only at their summit meeting in Dublin on Monday week.

In 1986, the EC banned imports of iron, steel and gold coins from South Africa, then valued at \$600 million (R1 600 million) a year.

They also banned new investments in South Africa but did not halt imports of South African coal, then valued at \$1,3 billion (R3,5 billion) a year.

Jean-Pierre Cot, leader of the socialist group, with 180 seats the largest in the 518-seat assembly, told reporters after yesterday's vote that "Nelson Mandela's message was heard by the parliament".

Mr Mandela had said even a partial lifting of sanctions would be a "disaster" for South Africa. — Sapa-AP-The Star's Foreign News Service.

Govt set on equal pensions for all

NELSON MANDELA was made welcome for two days as an official guest of the Bonn government.

Although his presence was reported in the media and space was given to his call for continued sanctions against South Africa, at no stage, however, was he headline news.

This was not for want of sympathy with him, let alone because he failed to impress. Quite the contrary. It was simply that issues nearer home loomed larger. The German question swamped everything.

The key issue at all meetings, needless to say, was the question of sanctions. While the liberal SPD endorsed the standpoint taken by the ANC, the Christian Democratic Union repeated its known reservations on this score.

Chancellor Helmut Kohl himself had never been a believer in the coercive measures taken by the European Community in 1986 and he now agrees with those who feel that the conditions laid down at that time for their repeal have been fulfilled — if not to the last letter, then certainly in substance and in spirit.

He concurs that President De Klerk needs support against his domestic detractors. Chancellor Kohl believes a new non-racial order in South Africa would have no chance of survival if its economic health were impaired.

Given the inevitability of a black-led administration in the country, he feels it makes no sense to worsen the social and economic



Sympathy, not big headlines greeted the ANC leader in BONN, says Rudolf Gruber of the South Africa Foundation

SI Times
problems it would inherit merely in order to harass the existing government.

There would seem to have been no meeting of minds between Nelson Mandela and Helmut Kohl on this subject, though the latter undertook to bear in mind what he had been told when preparing his position for the EC summit in Dublin at the end of June.

Economic Co-operation Minister Jurgen Warnke, whom Nelson Mandela had approached for assistance in repatriating and housing 20 000 ANC exiles, took an even more forthright view.

Token

What was the point, he asked, of spending public money on such a purpose when the jobs which the returnees would need for their livelihood could not come into being for want of foreign capital or investor confidence? It was like driving a car with one foot on the accelerator and the other on the brake pedal.

Foreign Minister Hans-Dietrich Genscher, in contrast, is inclined to leave matters as they are. Trade sanctions, he claims, no longer hurt. They were never more than token

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measures anyway and South Africa has overcome them.

International bank loans are admittedly another matter, but it was the market and not governments which withheld lending facilities from Pretoria, he feels.

(56A) Contrary

Companies with assets in South Africa could still invest their profits and could even import fresh capital in the form of plant and equipment when their commercial viability required such a move. That this was not happening, was a reflection of investor confidence.

Mr Genscher believed apartheid had to be recognised as the primary agent for disinvestment, and its removal was thus the first priority. The best hope for such an outcome by peaceful means was Nelson Mandela and, since he too was politically at risk, the best course was to refrain from any action that would weaken his position.

Even if Nelson Mandela were not the next president, a black man would certainly hold that office and, since

the black majority was overwhelmingly in favour of sanctions, it was counter-productive and contrary to self-interest to oppose it on this score.

President De Klerk had indeed shown courage, and deserved recognition and support for what he had done; but such a response should not be at the expense of his opposite number. But Mr Genscher feels he has already been given his endorsement in the form of his recent overseas trip.

Provided Paris takes the same view, Mr Genscher is likely to carry the day. His adherence to sanctions is not based on immutable self-interest.

Element

If a weighty majority in the EC Council of Ministers were to side with London and Lisbon on this issue, that would be a new element to take into account.

Between retention and repeal, any intermediate stages are conceivable. A compromise which yields ground on the substance while retaining the shadow, or vice versa, could thus well emerge.

Europe votes to keep sanctions

CAMP TINKS 15/6/90 (S6A) (EB)

STRASBOURG — In a major victory for ANC leader Mr Nelson Mandela, the European Parliament yesterday voted overwhelmingly in favour of maintaining full economic sanctions against South Africa.

Voting 177-47 with five abstentions, the parliament adopted a resolution urging the 12 European Economic Community (EC) governments to ensure "economic, cultural and sporting sanctions" remain in force until apartheid is "irrevocably abolished".

The vote came a day after Mr Mandela told the parliament that even a partial lifting of sanctions would be unacceptable to his country's black majority.

European Parliament resolutions express the opinion of the legislative body but do not have the power of law. The issue of maintaining sanctions against the

South Africa government will be decided at a summit of the EC in Dublin at the end of the month.

"It would be ill-timed for the European Community to abandon its policy of sanctions against apartheid before an agreement to install a new constitutional order in South Africa is reached," the resolution said.

It acknowledged that progress had been made in race relations in South Africa and expressed its support for United Nations-sponsored negotiations leading to a one man, one vote constitutional system.

Although the text was easily approved, many moderate deputies said they would have preferred a more flexible policy to encourage President F W de Klerk in his efforts to abolish apartheid.

Irish Prime Minister Mr Charles Haughey, whose country holds the presidency of the EC, said community leaders, who will

meet later this month in Dublin, would likely signal support for the recent reforms announced by Mr De Klerk.

"There will be a general wish that he should be given a message of encouragement and support, a positive message of approval," he said.

Meanwhile, some reports in London indicated that Britain was keen to see all sanctions against South Africa lifted — but that it was in the minority, with most EC members likely to support Mr Mandela's view that they be retained.

On Wednesday the deputy ANC president gave a 45-minute speech at the parliament in which he said even a partial lifting of sanctions would be a "disaster" for South Africa.

"We could not accept even a partial symbolic lifting for sports, for example," Mr Mandela added. — Sapa-AP-Reuter, UPI and Own Correspondent

Mandela to meet Pope as ANC tour moves to Italy

ARBUS

5/6/90

Political Staff

ROME. — African National Congress deputy-president Mr Nelson Mandela meets Pope John Paul II and Italian government leaders today on the fifth leg of his international tour.

A highlight of the six-week tour, which takes him to 14 countries on three continents, will be an audience with the Pope in the Vatican.

On a visit to Southern Africa last year, the Pope avoided South Africa although he was forced to skip through the country because of engine trouble with his aircraft. He has since indicated his willingness to visit South Africa.

Mr Mandela, on his one-day private visit to Italy, also will visit Prime Minister Mr Giulio Andreotti and deputy prime minister Mr Claudio Martelli.

He will address a Press conference before departing for the Netherlands — a last-min-

ute inclusion in his schedule.

President De Klerk held discussions last month with President Andreotti, a Social Democrat, during an official working visit to Italy as part of a nine-nation tour of Europe. He did not meet the Pope, who was on a three-day visit to Malta but who normally receives visiting heads of State.

Mr Mandela wrapped up a two-day visit to the European

Parliament yesterday during which he received an exceptionally warm hearing.

His passionate plea for the maintenance of sanctions against South Africa was enthusiastically received by the European Parliament in which all 12 European Community countries sit. The EC will review its sanctions policy on June 25 in the light of political change in South Africa.

EC divided on partial sanctions

ARGUS 15/6/90
The Argus Foreign Service

BRUSSELS. — Foreign ministers from the European Community meet in Luxembourg on Monday to prepare for a decision by heads of government on the removal of trade sanctions against South Africa.

There is widespread agreement among the 12 EC governments to send a signal of encouragement to President De Klerk, but little agreement on whether this should include a partial lifting of sanctions.

One diplomat from Ireland, which currently chairs the EC, said: "There is a desire from all EC states that some sort of positive message should be sent.

"The options could include the removal of some other restrictions such as cultural or sporting links."

Even the Dutch may alter their six-point plan linking removal of sanctions to progress on apartheid reforms after Netherlands meetings with African National Congress deputy leader Mr Nelson Mandela.

DUBLIN SUMMIT

In any case, diplomats are emphasising that a final decision on sanctions and a message to Mr De Klerk will only be taken by EC heads of government at their summit meeting in Dublin a week on Monday.

There is a majority among the EC states in favour of retaining the sanctions on coal, steel, Kruggerands, new investment and military materials until further progress has been made on reforms to apartheid.

The Portuguese, who with the British, are most in favour of relaxations in sanctions talked of "some kind of gesture encouraging the way of reform".

Europeans vote to retain sanctions

(SBA)

B/Dum 15/6/90

STRASBOURG — The European Parliament (EP) urged EC governments yesterday to keep up all sanctions against SA until apartheid was abolished.

Voting 177 to 47 with five abstentions, parliamentarians adopted a resolution urging the 12 EC governments to ensure "economic, cultural and sporting sanctions" remained in force until apartheid was "irrevocably abolished".

The resolution also called on EC governments and the EC Commission to make more money available to South Africans returning home from exile and for a "negotiations trust fund" to support democracy in SA.

In 1986 the EC banned imports of iron, steel and gold coins from SA, then valued at \$600m a year.

Ban

It also banned new investments in SA but did not halt imports of SA coal, then valued at \$1.3bn a year.

Britain unilaterally lifted the ban on new investments after the release in February of ANC deputy president Nelson Mandela.

On Wednesday Irish Prime Minister Charles Haughey predicted the EC would retain sanctions until the process of abolishing apartheid appeared irreversible.

Haughey, whose country now holds the presidency of the 12-nation EC, dampened speculation EC leaders would move shortly to ease sanctions.

He said the leaders, who meet later this month in Dublin, were likely to signal support for the recent reforms announced by President F W de Klerk.

"There will be a general wish that he

should be given a message of encouragement and support, a positive message of approval," he said, noting some countries "might wish to go further".

"We must not discourage those whites who have had the courage to begin the process of change," said French EP member Simone Veil.

Jean-Pierre Cot, leader of the socialist group — with 180 seats the largest in the 518-seat assembly — told reporters after yesterday's vote that "Nelson Mandela's message was heard by the parliament."

"It is now up to member states to shoulder their responsibilities, and we hope they will hear our call," he said.

On Wednesday Mandela gave a 45-minute speech to the EP in which he said even a partial lifting of sanctions would be a "disaster" for SA.

Euro-MPs gave Mandela a fervent reception when he addressed them in the parliament's main chamber, a privilege normally reserved for visiting heads of state.

Mandela cancelled part of his programme at the parliament to rest, EC and ANC sources said.

Fighting exhaustion, Mandela, 71, did not attend a lunch with EC Development Commissioner Manuel Marin, a source close to Marin said.

"He was very tired late in the morning and was unable to come to the lunch," the source said.

A member of the ANC delegation confirmed Mandela had returned to his hotel to rest.

He postponed a meeting with representatives of aid organisations before flying to Rome on the next leg of his tour.

But the delegation member said: "He's perfectly all right. He's been resting." — Sapa-Reuter.

Fortress Europe (S6A)

The approach of 1992 is prompting companies in and out of the EC to re-examine location strategies. The single market is not the sole motivation: it is part of a panoply of change which will see global considerations assume greater significance in location decisions. FIM 15/6/90

Every EC country offers incentives to industrialists in areas designated for help. Grants can meet as much as half the capital cost of setting up but in most of the 12 countries they are no longer automatic. Companies have to convince governments the incentive can be justified.

Austria, not in the EC, offers attractive financial packages. Switzerland, also outside the EC, is attractive for some types of investment.

Now the sudden and unexpected dismantling of eastern Europe's barriers has complicated the picture. There are many reasons why companies should not plunge in but there is a fear of being left out.

Most will not want to set up as manufacturers unless through a joint venture. But, if they think there are new markets to be satisfied, from where should they be served: Austria, with a deep knowledge of eastern Europe and East-West trade, but outside the

FIM 15/6/90

(S6A)

EC; or from West Germany?

Choice of location will always depend on a variety of factors. Getting it right demands a studied and neutral approach and savings can be considerable. Decisions on direct investment are being spurred by outsiders' fears that they will be faced with a Fortress Europe after 1991. ■

MPs in brawl over Mandela

CAPL Times 14/6/90
STRASBOURG. — French rightists in the European Parliament and a Belgian socialist came to blows yesterday over the visit to the assembly by Mr Nelson Mandela.

Witnesses said Mr Jose Happart, a Belgian socialist, was first spat at by National Front leader Mr Jean-Marie Le Pen in the member's restaurant, then hit by Mr Bernard Antony, another French extreme rightist.

They said Mr Happart replied by kicking Mr Antony in the groin.

Mr Antony was said to be short of breath for a while, but finished his meal. Neither side lodged a complaint.

— Sapa-AP

Test for Mandela when EC votes

From IAN HOBBS

STRASBOURG. — The impact of Nelson Mandela's tour of Europe will be tested for the first time today when the European Parliament votes on a motion for sanctions on South Africa to be progressively lifted.

What may have been a close vote is now expected to turn into a rout in favour of Mr Mandela's most passionate warning yet that lifting sanctions would be catastrophic for peace in South Africa.

Mr Mandela, who was welcomed with a standing ovation and deafening applause, went straight to the point.

He said nothing should be done to diminish the pressure of sanctions, which had obliged the white population of South Africa "to accept the necessity and inevitability of change".

He said "any movement backwards" would undermine progress and threaten the process of negotiation.

Presenting the ANC as peacemakers, Mr Mandela said that he sought no advantage for his organisation in his pursuit of democracy, peace and progress for all the people of South Africa.

"We are striving to proceed in a manner and towards a result which will ensure that all our people, both black and white, emerge as victors."

He said the ANC recognised President de Klerk and his colleagues as men and women of integrity who spoke honestly when they said they wanted an end to the apartheid system.

The ANC was prepared to work with them to achieve "a just and lasting negotiated settlement."

But he told the European MPs the reality was that apartheid was still in place and the pillars of the "murder-

To page 3

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From page 1

ous racist" system were intact.

South Africa was still ruled by a white minority government, police repressions was part of the daily lives of blacks — and his people continued to die in Natal as a direct result of the apartheid system.

He said it was vitally important not to forget that many white "compatriots" refused to accept that their minority rule had to come to an end.

"Many of these are armed," he said. "They are to be found both within the army and the police".

"These armed and trained groups pose a direct threat to the negotiations which are so necessary in order to arrive at a speedy transformation of our country into a non-racial democracy."

He said this meant sanctions and the "struggle against apartheid must continue."

Mr Mandela made no direct mention of an anti-sanctions motion, tabled by the independent Italian MEP Mr Marco Pannella and supported by at least 80 other MEPs.

Journalists here said a surprising number of socialist MEPs, mostly from Portugal, Spain, Greece and Belgium, were having second thought on sanctions.

Some — at least before Mr Mandela's impressive speech — had indicated that they wanted sanctions reviewed or eased.



Crucial EC vote on sanctions

By Esmaré van der Merwe,
Political Reporter

STRASBOURG — Nelson Mandela yesterday delivered an emphatic plea to a packed European Parliament (EP) assembly for the maintenance of full sanctions against South Africa.

The African National Congress deputy president received a standing ovation from the parliament, in which all 12 European Community (EC) countries sit.

The EC is to review its sanctions policy at a summit in Dublin in two weeks' time.

The EP will today vote secretly on a proposal by a right-wing independent, Marco Pannella of Italy, that sanctions be eased.

Mr Mandela's plea for the maintenance of sanctions has left the race wide open and informed

sources predicted a close vote.

Mr Mandela, who received the EP's Sakharov Prize for "freedom of the spirit" in 1988 when still in jail, told the influential body the international community had an obligation to assist oppressed South Africans in their struggle against apartheid.

"Sanctions were imposed as a powerful means of ensuring the end of the apartheid system. This result has not yet been achieved. It is therefore only logical that the existing sanctions should be kept in place," Mr Mandela said to thunderous applause.

Prepared

Mr Mandela highlighted the success of the initial Groote Schuur talks between the Government and the ANC early last month.

He said the ANC was prepared to co-operate with the Government to reach a just and lasting negotiated political settlement, which should be based on the principle of one person, one vote in a democratic, non-racial and united South Africa.

Dr Beyers Naude, who attended Mr Mandela's address, warned yesterday easing sanctions would be dangerous and should not be considered before the Nationalist Government had clearly and unequivocally spelled out its vision of a new democratic dispensation.

The South African church leader said even the re-establishment of cultural ties with South Africa as a first step towards normalising relations with the country should be carefully considered.

● Mr Mandela is to visit the Netherlands on Friday and Saturday. This brings the number of countries he will visit during his international tour to 14.

Tomorrow he will visit Rome, where he has been granted an audience with the Pope.

He will meet the ANC president, Oliver Tambo, in London at the weekend before touring Canada and the United States.

● Sapa-AP reports Mr Mandela will speak to the people of New York in the Yankee Stadium next Thursday and to the American people at a "town meeting" televised as an ABC network special later that night.

African National Congress deputy leader Nelson Mandela, with his wife Winnie, waves from a balcony of the Strasbourg town hall yesterday.

MPs in punch-up over Mandela visit

STRASBOURG — French rightists in the European Parliament and a Belgian Socialist came to blows yesterday over Nelson Mandela's visit to the assembly earlier in the day.

Witnesses said Jose Happart, a Belgian Socialist, was first spat at by Jean-Marie Le Pen, leader of France's National Front, then punched by Bernard Antony, another French extreme rightist.

The incident in the members' restaurant began when Robert Krieps, a Luxembourg Socialist, made a remark to a table of right-

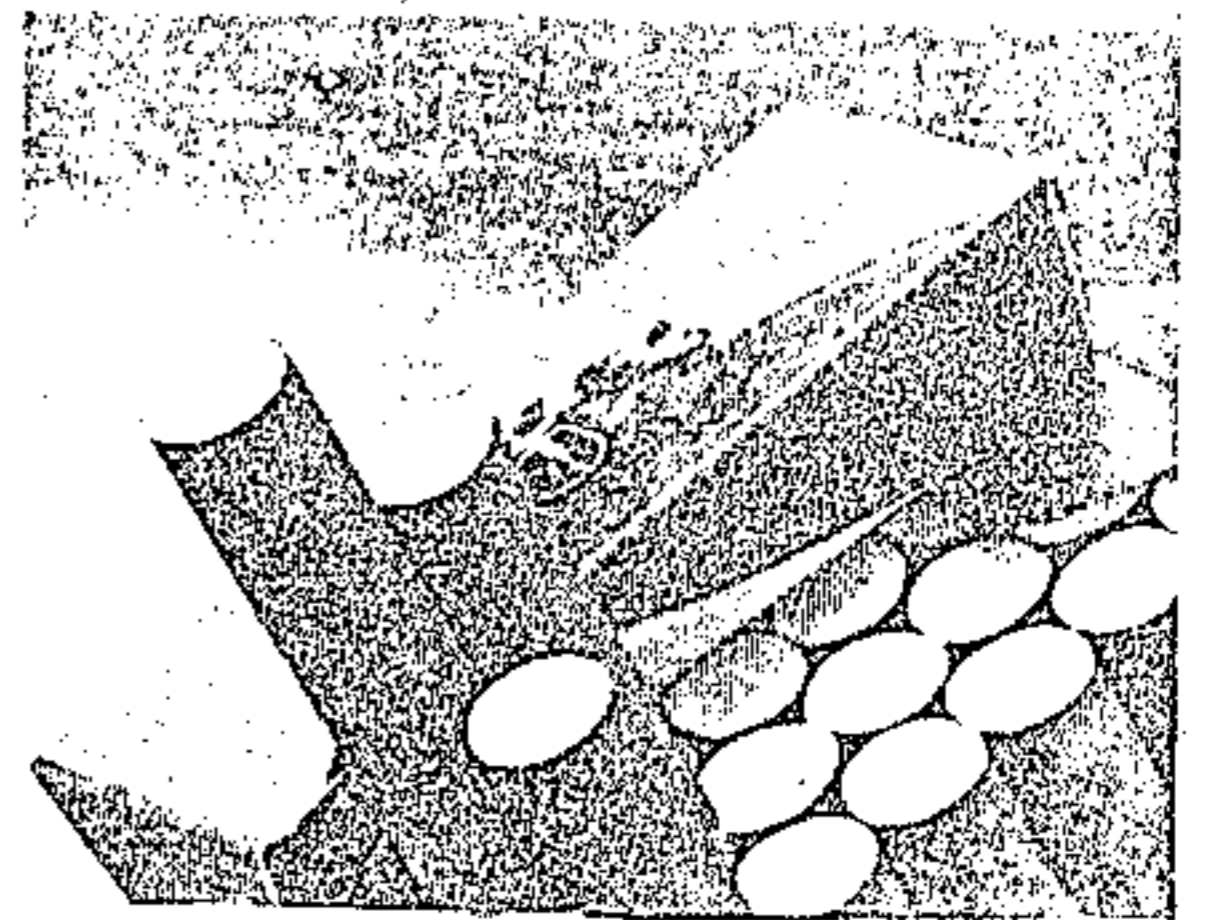
wingers regarding their absence from the chamber during Mr Mandela's 45-minute speech.

A witness said Mr Le Pen did not recognise Mr Krieps and asked a security guard to remove him from the restaurant. Mr Happart then called Mr Le Pen names.

Mr Le Pen spat twice at Mr Happart who returned to the table he shared with Mr Krieps. The witness said Mr Antony then came over, demanding that Mr Krieps identify himself. Upon his doing so, Mr Antony grabbed Mr Krieps by the collar and hit him. — Sapa-AP.

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GAT Times 14/6/90



British Foreign Secretary fears FW may be toppled

Own Correspondent

LONDON. — The British Foreign Secretary yesterday said it was possible President F W de Klerk could be overthrown if he was not rewarded for changes he had made.

Mr Douglas Hurd pleaded for Mr De Klerk to be given "effective encouragement". And, with the European Community's foreign affairs committee meeting in Luxembourg next week, he said he believed it was now time the EC lifted the ban on new investment in South Africa.

Mr Hurd said in evidence to the foreign affairs select committee of the House of Commons, he did not know whether his colleagues in the 12-nation body were yet ready to make such a move. The foreign affairs committee is investigating British policy towards South and Southern Africa, and will visit SA later this year. Asked whether it wasn't necessary to retain

sanctions to keep up pressure for change, Mr Hurd said Mr De Klerk was also under pressure from the white electorate — evident in the big swing to the far-right during last week's Umlazi by-election.

Stressing that Mr De Klerk was "taking his political life in his hands", Mr Hurd said it was important that friends of South Africa and opponents of apartheid "show effective encouragement for what he's trying to do".

"If we find the State President overthrown because of opposition to what he is doing, I think we would have to ask why we never took effective steps to encourage the process." He said the changes Mr De Klerk had made were the most dramatic since the National Party came to power in 1948.

Mr De Klerk appeared to have the support of his party and the cabinet, "otherwise he wouldn't still be there". But there was growing anxiety in the white electorate at the pace of change.

"We have to face responsibility and decide if we want to give some encouragement to the process (of abolishing apartheid) or run the risk of him going down the drain."

He emphasised, however, that he did not envisage the total lifting of sanctions, only a step-by-step process.

The UK government had no concrete plan of which changes should be made and how they should be rewarded. But, referring to the meeting of Foreign Ministers on Monday and Tuesday, he said: "We think there is a case for the EC to lift the ban on internal investments."

He said he was against the EC drawing up a "checklist" of specific steps SA should take to earn EC responses.

On Britain's decision in February to no longer discourage investment, Mr Hurd said: "The best way (for SA) to attract investment is through the peaceful dismantling of apartheid." He noted with approval that the Commonwealth had decided to investigate the investment requirements of a post-apartheid South Africa.

South Africa, he said, could become "a powerhouse for economic development" in sub-Saharan Africa, once apartheid had been abolished.

Asked about contacts with the ANC, Mr

Hurd said the government was looking forward to meeting ANC vice-president Mr Nelson Mandela early next month, who would be in London at the invitation of Mrs Thatcher.

While nationalisation would harm South Africa, Mr Hurd told the committee the ANC did have an argument for redistribution of wealth.

Asked about the impact of the collapse of Marxism in Eastern Europe on the ANC's socialist economic policies, Mr Hurd said it was "true that nationalisation would be deeply harmful to South Africa after apartheid, particularly in terms of its need for investment".

He said the ANC policy, developed in the 1950s, was sure to change, because there was a lot of new thinking occurring in black Africa following the withdrawal of East German and other communist economic advisers. ANC leaders were "highly receptive" to such messages.

While there had been an increase in the number of British passports granted to people living in South Africa, Mr Hurd said he was not alarmed by this and did not expect a massive exodus of UK nationals.

EC poised to endorse Mandela on sanctions

STRASBOURG — The impact of Nelson Mandela's European tour will be tested for the first time today when the European Parliament (EP) votes on a motion for sanctions against SA to be gradually lifted.

What might have been a close vote is now expected to turn into a rout in favour of Mandela's most passionate warning yet that lifting sanctions would be catastrophic for peace in SA.

The ANC deputy president was welcomed to the 12-nation EP yesterday as a statesman.

In a special ceremony, EP President Enrique Crespo handed Mandela the Andrei Sakharov prize for humanitarian action.

Mandela, greeted on entering the assembly by a standing ovation and deafening applause described by MPs as unprecedented in the history of the 12-nation Strasbourg Parliament, went straight to the point.

He said nothing should be done to diminish the pressure of sanctions, which had obliged the white population of SA "to accept the necessity and inevitability of change".

He urged the governments represented in Strasbourg and "the peoples of the world" to heed the seriousness of his warning that they had to maintain sanctions.

He said "any movement backwards" would undermine progress and threaten the process of negotiation.

Mandela said he sought no advantage for the ANC in his pursuit of democracy, peace and progress for all in SA.

"We do not pursue any goals which would result in some emerging as winners and others as losers."

He said the ANC recognised Presi-

IAN HOBBS

dent F W de Klerk and his NP colleagues as people of integrity who spoke honestly when they said they wanted an end to apartheid. The ANC was prepared to work with them to achieve "a just and lasting negotiated settlement".

At a later media conference he disclosed, for the first time, that the ANC had held secret talks with unnamed members of the white right-wing "to soften their hostility to De Klerk".

PETER DELMAR reports internal ANC leaders appeared nonplussed at this statement and said they were trying to contact Mandela about it.

Internal ANC leader Walter Sisulu said the ANC spoke to so many groups, among them Afrikaners, that they were not always sure what their political affiliations were. "It is likely some of these (right-wing) people were seen, but not in an organised way."

Ousted

Right-wing spokesmen said they knew of no such approach from Mandela which, if it had happened, would have been extremely naive.

A senior CP source said he could "absolutely guarantee there have been no discussions between the ANC and the CP".

KIN BENTLEY reports from London that British Foreign Secretary Douglas Hurd said there was a possibility De Klerk could be ousted unless "effective encouragement" was given for the changes he had made.

He believed it was time the EC lifted the ban on new investment in SA.

EC may send De Klerk 'message of encouragement'

ARGUS 13/6/90
56A

The Argus Foreign Service

THE HAGUE. — President De Klerk may be sent a "message of encouragement" by the European Community meeting of government leaders later this month for the "courageous progress" his government has made towards abolishing apartheid.

Ireland's Prime Minister, Mr Charles Haughey, who will chair the Dublin summit, indicated yesterday that the message might be sent to the South African leader.

He added that in the view of the Irish government the "time has not yet come for any movement in sanctions".

Indications are that most EC

nations will stop short of calling for an end to sanctions. The message proposed by Mr Haughey might be a sop to those nations, such as Britain and Portugal, who felt Mr De Klerk should be rewarded for his actions.

Meanwhile, Dutch Foreign Minister Hans van den Broek said yesterday that it was not yet time to discuss the abolition of sanctions.

In a message to the Dutch parliament, he said political and economic pressure should be maintained until apartheid was abolished.

However, he said this did not rule out the possibility of the carrot-and-stick approach first

proposed by the Dutch some weeks ago.

Under that scheme certain sanctions would be lifted for specific steps taken by the government to abolish the remnants of apartheid. This would be broken down into four or five different stages.

But the Dutch Finance Minister and Deputy Prime Minister, Mr Theo Kok, returned from a meeting in Bonn on Monday with ANC leader Mr Nelson Mandela, warning that the EC should be "extremely cautious" about lifting sanctions.

"It would be premature at the moment to change that policy," he said.

'Poor town planning led to foul air all over Soweto'

By SIZAKELE KOOMA

THE campaign by organisations throughout the world to combat the destruction of nature by man could easily be the work of a fairy god-mother, says the National Environment Awareness Campaign (NEAC).

He said Soweto's deteriorating en-

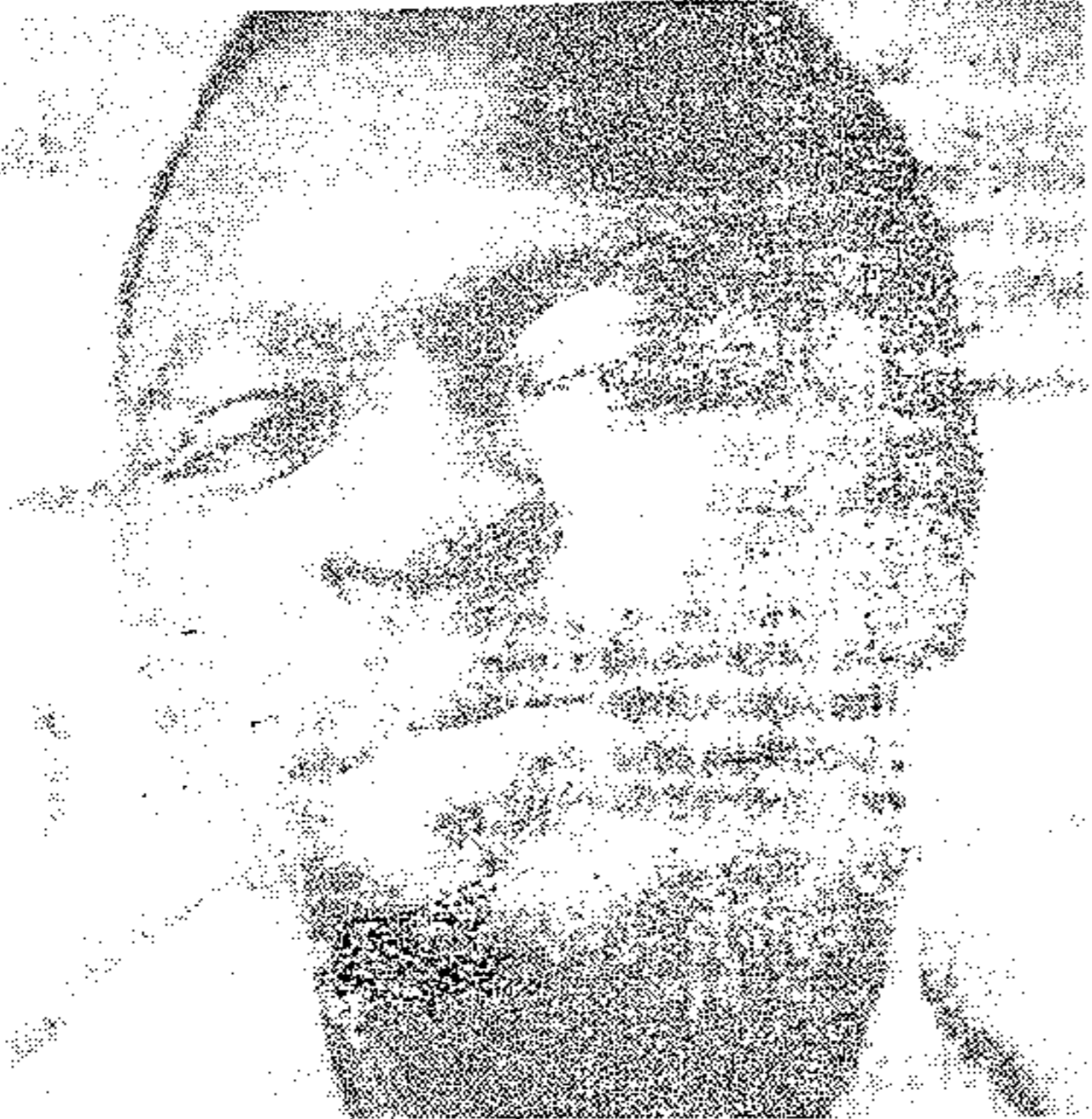
The Soweto-based organisation, which for the last 14 years has highlighted care of the environment, believes that the world's outrage at pollution and other factors responsible for the abuse of nature, will at last prompt residents into action.

'Mr Clean' speaks

Japhta Lekgetho, who is head of the organisation, is known for his clean-up campaigns in the townships and protests for proper housing and clean surroundings.

Addressing a World Environment Awareness Day seminar organised by the Womens Bureau of South Africa Lekgetho, affectionately known as 'Mr Clean', said his organisation would no longer be a voice in the wilderness but a vehicle that could help combat township environmental problems.

He said Soweto's deteriorating environmental conditions - caused by air and environmental pollution - and the increasing crime rate were primarily a result of bad town planning.



JAPHTA LEKGETHO

"Township houses were built with the object of providing shelter and were not a package for developing a residential area," Lekgetho said.

"Services like electricity, sewerage systems, roads and telephones were left out. This caused a lot of inconvenience to residents and has contributed a great deal to environmental decay.

"The smoke from the coal stoves and the stench from leaking sewerage pipes and rubbish dumps presently fills the air and is threatening to spill over to the cities. The acute housing shortage forces families to overcrowd one area and is the reason for the dirt piling up in the streets.

The available waste removal service can only cater for a certain number of people," he said.

The Government could solve the problem by providing land people could build houses on and township town councils could play a helping role by providing manpower and vehicles to clear dirt.

Pollution

Anglo American director Clem Sunter, who also spoke at the seminar, agreed that electricity in every household in the township would be one answer to the dangerous and dreaded gases that are polluting the air.

Sunter said air pollution in Soweto was two-and-half times higher than that in the eastern Transvaal Highveld, which is high by world standards.

Pollution Outrage - a Pleasing Surprise

Sunter 8/6/90

5/6

(scribble)

EC sanctions policy will guide French loans to SA

56A

Star 8/6/90

PARIS — French banks have told Eskom that they are willing to lend it money but an end of EC sanctions would make that easier, a senior Eskom official said in Paris on Thursday.

The banks also wanted to see the political situation in South Africa become more stable, Eskom finance director Mick Davis told Reuters.

"They say financing depends on two things. The direction that the European Community and others take with respect to sanctions and stable conditions in South Africa," he said.

Mr Davis said this was the

first time Eskom had returned to the international market seeking cash since European Community sanctions were imposed in 1985.

His visit coincided with the arrival in Paris of South African ANC leader Nelson Mandela, who was given a high-profile welcome by French President Francois Mitterrand.

The EC is due to discuss the situation in SA at its summit in Dublin later this month. The state-owned Eskom is seeking money to partly refinance bond issues falling due in 1990 worth some R700 million. — Reuters

EC leaders know ANC is not the only show in town

Clark Tinf
6/6/90

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MR NELSON MANDELA has described his 13-nation foreign tour which kicked off this week as a "thank you" gesture to the international community for pressuring the South African government over the years and an opportunity to urge more of the same until apartheid is truly dead.

However, the ANC's decision to put its 71-year-old leader through a punishing six-week tour schedule at a time when developments at home are so critical suggests there are some important additional items on his agenda.

Near the top of the list must be a massive fund-raising drive to help get the ANC established as a regular political party in South Africa.

Repatriation tab

The ANC estimates that the process will cost at least R60 m — a figure likely to evoke disbelief and envy among rival political groupings in South Africa.

However, the tab for repatriating and re-integrating between 20 000 and 40 000 exiles will make that figure pale into insignificance.

Ironically, President F W de Klerk and members of his entourage in Europe have already urged a number of European governments to assist returning exiles with plane tickets, food, training programmes, housing and other forms of assistance.

Clearly mindful of the massive problems individuals like Prime Minister Robert Mugabe have encountered with the costly business of re-integrating returning members of Zanu and Zapu into the mainstream of post-war Zimbabwean society, South African government officials have urged the wealthy European Community to open its wallet.

During Mr De Klerk's recent European tour, South African officials also let it be known that no objections would be raised to the UN High Commission on Refugees becoming involved in repatriation efforts — as long as their efforts remained on the humanitarian level and did not become unduly politicised.



Midweek Politics
By ANTHONY JOHNSON

If the ANC deputy president is able to capitalise on the Mandela-mania sweeping the United States, money could soon be flooding into South Africa to assist the ANC with projects ranging from setting up offices to bursaries for returning ANC guerrillas.

This could present the South African government — not to mention other parliamentary and extra-parliamentary parties — with something of a dilemma.

For while Pretoria clearly sees the benefits of having exiles returning with the minimum of disruption and dislocation to the social order, it would not take kindly to favouritism being shown towards the ANC for purely party political projects.

Members of the PAC would also want to make sure that their supporters got a fair share of the cake when it came to projects designed to help returning exiles.

Interestingly, European leaders have been anxious that the ANC not be projected as "the only show in town" and almost without exception ques-

tioned President de Klerk on how other opposition groupings might be accommodated in the broad political picture in a new South Africa.

A number of European leaders emphasised that they did not want Chief Mangosuthu Buthelezi's Inkatha movement to be left out in the cold once negotiations began and made it clear that they did not regard the PAC as a spent force.

When asked to estimate the relative strength of extra-parliamentary political groupings, South African officials put Inkatha's support among Africans at about 15%, the PAC at 20-30%, and the ANC at 40-50%.

The ANC would no doubt want to question such estimates. But what cannot be disputed is that when the time arrives for negotiations for a new constitution it will not simply be a case of the ANC plus hangers-on vs the National Party and fellow travellers.

Mr Mandela would do well to drive home this point while overseas and ensure that his supporters in South Africa act in this spirit.

EC sanctions row on eve of Mandela visit

CAP 12/15 5/6/90

SLA

From IAN HOBBS

LONDON. — The 12 European Community (EC) governments are locked in a bitter row over South African sanctions on the eve of Mr Nelson Mandela's grand tour of Western Europe, starting in Paris tomorrow.

Some socialist-dominated countries fear that the red carpet could be pulled from under Mr Mandela's feet while he is in Europe.

A combination of relentless British-led pressure against sanctions and an expected announcement that the state of emergency is to be at least partially lifted could provide a coup for President F W de Klerk this week. There are strong indications that EC political directors' meeting in Brussels tomorrow will propose broad acceptance of a Dutch plan for sanctions to be lifted step-by-step in relation to irreversible reform.

The proposals of the influential Brussels bureaucrats will be submitted to a meeting of the EC foreign ministers in Luxembourg on June 18.

Anti-apartheid groups are outraged that the EC should even consider shifting its hardline on sanctions while Mr Mandela is in Europe.

● No sanctions 'stab in back' — Page 3

Shift in EC sanctions stance predicted

LONDON — There are strong indications that EC political directors meeting in Brussels tomorrow will propose broad acceptance of a Dutch plan for sanctions to be lifted step-by-step in relation to irreversible reform.

The influential Brussels bureaucrats' proposals will be submitted to an EC foreign ministers' meeting in Luxembourg on June 18, prior to the heads of state summit on sanctions in Dublin on June 25 and 26.

Anti-apartheid groups, strongly supported by the Danish government, are outraged that the EC should even consider shifting

IAN HOBBS

its hard line on sanctions while ANC deputy president Nelson Mandela is in Europe and before negotiation towards majority rule has become irreversible. (56A)

The Southern Africa Coalition (SAC), representing all anti-apartheid forces in Britain, yesterday said it was urgently asking Irish Prime Minister Charles Haughey, current president of the EC, to urge member nations to stand firm on sanctions.

British government sources said yesterday the EC should respond to fundamental changes by lifting sanctions.

Haughey takes EC reins

Star
11/9/90 By SARAH HELM

(56A)

DUBLIN — With the European flag now raised high above Dublin city centre, a stream of confident predictions have already been emerging from the capital about what the new Irish presidency of the European Community will bring.

At the start of the six-month presidency, Irish Prime Minister Mr Charles Haughey has set himself high standards, describing the EC as "the greatest force for good the world has ever known".

Stepping into the shoes of Francois Mitterrand, Mr Haughey has already been accused of over-playing his part. Around the courtyard of Dublin Castle new conference rooms, restaurants, bars and offices have been fitted out for numerous Euro-meetings at a cost of more than £120 million.

Behind the scenes there is some nervousness about how the next six months will shape up and how one of the EC's smallest members — taking over from one of the largest — will manage to push through a large and, in some areas, diplomatically sensitive agenda.

The Irish have always been unequivocally supportive of the EC. But while pushing ahead with strengthening the EC itself, the Irish will also have to direct relations with the new-look Eastern Europe. Mr Haughey has made it clear he regards EC support for Eastern European countries as a priority.

The six-month period looks set to be a test for the diplomatic expertise of the Irish government, which has less experience and fewer international links than some of its bigger EC neighbours.

CAR Tm/3
4/6/90

Mandela tour to 'correct one-sided picture'

Own Correspondent

JOHANNESBURG. — Mr Nelson Mandela leaves today for the start of his extensive overseas visit during which he will urge the international community to retain sanctions against this country.

Mr Mandela, who will be visiting 13 countries during his six-week tour, said he was determined to correct "the one-sided picture" that President F W de Klerk had presented during his recent nine-nation tour.

Speaking at Saturday's press conference at the Park Lane Clinic, where he has been recuperating from an operation to remove a non-malignant cyst on his bladder, Mr Mandela described Mr De Klerk's diplomatic mission as having "brought absolutely nothing back to South Africa".

He also dismissed the government's moves to scrap the Separate Amenities Act as "quite insignificant", saying it was "not the real issue over which we are fighting". "The basic issue in this country is whether blacks are going to have the right of self-determination," he said.

Bush meeting

Mr Mandela will be conferring with Irish President Patrick Hillery and Prime Minister Mr Charles Haughey, French President Francois Mitterrand, the mayor of Paris, Mr Jaques Chirac, and Pope John Paul II. He is also to address the European Community and European Parliament.

After that Mr Mandela will travel to North America where he will face a hectic 10-day tour which includes a meeting with President George Bush at the White House scheduled for June 25.

● Mr Mandela is expected to arrive at the Sir Seretse Khama airport in Botswana at 9.30am today. He will hold talks with Botswana's President Quett Masire and will later address a gathering at the National Stadium.

Meanwhile, in London, representatives of British trade unions, religious groups and anti-apartheid organisations are to meet Foreign Secretary Mr Douglas Hurd today to urge Britain not to renege on international agreements by lifting sanctions on South Africa.

Just a dash of caution

56A
FIM 5/1/90

■ The trend is likely to be flatter but still up well in the Nineties

Twelve months ago common sense and history suggested that the longest and greatest bull market in equities on record was on its last legs. The savage correction to bloated ratings of October 1987 had been succeeded by a mild recovery in most markets — with the customary exception of Japan, which soared to new highs — and an air of normality with yields and p/e ratios back in touch with economic fundamentals.

These were not especially promising, with the long-expected, though soft, slowing of economic activity in the US and Europe. But once again the Eighties — saluted by one British headline as a period when “making a million was never easier” — surprised the cautious forecasters. Even 1989’s version of Black Monday turned out to be a grey affair. The long-term trend remained intact.

Perceptions have changed. Positive interest rates are now a good thing even if they put the brakes on growth because the outcome is likely to be a short-lived decline in profits before sustainable advance is resumed. Hence, along with West Germany and Denmark, the Japanese stock market greeted the half-point rise to 4.25% in the official discount rate by driving equities to a new historic peak on the last trading day of 1989.

Politics played a major role. The eastern European revolution produced a huge influx of funds into German stocks — which suffered worst in the mini-crash — and other

markets in the so-called Deutschemark bloc. Austria, the worst performer of European stock exchanges in 1988, became the best last year (see table).

And, while Hong Kong recovered from its 37% crash after the slaughter of Tiananmen Square in June, to show a small net gain for the year, the main beneficiaries were Singapore, Taiwan and Thailand. They became the recipients of Hong Kong money looking for a safer haven before China takes control of the colony in 1997.

Even in the lacklustre economies of the US and the UK, the main indices enjoyed a year-end rally which kept them close to the highs. In dollar terms the portfolio of stocks in the *Financial Times* Actuaries World Index registered a climb of more than 16%. If Japan, undermined by the devaluation of the yen against the dollar,

were excluded, the gain would have been a sparkling 25% — too fast for the comfort of some forecasters.

Looking ahead, however, there is consensus that the first two months of 1990 could see a continuation of the year-end rally. Each January of the past seven years has seen an average run-up in share indices ranging from 5% in New York, Tokyo and London to more than 3% on European bourses overall. Beyond that opinions about prospects diverge in line with those for the underlying fundamentals (*FM* December 22) with the thrust of investment weighting switching from the US and UK to the high-growth economies of Europe and Japan.

Wall Street’s 1989 strength derived from two main sources: rapidly rising corporate earnings and leveraged buyouts. The latter force was badly battered by the October 13 dip and the almost terminal decline of the US\$200bn junk bond market, worsened by the squeeze on profits which is hitting heav-

ily geared stocks.

There are also worries that a recovery in growth plus the weakening dollar could lead to the US Federal Reserve changing its easier stance on monetary policy and hitting bond prices. Nonetheless, investor confidence is high: in November the net inflow of money to mutual funds was \$1.9bn, the highest level since the record of \$2.6bn in August

1987. And few analysts would be surprised if the Dow Jones Industrial Average passed its previous high of 2 791 and even went on to 3 000 for a modest rise of 9% this year.

Britain, with the lowest expected growth rate in 1990, has so far resisted warnings that corporate profits will increase by less than half the 11% recorded last year. Even though sterling has weakened sharply against the rampant mark, most

fund managers believe that for electoral reasons the next move in interest rates will be down.

Analysts also point out that the ease with which the £5.2bn privatisation of the water industry was absorbed highlighted the shortage of supply of scrip after two booming years for takeovers, as well as continuing net redemption of government debt — £14bn last year alone. Against that the government will not ease on the disinflationary throttle until the rate of wage increases drops.

A flatter year for London equities is suggested by the cluster of forecasts around expected rises of 11%-13% in the *FT*-Stock Exchange 100 index with strong qualifications about the downside risk if equities run too quickly in the first three months.

Even though Western investors are perennially cautious about the atmospheric ratings on Japanese shares (the average prospective p/e is well above 60), there are fewer doubts about the Tokyo market. The weight of mon-

MINNOWS AHEAD

% change

Thailand	+127
Austria	+111
Taiwan	+98
Norway	+52
Singapore	+44
UK	+36
Germany	+35
France	+32
Denmark	+31
Japan	+29
US	+28
Sweden	+28
Switzerland	+24
Canada	+21
Holland	+20

* Main equity indices in local currency terms

THE FIRST XV

% change in US\$

	1980-89	1989
Japan	+875	+ 6
Italy	+412	+17
Spain	+324	+12
Denmark	+317	+56
Singapore	+278	+43
UK	+266	+17
Holland	+226	+27
US	+215	+28
Belgium	+201	+16
France	+193	+38
Germany	+181	+43
Australia	+177	+ 5
South Africa	+136	+68
Canada	+117	+21
Hong Kong	+107	+ 7

Source: DataStream and FT Actuaries World Indices

No goodbye to socialism

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(569)

Michael Prowess writes for the *Financial Times*, London

The overthrow of communist power in eastern Europe is widely interpreted as a ringing endorsement of Western capitalist values. Some commentators have claimed that the battle of ideas is over: in their eyes, market-based individualism of the kind which finds its fullest expression in the US, has proven its superiority to all other forms of social and economic organisation. The tearing down of the Iron Curtain, in short, proves we are all Thatcherites now.

Such a neo-conservative reading of events is implausible — as well as sickeningly complacent. Some individuals in communist countries undoubtedly support extreme libertarian policies of the sort advocated by Robert Nozick in *Anarchy, State and Utopia*: a nightwatchman State and any amount of inequality provided it results from “free” trades in the marketplace. But the great majority of east Europeans are surely doing no more than rejecting tyrannical government. They want freedom, but free-market capitalism is not the only environment in which freedom can flourish. There is also such a thing as democratic socialism.

My guess is that if the people of East Germany, Czechoslovakia and Hungary were asked to rank the socio-economic systems of Western countries, they would put

Sweden and Austria far ahead of the US and UK. They want greatly to improve the efficiency of industry and commerce but do not want rampant crime, poor schools, squalid public transport, bag ladies, a growing underclass and soaring social and economic inequality of the kind promoted in Britain.

It is thus absurd to interpret their rejection of leftwing extremism as a vote in favour of rightwing extremism: EC president Jacques Delors's philosophy is far more likely to win their allegiance than that of Britain's erstwhile Chancellor Nigel Lawson.

This is not to deny, however, that the meaning of socialism is changing. The Soviet Union, China and eastern Europe have demonstrated beyond all doubt that State planning is economically inefficient. In the West, nationalisation and public ownership have also had an unhappy history. State-run bureaucracies are often poor at meeting the needs of individuals. But they were only ever advocated as a means to the important ends of greater efficiency in production and greater equity in distribution. Socialists should not blush at the need to discard institutional arrangements which did not deliver the goods; capitalists, after all, are constantly scrapping out-of-date machinery as they search for ever faster ways to make a buck.

But if everybody accepts the case for decentralisation and increased reliance on the market, what now distinguishes the political

Left and Right? The answer is to be found in very different conceptions of social justice. The rightwing view, which dates at least from 18th Century philosopher and economist David Hume, is that a distribution of goods and services is just — provided it results from uncoerced market exchanges which respect existing property rights, assuming these were arrived at fairly. The point about this entitlement theory, which has been popularised by Nozick, is that the relative proportion of income and wealth in the hands of the rich is irrelevant: 1% of the population could justly own 99% of everything.

The leftwing view is that social justice requires a fair distribution of goods, services and other social privileges. Those who are unusually productive (or lucky) must therefore surrender a large portion of their spoils. One version of this theory has been popularised by John Rawls, the US philosopher. He argues that social and economic inequalities are justified only if they can be shown to improve the absolute living standards of the worst-off groups in society.

If you believe the distributive theory of justice makes sense, you should count yourself as potentially left-of-centre, regardless of your admiration for markets. The intensity of your socialist conviction is best gauged by the amount of distributive injustice you are prepared to tolerate.



In spite of Africa's attempts to get out of its economic mess, the continent is still struggling. Now a new drive towards industrialisation is being planned for 1990.

NAIROBI - Africa, battling to turn a long cherished dream into reality, plans a fresh drive in the 1990s towards industrialisation.

As independence began to sweep Africa from 1957 most governments pinned their hopes for future prosperity on industrialisation.

But that goal has proved elusive on a continent mired in poverty and whose people, the World Bank says, are almost as poor now as they were 30 years ago.

Disappointed with initial efforts to realise their dream, African leaders declared the 1980s a decade of industrial development, making this top priority after food self-sufficiency.

Yet as other parts of the world advanced to the threshold of a new technological age, Africa suffered severe setbacks.

"De-industrialisation has proceeded on an unprecedented scale," declared Adebayo Adedeji, executive secretary of the United

Africa is all set to try again

Star 2/1/90

56A

Nations Economic Commission for Africa, as the 1980s drew to a close.

"The political will to industrialise has yet to be matched by concerted measures to mobilise local and international financial resources for the industrial sector," said a 1989 review by the Organisation of African Unity, the ECA and the UN Industrial Development Organisation.

Undeterred, African leaders at their final summit of the 1980s last July declared the 1990s a Second Industrial

FOCUS

Development Decade as they try to revive economies sapped by crushing foreign debt, depressed world prices for vital commodity exports, rapid population growth, drought and civil strife.

"The meagre resources available to most African countries originally meant for development programmes such as the (1980s industrial) Decade have had to be diverted to emergency measures for economic survival," said the OAU-ECA-UNIDO report.

It said investment in manufacturing was running below one-fifth of total investment and, illustrating the challenge ahead, quoted estimates indicating that some R360 billion in new investment is needed for "priority" projects alone.

This excludes resources needed to rehabilitate existing plant and finance technical aid, for which it gave no estimate.

The World Bank, in a report published in November, agreed that economic setbacks had undermined Africa's industrial ambitions, but said it had become increasingly evident that earlier efforts focused on state-led creation of capacity without regard to cost or markets.

"The result was highly inefficient industrialisation, heavily subsidised by consumers and taxpayers," it added.

Although manufacturing grew 11 percent a year from 1980 to 1986 in China and India and five percent in other low-income economies, it was virtually stagnant in sub-Saharan Africa where its share of domestic product - at one-tenth - was barely higher than in 1965.

The report said some countries, which it did not name, were using less than three-tenths of installed industrial capacity.

It proposed steps to develop an "enabling environment" in order to

attract foreign and local investors, reducing the state's dominant role in favour of the private sector and market forces, and thus encouraging competition and productivity.

It also said industry's future would depend heavily on raising farm output and incomes.

Raising incomes in agriculture, on which three-quarters of Africans rely for a livelihood, would increase demand for manufactured goods, and the availability of affordable consumer goods would give farmers an incentive to produce more.

"With sound policies there is no good reason why the rate of (industrial) growth should not recover in the 1990s and rise gradually toward 8.0 percent a year during the next two decades," the report said.

This compares with what Adedeji calls "an historical 3.0 percent", below the current 3.3 percent growth in Africa's population.

Special

The ECA, in a blueprint for development unveiled last July, noted disadvantages facing Africa included weak infrastructure, thin markets, inadequate transport and communications.

"So far, only a few African countries have been able to go beyond mere assembly and light industries," it said.

Weak industry furthermore reinforced the dependence of manufacturers on imported capital, skilled manpower, technology, spare parts and raw materials.

It said special importance should be paid to regional and sub-regional integration of development efforts in transport, energy, research and agriculture.

Diversified and integrated production would ease pressures on state coffers as governments pooled resources to establish multi-country ventures.

Priorities, it said, included production of intermediate and capital goods, notably iron and steel, machine tools, fertilisers, chemicals and pharmaceuticals, building materials as well as farm, transport and construction equipment. - Sapa-Reuter.



Political comment in this issue by Aggrey Klaaste and Joe Thlolo. Sub-editing, headlines and posters by Sydney Mathaku. All of 61 Commando Road, Industria West, Johannesburg.

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Europe's old spectres rise again

Star 3/11/90

56A

With our entry into the last decade of the century, old prejudices and tensions are re-emerging among many nations, writes **ROGER BERTHOUD** of The Independent.

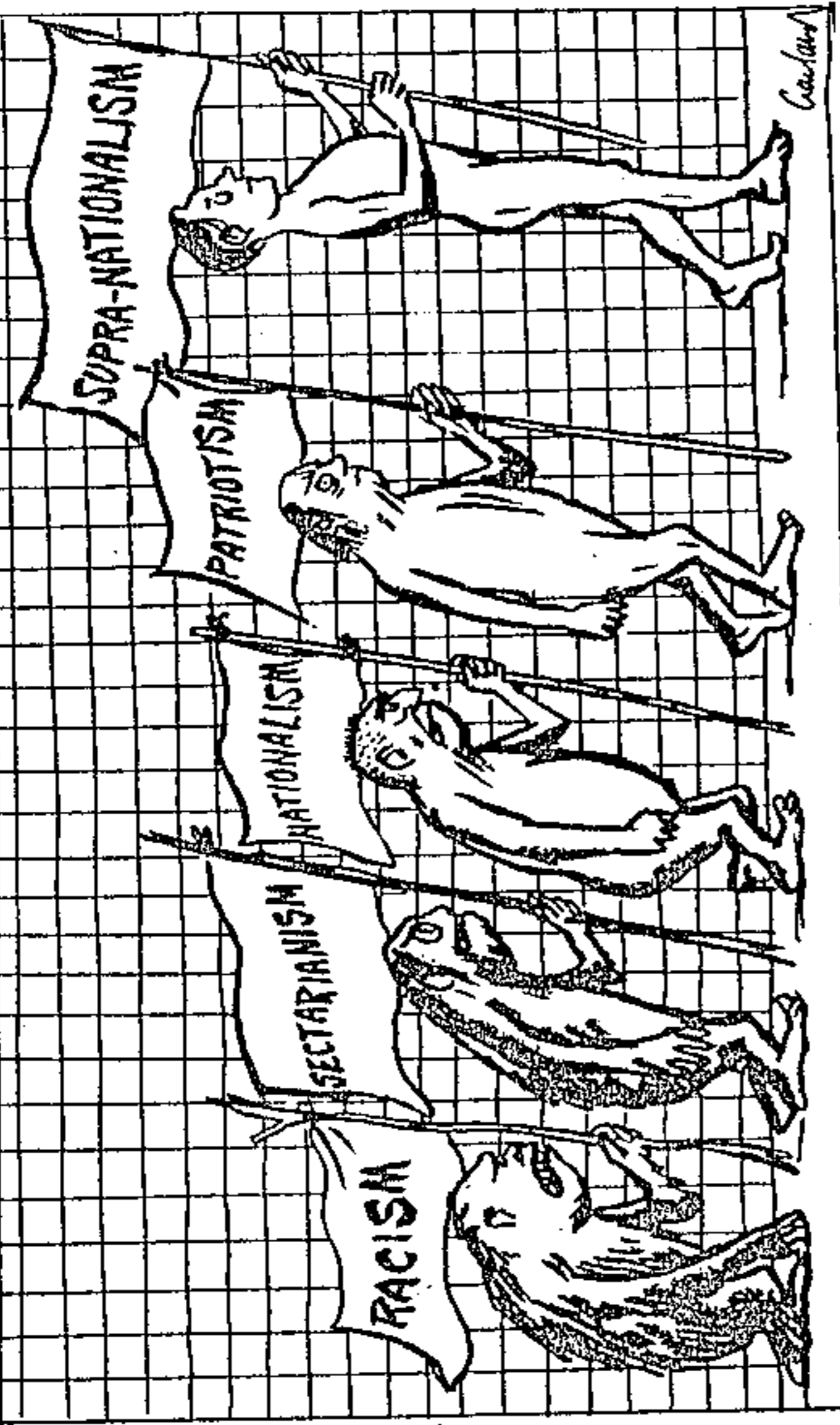
As the sound of ideological warfare dies around the world, older concepts are back in the headlines, and likely to stay there.

Nationalism, patriotism and sectarianism inspire mixed emotions. We applaud nationalism when it helps people within the Soviet Union — like the Balts or Georgians — to throw off centralised control from Moscow. We find it ugly in the guise of the Serbian nationalism which triggered World War I and now threatens to tear Yugoslavia apart.

Nationalism is usually aggressive. Patriotism is more contained, even if tending to shade into chauvinism and racism.

Racism is patriotism's ugly cousin, springing as it does from the conviction that human beings of one race, colour and physiognomy are superior, or at least preferable, to those of different race and appearance. The irrationality of racism is evident. Arabs feel superior to blacks; Chinese, Japanese and whites to almost everyone else, including one another.

Secularism is often allied to na-



tionalism. It has brought the horrors of the Inquisition to contemporary Iran, and damaged the name of Islam throughout the non-Islamic world. It fuels the enmity of Christian Armenians and Islamic Azeris in their bitter territorial dispute within the USSR.

Centuries of wars in Europe showed the dangers of expansionist nationalism. Much the greatest achievement of the European Community — one too often taken for granted — is to have made armed conflict between its member states unthinkable, despite their long history of mutual slaughter.

With fear of Soviet-led communism rapidly being removed as a bonding agent for the West, that contribution faded and abetted by the Nato alliance: is all the more important.

In Eastern and central Europe, old tensions between Hungary and Rumania, Bulgaria and Turkey, Yugoslavia and Albania, even between Czechs and Slovaks, are re-emerging, threatening to give the last decade of the 20th century an eerie resemblance to the first.

The sea of black, red and gold West German flags which greeted

Chancellor Helmut Kohl on his visit to Dresden recently aroused old fears. There is once again talk of how the balance of power in Europe will survive the emergence of a unified Germany.

If all these ancient tendencies and emotions have survived, virtually intact, the horrors of four decades of communism controlled from Moscow, how can Mrs Margaret Thatcher suggest that Britain's national identity might be in some way jeopardised by the EC's Brussels "bureaucracy"?

"We want a Europe of independent states and free peoples, co-operating closely wherever that makes sense, yet relishing their identity and resisting overweening bureaucracy," she said before last June's elections for the European parliament.

Any such overweening bureaucracy would, in reality, be much more likely to provoke a reaction, in the form of unpleasantly florid sympathisers of Britishness and xenophobia of the sort associated with football matches and Costa del Sol holiday-makers.

History suggests that free and independent peoples tend, like some

private citizens, to exercise their freedom and independence at the expense of others. That is why democratic governments devise laws to secure the greatest good for the greatest number.

Treaties and agreements seek to achieve the same end in relations between countries. The Treaty of Rome, which underpins the EC, is the most ambitious attempt in Europe's history to ensure and maximise the long-term well-being of its states, without threatening or impoverishing those outside.

In talking about the EC, Mrs Thatcher has also said (in Paris on November 18): "It would be very ironic if we were insisting that Eastern Europe moves to full democracy and full human rights as a condition of aid, while we ourselves take something out of the heart of parliamentary control and out of democratic accountability."

The implication is clear: controls from Brussels pose a threat similar to that of communism in Eastern Europe. Indeed, as Mrs Thatcher sees it, the socialism being extirpated across the Elbe could creep into an integrated Western Europe through the back door of Brussels.

Such thinking is surely opportunistic and dangerously short-sighted, as well as confused. The surge of patriotism which attended the demise of communist domination of Eastern Europe simply helped to bring Poland, Hungary and Czechoslovakia to the level of freedom enjoyed by all eventual EC member states except Spain and Portugal soon after World War 2.

The emerging East European democracies are now seeking economic aid from those Western countries whose prosperity has been mightily boosted by the creation and development of the EC.

That prosperity would never have been achieved if old enmities and rivalries, notably those between France and Germany, had not been replaced by co-operation within a strong framework of the European Community, with the necessary regulatory mechanisms in Brussels.

Underlying Mrs Thatcher's attitudes to the EC is the conviction that the British way is best, and in particular that the British version of parliamentary democracy is unrivalled.

Yet, judged by results, those claims are obviously untrue. However entertaining the House of Commons may be, and however accountable the executive may be to the legislature, the country is in many ways a mess compared with continental counterparts such as France, Italy and West Germany.

By most definitions of democracy, it is undemocratic that decisions which could be taken at local levels more in touch with public opinion should be taken at the centre.

Mrs Thatcher claims to be a believer in personal initiative and freedom. Yet she has made Britain ever more centralised, and her contempt for local government is open.

It seems to me unfortunate that Mrs Thatcher should be appealing to latent British nationalism at a time when supra-national institutions, notably the EC, offer the best chance of containing both a unified Germany and the potential nationalism of newly liberated East European peoples. — The Independent, News Service.

31/5/90

'Guerilla' war' over EC power

The Economist's Brussels Correspondent discusses controversial moves to increase the powers of the European parliament.

The European parliament is cock-a-hoop about the gathering momentum behind constitutional reform in the European Community, with more powers for the parliament high on the agenda.

Even so, the Euro MPs of Strasbourg are impatient. Instead of waiting politely to be awarded more power, they have waged a guerilla war against the European Commission.

Relations began to go sour when elections last June left socialists and their allies with a clear majority.

The commission's programme for 1990 turned out to be thinner in social and environmental measures than the socialists had hoped. Unless the commission strengthened these measures, said some socialists, parliament would delay the passage of single-market laws.

In March, the commission complained that 67 single-market laws had been held up. Most of these delays were a result of the inability of committees to cope with their workload, but some were deliberate.

Mr Jacques Delors, the commission's president, was outraged.

When, in March, parliament rejected the commission's 1990 programme and a proposed code of conduct that he hoped would sweeten relations, Mr Delors (again) threatened to resign.

Flawed

Confrontation with the commission was the aim of the socialist group in Strasbourg. Its leader, Jean-Pierre Cot, a professor of constitutional law at the Sorbonne, compares the Strasbourg assembly to some 19th century European parliaments; the lesson he draws is that parliament can advance its powers only through conflict.

The commission retorts that Mr Cot's historical analogy is flawed. The commission is not a government responsible to parliament, it says. Much executive power lies with the Council of Ministers, over which the parliament has little sway. So Strasbourg bolshiness serves no purpose.

The Cot camp counters with clever quotations from a recent book by Maurice Duverger, an independent French Euro MP.

Mr Duverger, who once taught law to Mr Cot, argues that the commission could pretty quickly be made to feel itself responsible to parliament.

All the parliament has to do is wheel out its never-used "nuclear" weapon: the right to sack the whole commission.

Friction

Efforts to arrange a truce were not helped by personal friction between Mr Cot and Mr Delors. They are very different sorts of French socialist. Mr Delors is a populist who likes consensus. Mr Cot is an unyielding academic.

Still, a ceasefire was called last month with the help of David Williamson, the commission's secretary-general, and Julian Priestley, secretary-general of the socialist group in Strasbourg.

The parliament will accept the commission's work programme for this year.

In return, the commission will bring forward several social and environmental directives, including one on pregnant women and another on the disposal of toxic waste.

The commission has also agreed to a code of conduct with the parliament that offers its members a lot more than the code they rejected in March.

The commission will consult the parliament more often, especially concerning its influence over trade treaties outside the EC.

Mr Cot's strategy of conflict seems, on the whole, to be working. For the parliament, though, the modest increase in influence this has produced is a mere prelude to the panoply of treaty changes it expects from constitutional reform.

Swift action ahead of EC summit

'Intense' reform moves imminent

56A (scribble) star 30/5/90

By Peter Fabricius,

Political Correspondent

CAPE TOWN — The Government is expected to get down to intense reform activity over the next few weeks to try to persuade the European Community to begin lifting sanctions next month.

Following President de Klerk's European tour, it seems that the Government will address three main areas — the Separate Amenities Act, the state of emergency, the release of political prisoners and the return of exiles.

Although it seems that the European leaders made no specific promises to Mr de Klerk, they did indicate that if he took a few "practical reform steps" some easing of sanctions would be possible at the EC summit in Dublin on June 25.

The Government's view is that since it is committed to certain reform steps anyway, it might as well try to show substantial progress before June 25 if this can swing the EC.

Mr de Klerk said in Europe that on his return he would give immediate attention to the report on the release of political prisoners by the joint SA Government/ANC working group.

He announced there that the group had reached agreement on a definition of political prisoners who qualified for release. This definition would also apply to exiles.

Mr de Klerk also said last week that legislation to scrap the Separate Amenities Act would be introduced within days of his return.

It is also understood that the Government is considering at least partial lifting of the state of emergency when it comes up for renewal on June 9. This depends very much on the security situation on the ground.

One major obstacle looming is the visit to Europe next week of Nelson Mandela, who has made it clear he will strongly oppose any changes in the EC sanctions policy until reformist promises become deeds.

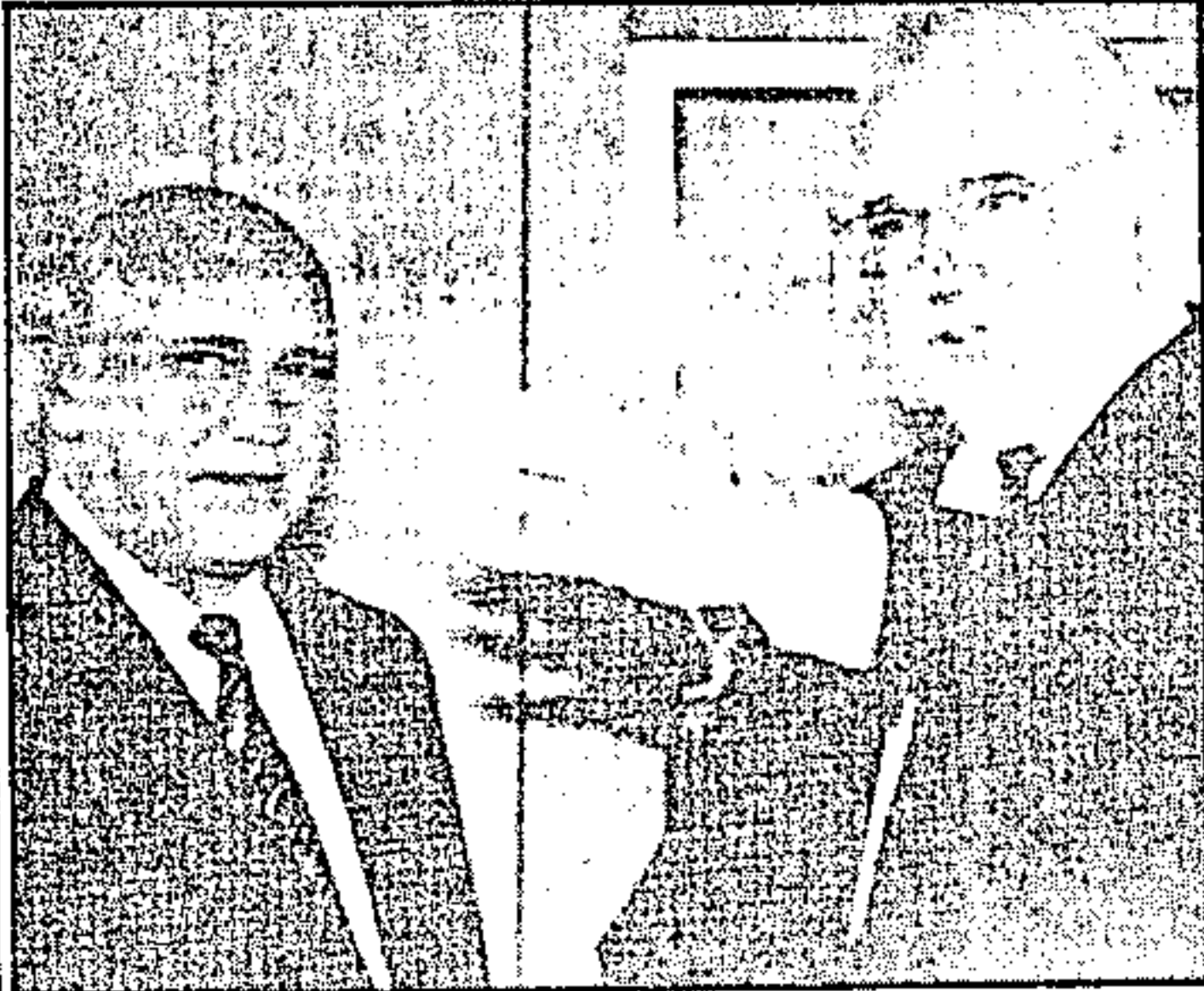


Rebel president . . . Soviet arch-reformer Boris Yeltsin covers his ears as report Russian Federation Parliament yesterday, seconds after he was elected president, agreement with the Soviet Union's president, Mikhail Gorbachev, whom he Communist Party rival candidate Alexander Vlasov to become leader of the large

Red carpets, royalty

81 Times 27/5/90

(56A)



President De Klerk with West German Chancellor Helmut Kohl

Chatting to French President Francois Mitterrand

Sharing a joke with British Premier Margaret Thatcher

were the real rewards

81 Times 27/5/90

(56A)

(56A)

81 Times 27/5/90

(56A)

(56A)

A SOBERING truth lurks behind the success — even the glory — of President F.W. de Klerk's mission abroad. It lies not so much in the remarkable official receptions he received in the great capitals of Europe, but in the fact that they took place at all.

It's a bit like measuring one's social success by receiving, for the first time, an invitation to a classy dinner party. Your hosts don't expect you to have much to say at your debut; they assume you will recognise that your mere presence at table constitutes recognition of your acceptance into polite society.

This attitude was put into words by international media baron Rupert Murdoch at a lunch for the South African leader at Chequers, country home of Prime Minister Margaret Thatcher.

Casual

With characteristic energy, Mr Pik Botha was putting over to Mr Murdoch the argument he has been pressing in capital after capital: "Our President is making, as you acknowledge, great reforms. But they are not without risk. The world must help by giving him rewards which he can display at home."

According to a diplomat who was there, Mr Murdoch replied fairly bluntly: "The fact that you are being received openly, officially and warmly, as you are, is the reward."

None of this is to say that President De Klerk's mission was not a great event. It was.

The great sea changes of

At the end of President De Klerk's grand tour, Lester Venter assesses its success and the prospects for the easing of sanctions



history do not come about in single, cosmic diplomatic events. And, with 40 years of apartheid still staining SA's reputation, the current change will come about slowly and must be brought about with daring and skill.

The importance of Mr De Klerk's accomplishment lies in the fact that he has opened a future that lies close at hand and is pregnant with great promise.

Mr Botha said in Zurich, close to the end of the nine-nation tour: "Frequently we are asked: 'What has been achieved?' Well, what has been achieved is the visit itself."

What he means is best illustrated by comparing this trip with previous South African forays into Europe.

When Mr P.W. Botha went to France in 1986 he did so in spite of a French Government suggestion that he stay at home. In Switzerland there was never any official recognition of his presence.

When he spoke to Chancellor Helmut Kohl of West Germany in 1988, it was casually at a large reception — and not, by all accounts, a very warm exchange.

In the last fortnight President De Klerk has been given red carpets, full protocol, audiences with

royalty and extended working meetings with heads of governments.

Said Mr Botha: "It's almost as if they were leaning over backwards to tell us they didn't expect us to do it (creating a democratic society) in one day."

He said the tone of all the meetings was: "We want you to succeed."

Yet the ambivalence was there. Although public protests at several stops had neither the size nor the fury of the past, they were there nevertheless — and in France and Switzerland they became violent.

Stunning

The ultra-discreet gnomes of Zurich were eager to meet President De Klerk — but asked the Press not to disclose the names of bankers and other important guests who attended a dinner of the Swiss-South Africa Association.

Yet, at the end of the exhausting journey, the balance sheet looks good. Credits outweigh the debits by far.

And in no material respect was this more promising than on the vital issue of sanctions.

The trip was judiciously timed before SA's most important trading bloc — the European Community — meets in Dublin in a

month's time to review its policy on sanctions.

The requirement for lifting sanctions is that the EC must be convinced there is "a real prospect of achieving a full democracy in SA."

Thus EC leaders will have to make a value judgment on the "irreversibility" (a key word, that) of the reform process now under way.

Their decision will hinge heavily on President De Klerk's credibility.

In this respect, face-to-face meetings with the leaders who will make that decision were absolutely necessary — and by all accounts they were stunningly successful.

After each meeting, President De Klerk made a point of emphasising that the message of "irreversibility" had been put across.

Some of the government heads he met, like Mr Constantine Mitsotakis of Greece and President Mario Soares of Portugal, confirmed this publicly.

While others were less keen to anticipate the EC's Dublin summit on June 25, there were signs in every capital that, not only were sanctions already crumbling, but that the majority of EC governments were eager to erase the sanctions hindrance from their agendas.

Now there are real

hopes among senior diplomats that a staged roll-back of sanctions will begin with an early end to sports, cultural and scientific boycotts.

It was clear, too, that President De Klerk's personal qualities — a laid-back, persuasive style and integrity — contributed greatly towards the emergence of a new European attitude towards South Africa.

The acceptance that apartheid is rapidly and genuinely becoming yesterday's issue is having profound consequences.

Now that apartheid is no longer the tie that binds the West with Africa in a moral crusade against Pretoria, there is no longer cause for blind allegiance between the two continents.

Struggling

Africa — and sub-continental southern Africa is part of it — will henceforth have to bargain its role on the world's political and economic stage purely on merit.

The EC made its message clear — it would like to see a newly respectable SA become the economic hub of sub-Saharan Africa.

Moreover, the EC would prefer to deal on a bloc-to-bloc basis rather than with a plethora of competing and failing nations.

West Germany's Minister of Economic Co-operation, Mr Jurgen Warnke, said after meeting President De Klerk that Germany regarded regional co-operation in Africa as "important from an EC point of view".

He told President De

Klerk that Germany would like to see SA as a member of the Organisation of African Unity, the African Development Bank and the Southern Africa Development Co-ordinating Conference — the latter being the region's equivalent of the EC with 95-million people in 10 states.

Industrialists and investors who met Mr De Klerk in Europe sought assurances from the President and Mr Botha that SA's new deal would have none of the fatal economic flaws found so often elsewhere in Africa.

Thus, when Mr Nelson Mandela follows President De Klerk on his own tour of European capitals next

month, he is likely to find that big money has very conservative politics.

Governments and the media also sought assurances from President De Klerk that his insistence on minority group rights would not have racial overtones. This he gave, to apparent satisfaction.

The subject is one Europe understands readily, struggling as it is for a political formula for unifying its own 12 EC nations.

There seemed a ready acceptance, too, that whereas violence in the past in SA sought to bring about change, the present violence in the country was designed to resist change.

Commonwealth chief urges support for FW

SI Times, 27/5/90

(56A)

Sunday Times Reporter

OUTGOING Commonwealth secretary-general Sir Shridath Ramphal says South African President FW de Klerk needs encouragement if real change is to be brought about in South Africa.

"We must encourage Mr De Klerk to progress down the negotiation path with a real constituency — all the people in South Africa must encourage him," said Sir Shridath.

He was speaking in Lusaka at the home of Zambian President Kenneth Kaunda where he was awarded the Grand Commander of the Order of the Grand Companion of Freedom (first divi-

sion) to mark Africa Liberation Day on May 25.

The Commonwealth head warned that oppressed South Africans would continue to suffer if the reform process was not allowed to continue.

"Victims of apartheid will bear the burden of struggle for many years to come if the opportunity for change does not take place," he said.

Sir Shridath, a Guyanese lawyer turned politician, has led the 49-member Commonwealth body for the last 15 years. His term of office ends on July 1 this year.

The veteran peace campaigner said earlier: "Sanctions are not punitive but a peaceful path for change in South Africa."

Tide has turned — we'll win, says FW

Weekend Argus Correspondent

JOHANNESBURG. — The tide had turned in South Africa and was starting to turn in Europe, President De Klerk said today.

To cheers and applause of supporters who met him on his arrival at Jan Smuts Airport here today, he said: "South African pride has been restored. We have made up our minds, know where we are going and we are going to succeed."

The crowd of more than 2 000 flagwaving supporters welcoming the president after his European tour was swelled by MPs, Cabinet ministers and members of the President's Council.

Flags in orange, white and blue bearing pictures of President De Klerk and the today's date were handed out with "I Love FW" stickers.

Squarely in the eye

Before the president's arrival the police choir from Soweto, accompanied by singers Innes and Frana Bernardi, sang a welcome.

President De Klerk stepped on the podium accompanied by Constitutional Development Minister Dr Gerrit Viljoen and Foreign Minister Mr Pik Botha. After a welcome from Dr Viljoen, the president took the microphone amid great cheers.

He said that he had looked the international community squarely in the eye. He spoke of the importance of South Africa and said the country had not yet reached its full potential.

South Africa would be one of the greatest countries in the world, he said. "There are people in Europe who hope and pray just as much as us that we will be successful in the new South Africa."

President De Klerk said even the public in Europe warmed to his entourage and the few demonstrators were pathetic. There were no demonstrators or protesters at the airport today.

Heavy police presence

At the close of his speech, a brief address by Mr Botha and a hymn by the police choir, President De Klerk asked that the national anthem be sung.

Afterwards he left and the crowd dispersed quickly.

On the highway between the airport and Pretoria policemen manned almost every bridge and at the airport building itself there was a heavy police presence.

WHEN his presidential Boeing 707 touches down at Jan Smuts tomorrow morning, President F. W. de Klerk will have every justification for feeling well pleased with himself.

He came to Europe to convince political leaders an irreversible process of change, justifying a rethink on relations, was under way.

Without exception the leaders he has met so far have believed him. There is no reason to suspect that Italian Prime Minister Giulio Andreotti, whom De Klerk meets today, will not.

Britain's Margaret Thatcher again leapt ahead of her EC colleagues. She declared sanctions to be a thing of the past and called for stepped-up lending to SA to enable the country to achieve growth rates at which it would be possible to begin undoing the ravages of apartheid.

West German Chancellor Helmut Kohl was less forthcoming but signalled approval by upgrading the status of De Klerk's visit. He promised an EC rethink on June 25 and, as by then there should be movement in SA to allow exiles to return and the release of political prisoners, a signal can be expected.

That a signal is all that can be hoped for has more to do with SA's pariah status under P. W. Botha and his NP predecessors than a belief among European leaders that sanctions are in any way beneficial to change in SA. It will take time and continued change in SA before European leaders feel publicly ditching sanctions will not count against them with their own electorates.

In reality, however, sanctions are a thing of the past. Restricted SA exports are slipping into Europe with increasing ease and senior Foreign Affairs officials predict a complete return to normality within six months.

As far as the ruling politicians of the European countries visited are concerned, De Klerk has received a thumbs up.

But, separately, and perhaps more importantly, the President has also held numerous meetings with industrialists and financiers. As far as this group is concerned, the jury is still out — not on De Klerk but on the new SA he envisages.

On Tuesday night De Klerk faced

Businessmen may be harder to woo than the politicians

MIKE ROBERTSON in Rome

one of his toughest challenges. At the invitation of Europe's biggest bank, Deutsche Bank, he addressed German industrialists and financiers with more than R3bn invested in SA. The dinner was a private affair, but according to those present De Klerk delivered, as on every occasion on this tour, an upbeat message. SA had changed irreversibly, good progress was being made towards negotiations, the time had come for the international community to rethink its position on SA.

The message was apparently well received — then the tough talking started. What the industrialists had come for was not the message of hope, which they welcomed, but to sense whether the new SA would have the stability they required for continued investment.

All De Klerk could answer was: "We are prepared to compromise, but we are not prepared to commit suicide" — a message he repeated when he addressed leading Swiss bankers and industrialists in Zurich. Change in SA has come at a time when its only real competitor in the strategic metal field, the Soviet Union, is finding it difficult, if not nearly impossible, to switch from a command economy to one in which the market has a limited role.

The Soviet Union has the metal and minerals but lacks the technology, efficient transport system and business "culture" to inspire confidence as a reliable supplier. If bankers and industrialists are concerned

about stability in a future SA, they are doubly concerned about stability in Mikhail Gorbachev's Soviet Union. Glasnost and perestroika may excite the politicians of Europe. Ruhr industrialists, faced with increasing competition from Japan and the emerging Asian tigers, need coal, minerals and metals.

Another factor in favour of SA and the southern African region is the growing environmental problem in Europe. Green issues will continue to

be agenda-setting matters.

Beneficial spinoffs include platinum. The West Germans have been at the forefront of efforts to get the EC to accept compulsory fitting of catalytic converters to control vehicle exhaust emissions.

The two Germans will be united later this year or early in 1991. East Germany has some of the foulest air and cars which are the worst polluters in all Europe. If EC standards of pollution control are to be applied in East Germany, SA platinum producers can only benefit.

European green awareness offers other, more substantial, opportunities for SA. Pollution from smokestack industries has wreaked such havoc in EC countries that the expansion of mineral and metal beneficiation plants has almost been ruled out because they are too "environmentally" costly.

Beneficiation of this type figures high on the agenda of Administration and Economic Co-ordination Minister Wim de Villiers as he sets about restructuring government's economic policy.

The combination of a Europe constrained by an environmental straightjacket, a stable rand and a government seeking to build on strategic advantages promises much in the line of jobs and export earnings.

An unanswered question is whether bankers will be willing to come forward with new loans to fund such developments. Before De Klerk's tour, his party believed it faced

strong competition from former East Bloc countries and the Soviet Union for development capital. But, with the exception of some British banks, it appears that the general assessment of European bankers is that the central European economies are "hollow shells" and not safe risks.

In Switzerland, where the banker is king, things are looking decidedly better for SA. Margins are coming down, followers are being granted more easily and officials talk in hushed tones of a gradual return to normality.

The Deutsche Bank's irritation to De Klerk was, as one SA official put it, a stamp of approval for good housekeeping. If Europe's leading bank is looking again at SA, others will soon follow.

Much, as the questioners at the dinner demonstrated, depends on perceptions of future stability. SA does not yet have the beggar status accorded to the rest of Africa (with Botswana as the notable exception).

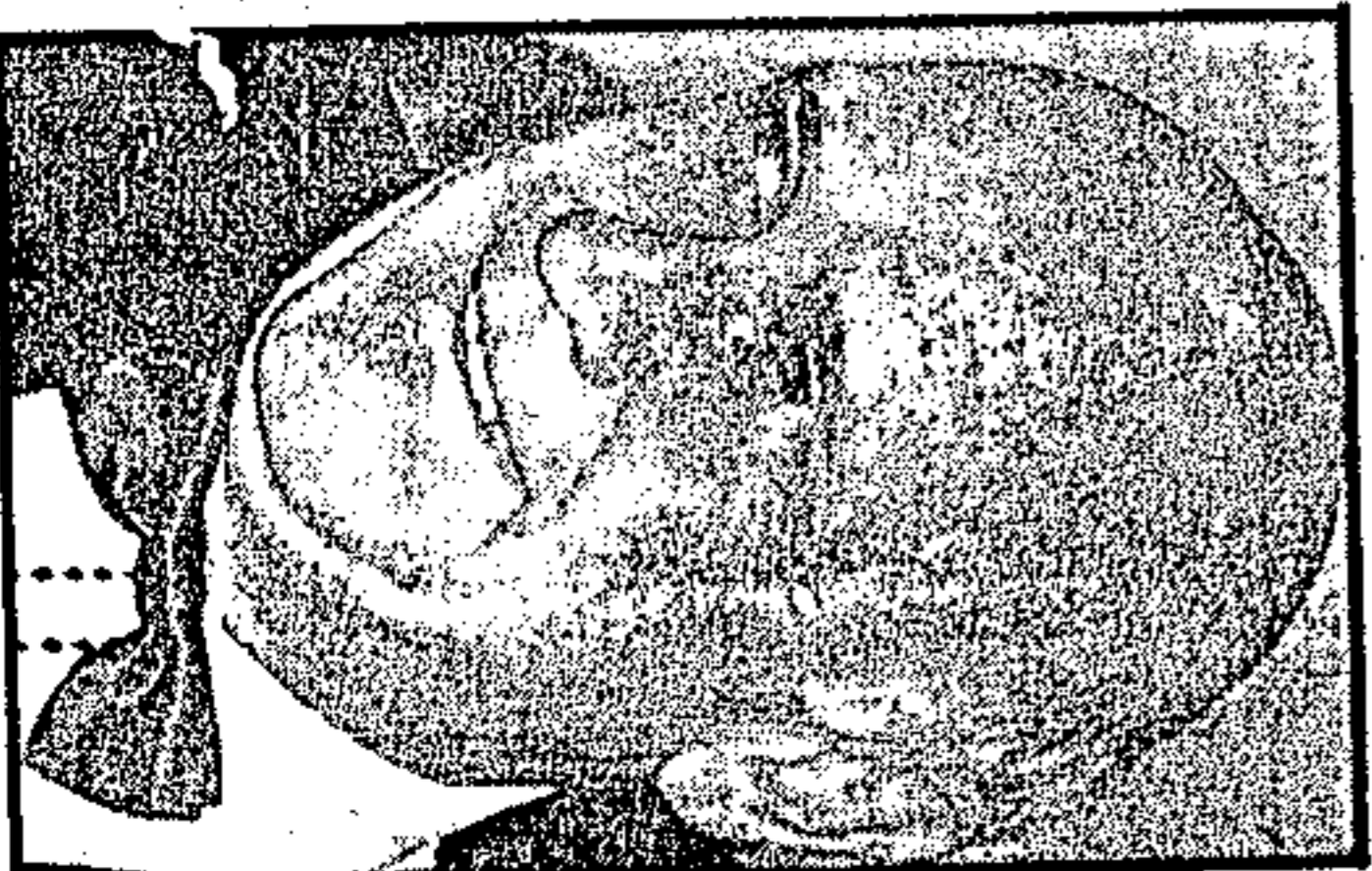
Nelson Mandela will be following De Klerk to Europe. He will be welcomed with enthusiasm — lionised for his unstinting opposition to apartheid. Politically, it is too soon for him to stop talking about sanctions, so he will make a ritual call for the continued application of restrictive measures. European political leaders (not Thatcher) will mumble platitudes and soon get back to serious business.

If Mandela gets beyond the platitudes and is treated to a session at Deutsche Bank followed by a grilling by the gnomes of Zurich, those with money at stake will soon convince him he is flogging a dead horse.

A chance exists for SA and perhaps the southern African region not to be written off by Europe, but only if it is soon realised it was only apartheid that kept us on the front pages.

Without apartheid we stand in line with the rest of the Third World. Without stability and attractive opportunities for investors, despite our strategic advantages, we will be written off with contempt like the rest of Africa.

SA managed to attract attention through the abhorrence of its political system. Now it has to do it the hard way — by succeeding.



□ DE KLERK

European business takes the lead

Triumph for FW boosts SA's image

B/Day 28/5/90

56A

SA's credibility among both politicians and businessmen in Europe has soared following President F.W. de Klerk's successful nine-nation tour.

De Klerk told hundreds of cheering supporters on his arrival at Jan Smuts: "We looked Europe squarely in the eyes. The road for normal relations is open... We are believed."

A first indication that this is true is that the Italian equivalent of the Chamber of Business is sending out a delegation to investigate SA investment opportunities.

On the tour De Klerk met leading British, German and Swiss bankers.

Europe's largest bank, the Deutsche Bank, sent out a very strong signal of approval for his policies by inviting him to address a closed meeting.

Although the bankers were all concerned about stability in a changing SA, finance officials in Europe are expecting smaller banks to look anew at SA following the trip.

Already rollovers and short-term and some medium-term loans are becoming easier to secure in Europe. Officials are now awaiting a breakthrough in securing long-term loans.

Aides said the meetings with businessmen, including leaders of major international corporations and banks, could prove in the long run to have been the most impor-

MIKE ROBERTSON

tant part of the tour.

As far as sanctions are concerned De Klerk said at Jan Smuts that the countries visited fell into two categories.

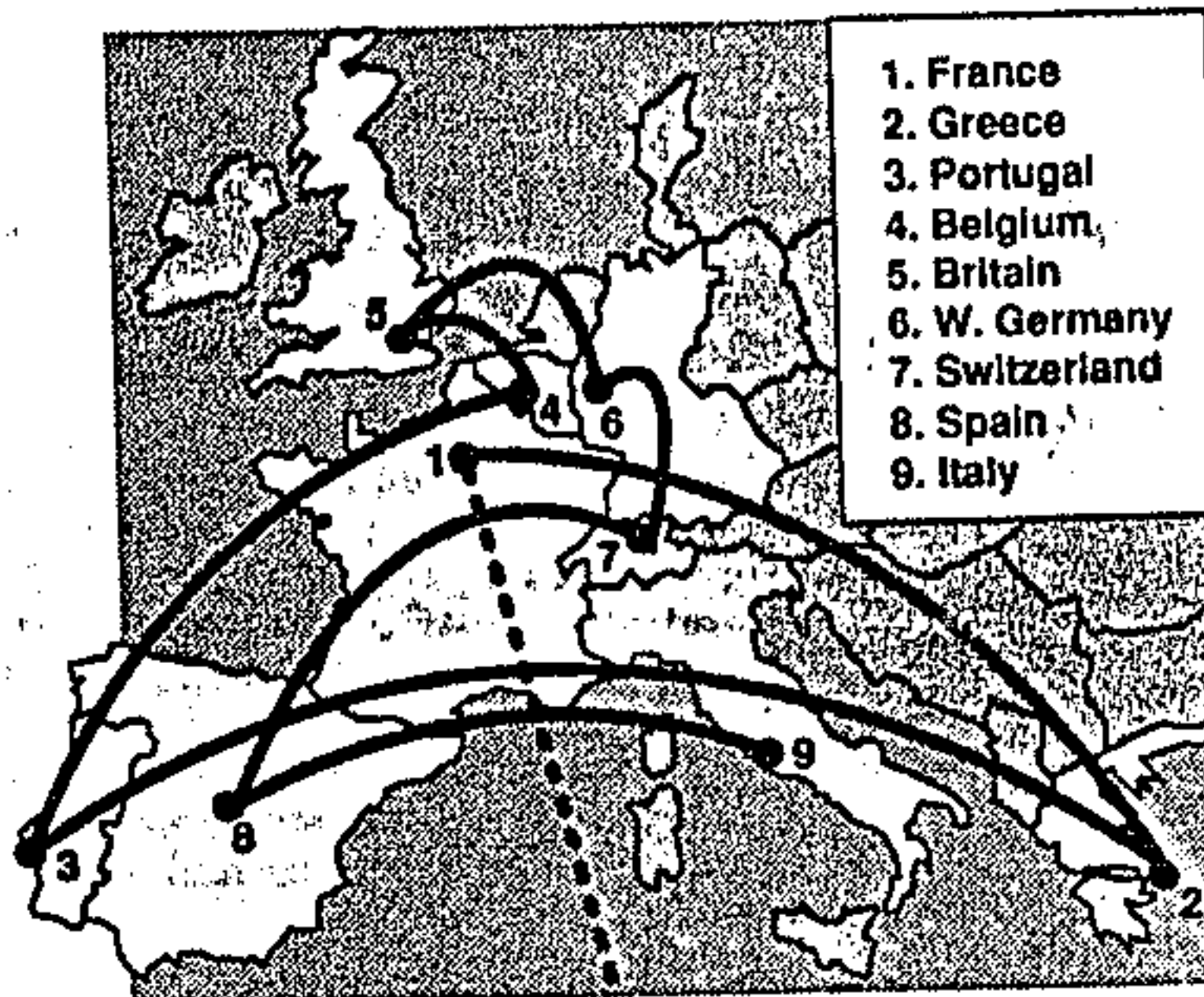
In the first group sanctions were already crumbling and the countries were looking to do new business with SA as they realised a prosperous SA was also in their interests.

Significantly, De Klerk said this group of countries included more than Britain and Portugal — the only ones to call publicly for the immediate lifting of all sanctions.

The second group, he said, was ready to normalise relationships with SA, but was awaiting a joint decision by the EC.

The important breakthrough on sanc-

□ To Page 2



P.T.O.

Italians could hold the key to EC policy

ROME — President F W de Klerk arrived here last night on the final leg of his nine-day national European tour for important talks with the Italian government of Prime Minister Giulio Andreotti.

The Italians will take over the presidency of the (EC) after the head of state summit in Dublin on June 25.

In this role they will play a major part in any decision to lift sanctions against SA.

When De Klerk held successful talks with Andreotti last year, the latter was still foreign minister.

SA Foreign Affairs officials are hoping to build on this, anticipating that the Italians, who are major importers of coal and diamonds, will join Portugal and Britain in calling for the EC to roll back sanctions.

The presidential party arrived here after paying a lightning visit to Spain.

De Klerk was met at Madrid's Barajas Airport by Spanish Prime Minister Fran-

MIKE ROBERTSON

cisco Fernandez Ordonez, from there he, his wife Marike and Foreign Minister Pik Botha were flown by helicopter to Zarzuela palace where they met King Juan Carlos and his wife Queen Sofia.

Queen Sofia spent two years in SA after being invited by former prime minister Jan Smuts. (SGA)

King Juan Carlos met De Klerk in full military uniform as he had just finished a meeting with heads of the armed forces.

De Klerk also held talks with Spain's socialist Prime Minister Felipe Gonzalez.

Since Nelson Mandela's release and the ANC's unbanning, Spain has lifted some sporting restrictions against SA, allowing SA golfers to play in Spain for the first time in several years. It has also indicated it favours lifting cultural sanctions.

● See Page 6

Major implications of FW's visit to Rome

President de Klerk arrives in Rome today very much aware of the vital importance of his visit to Italy, a country which gave the world the humanism of the renaissance period and produced artistic geniuses such as Da Vinci and Michelangelo, as well as Machiavelli's *real politik*.

There are at least two factors which make President de Klerk's visit the most important leg of his 19-day European tour.

Italian president Francesco Cossiga will be president of the European Community (EC), which has great political and economic clout and been vociferous in its criticism of South Africa's apartheid policies.

His presidency of the EC will be from July to December.

If there is any change in the EC attitude to South Africa in that period — according to Dr G L Mascia, a counsellor and second-in-charge at the Italian Embassy in Pretoria — it will have to go through Mr Cossiga.

On the economic front, Italy is by far South Africa's biggest trade partner in Europe — if gold and coal are considered.

The ⁵⁶²2515190 President ⁵⁶⁴ in Europe

Italy, the last country on President de Klerk's nine-nation European tour, will head the European Community — which has imposed sanctions on South Africa — during the second half of this year. KAIZER NYATSUMBA reports.

Italy, the world's largest producer of jewellery, is also the largest importer of South African gold.

Italy also imports coal, and exports machinery, fashions, jewellery to South Africa, says Dr Mascia.

In 1988, Italian imports from South Africa were worth a staggering R5 000 million — against exports of about R1 362 million.

The 1988 trade figures confirm Dr Mascia's view that "there is a large imbalance in

the trade in favour of South Africa".

Although no Italian head of state has ever visited South Africa, former President Botha paid an unofficial visit to Italy during his European tour in 1985.

This year Italy, out of a renewed interest in South Africa because of President de Klerk's political reforms since February 2, sent a delegation consisting of members of the Italian parliamentary commission for foreign and community affairs.

South African Minister of Foreign Affairs Pik Botha, who is travelling with President de Klerk, later met his Italian counterpart, Gianni de Michelis, in Windhoek during the Namibian independence celebrations on March 21.

Mr de Michelis, according to a spokesman for the Depart-

ment of Foreign Affairs (DFO), told Mr Botha that southern Africa was now "a high priority on the Italian development aid programme".

Diplomatic relations between the two countries have never reached breaking point or been dangerously strained.

Italian policy towards South Africa has traditionally been conditioned by the EC's collective decision-making process.

This explains why, apart from EC and United Nations sanctions, Italy has never imposed sanctions of its own.

On the cultural level, at least 60 000 Italians are resident in South Africa, according to Dr Mascia. Many of these came to the country as prisoners of war during World War 2.

At least 80 000 Italian POWs were shipped to South Africa.

Although most of them later returned to Italy, a quarter stayed in South Africa, and later many who left came back, said Dr Mascia.

Rome, the capital of Italy, is also the capital of the Roman Catholic Church, and there are hundreds of thousands of Catholics in South Africa.

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US adde

LONDON. — There is "no place now" for sanctions against South Africa, Prime Minister Mrs Thatcher has told the House of Commons.

In a strongly worded reply to a question yesterday she said sanctions were "irrelevant".

"Those who want South Africa to have a prosperous economy cannot justify supporting continued sanctions," she said.

Her statement would appear to signal another European Community disagreement over sanctions when heads of state meet for a summit in Dublin on June 25.

Unstoppable

Other European leaders have indicated to President De Klerk that they plan to reconsider and possibly relax sanctions — but most have stopped short of promising to scrap them.

However, Mrs Thatcher, long at odds with the EC on this question, made it clear yesterday that she believed change in South Africa was unstoppable.

President De Klerk outlined his plans to her during a lengthy discussion on Saturday and clearly convinced her that

there was no turning back.

Responding to cue in the form of a question from rightwing Tory Mr John Carlisle, the British leader told the Commons that everyone who had met and heard Mr De Klerk had "admired his integrity and courage".

Sport links

She described the reform process as "irreversible", saying it would end apartheid and lead to a fully democratic South Africa.

"I believe he (Mr De Klerk) deserves support and that there is no place now for sanctions, which are irrelevant."

In his written question Mr Carlisle asked whether she would give the go-ahead to a British withdrawal from the Gleneagles Agreement and the restoration of sporting links with South Africa. Mrs Thatcher's reply indicated that she would.

Downing Street said the statement did not represent any departure from Mrs Thatcher's traditional line. But it is one of her clearest indications of her total opposition to sanctions in any form.

No place for embargoes against SA, Thatcher tells Commons

(56A)

Argus 23/5/90

Sanctions 'irrelevant'



INTERNATIONAL

Hungary looks to EC, rejects Warsaw Pact

BUDAPEST. — Hungary has formally turned its back on four decades of communism by voting into office a government which wants to take the country out of the Warsaw Pact and into the European Community.

The country's parliament voted by 218 to 126, with eight abstentions, yesterday to accept a programme of national renewal presented by a three-party conservative coalition under the country's new Prime Minister, Mr Jozsef Antall.

Mr Antall is leader of the Hungarian Democratic Forum which won national elections on March 25 and April 8.

The vote installed Mr Antall, a 58-year-old historian, as head of a new government formed by the Forum with the rural Independent Smallholders' Party (ISP) and the Christian Democratic People's Party (CDPP).

It is Hungary's first coalition government since 1947. In 1948 the Communist Party seized power and outlawed all rivals until last year, when it abandoned Marxist ideology and became a Western-style socialist party.

Nine of the new ministers belong to the Forum, four to the ISP and one to the CDPP. Three are independents. All are men.

Mr Antall pledged to present within three months a detailed three-year plan based on the programme of national renewal.

The programme rejects "shock therapy" and radical economic changes recommended by a committee of international economists.

It aims to brake inflation which is running at more than 20 percent a year, encourage share ownership, privatise state companies and stimulate small and medium-scale enterprises.

The government also pledged itself to start negotiations designed to withdraw Hungary from the Warsaw Pact and committed itself to the concept of an integrated Europe. — Sapa-Reuter.

ARKYS 23/5/90

'Time to take off apartheid glasses'

From ALAN DUNN
Political Staff

BERNE. — President De Klerk has said South Africa's international relations would normalise "whether it happens now or whether it happens in six months".

He was speaking at a news conference yesterday and using far bolder tones towards European leaders than previously on his successful nine-country tour.

Officials saw Mr De Klerk's brisker attitude and crisper utterances as a sign of gaining confidence with only two visits, Spain and Italy, to come.

The remark on normalising relations, saying that it would definitely happen, was seen as part of a new assertiveness after a pattern of delicate, more circumspect replies.

He said that the time had come for Europe to decide whether it would back communism or free enterprise in South Africa.

"The time has come for the world to take off the apartheid glasses through which it looks at South Africa," he told the news conference.

"JUDGE ON MERIT"

He said the European Community should analyse which policies it wanted in Southern Africa because it would become an important region.

Apartheid was going and, "if the world judges, then it must judge on the merits of policies and philosophies," he said.

If the irreversibility of the change process did not get recognition and international support "then that lack of recognition will play into the hands of radicals, who do not want to see a peaceful solution," he said.

Dublin conference holds key to SA-EC relations

BONN — June 18 is emerging as the next critical day for warming South African-European relations as Foreign Ministers of the 12 EC countries meet in Dublin to discuss the issue.

Senior government sources, midway through President de Klerk's nine-country tour which seems to have developed an unstoppable momentum of success, cannot at this stage say what will emerge from that conference.

"There is persistent talk of dropping the cultural boycott, which would include sports ties and may mean the first A-team rugby tour after many years of isolation.

But top officials note that South Africa has already punched a gaping hole in the sanctions barriers. Mr de Klerk's visit itself and the smiling welcomes into palaces and parlours whose doors have been very firmly shut for years.

It is understood newspaper baron Rupert Murdoch emphasised this point when he met the South Africans over lunch at Chequers on Saturday.

Known by Europeans as "the little Gorbachev", reformist Mr de Klerk seems to have impressed most he has met.

The spin that South African officials are putting on the tour via upbeat, non-attributable whispers, seems to be borne out by what is emerging in the press and from utterances and leaks from the other sides.

"The going continues to be good," as one official attending most of the talks put it after the Thatcher encounter, is true. The European mood is fast changing.

While Mr de Klerk takes care at press conferences to note he is not in Europe with cap in hand, waving a list of sanctions he wants dropped, there is no doubt this aspect of South Africa-EC relations looms largest in the conference rooms.

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JUNE

18

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The EC Foreign Ministers' June meeting will be vital to South African-EC relations, reports **ALAN DUNN.**

account, a chance for him to project himself, to let leaders, industrialists, bankers and the news media assess him. The reality, however, is that it is about sanctions.

Nobody is bluffing — Mr de Klerk's high ground tactic of not cajoling the people he meets is a solid, clever one.

But his drive for a "fundamental re-evaluation now" of what is happening in South Africa is recognised for what it is: an oblique yet powerful plea to change po-

licies and, thereby, drop sanctions. He makes the case as compelling as a lawyer can, noting that jobs have been lost and socio-economic programmes that could have served black upliftment have been retarded by sanctions.

Mr de Klerk said in London at the weekend he thought some action could come from the EC this year to acknowledge the changes that had taken place in South Africa and the irreversibility of them.

But nobody in the South African side is at this stage prepared to offer the forecast that this will happen on June 18 as Foreign Ministers gather to prepare for the two-day EC summit a week later.

It is clear the big scrum is on June 18" said one South African source. "Let's face it, June 25/26 is just going to be based on what the foreign ministers decide".

Although Britain's Mrs Thatcher no longer stands alone in rejecting some of

the EC sanctions, she has taken another solo step in rewarding Mr de Klerk by pledging her help in securing South Africa access to vital foreign funds.

Others of the EC 12 have asked Mr de Klerk to do more, however. Political prisoners and exiles and the state of emergency are the three points they most mention.

Mr de Klerk has indicated both the questions of political prisoners and returning exiles are presently receiving his urgent attention. The emergency, however, is dictated by conditions on the ground.

Mr de Klerk has argued often on this tour that the emergency is not for political gain and harassment. It is there to smother violence which is no longer anti-government, but "black-on-black".

The emergency lapses on June 10, the week before the foreign ministers convene in Dublin. Mr de Klerk will have to decide whether to renew it nationally, or

selectively to deal with violence in trouble spots such as the Maritzburg area.

Anything he does in the next month may tip the foreign ministers' hands either way.

Mr de Klerk said on Saturday that some countries — it is believed he was referring mainly to Belgium — may find difficulty in extending dramatic, positive gestures to South Africa.

While the leaders have warmed markedly to the De Klerk regime, their constituencies probably have not yet.

The positive and prominent press Mr de Klerk has received on the tour — Greece was the notable exception — will accelerate the grassroots awakening in Europe that change is afoot in South Africa.

It will heighten Mr de Klerk's chances of a trophy on June 18. Much depends, though, on what he delivers before then.



SA 22/5/90

De Klerk tour: 'Unstoppable momentum of success'

News 21/5/90 56A

EC meeting vital for SA

ALAN DUNN of the Political Staff reports from BONN

JUNE 18 is emerging as the next critical day for warming South African-European relations as foreign ministers of the 12 European Community countries meet in Dublin to discuss the issue.

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There is persistent talk of dropping the cultural boycott, which would include sports ties and may mean the first A-team rugby tour after many years of isolation and rebels for rands.

But top officials note that South Africa has already punched a gaping hole in the sanctions barriers: Mr De Klerk's visit itself, and the smiling welcomes into palaces and parlours whose doors have been very firmly shut for years.

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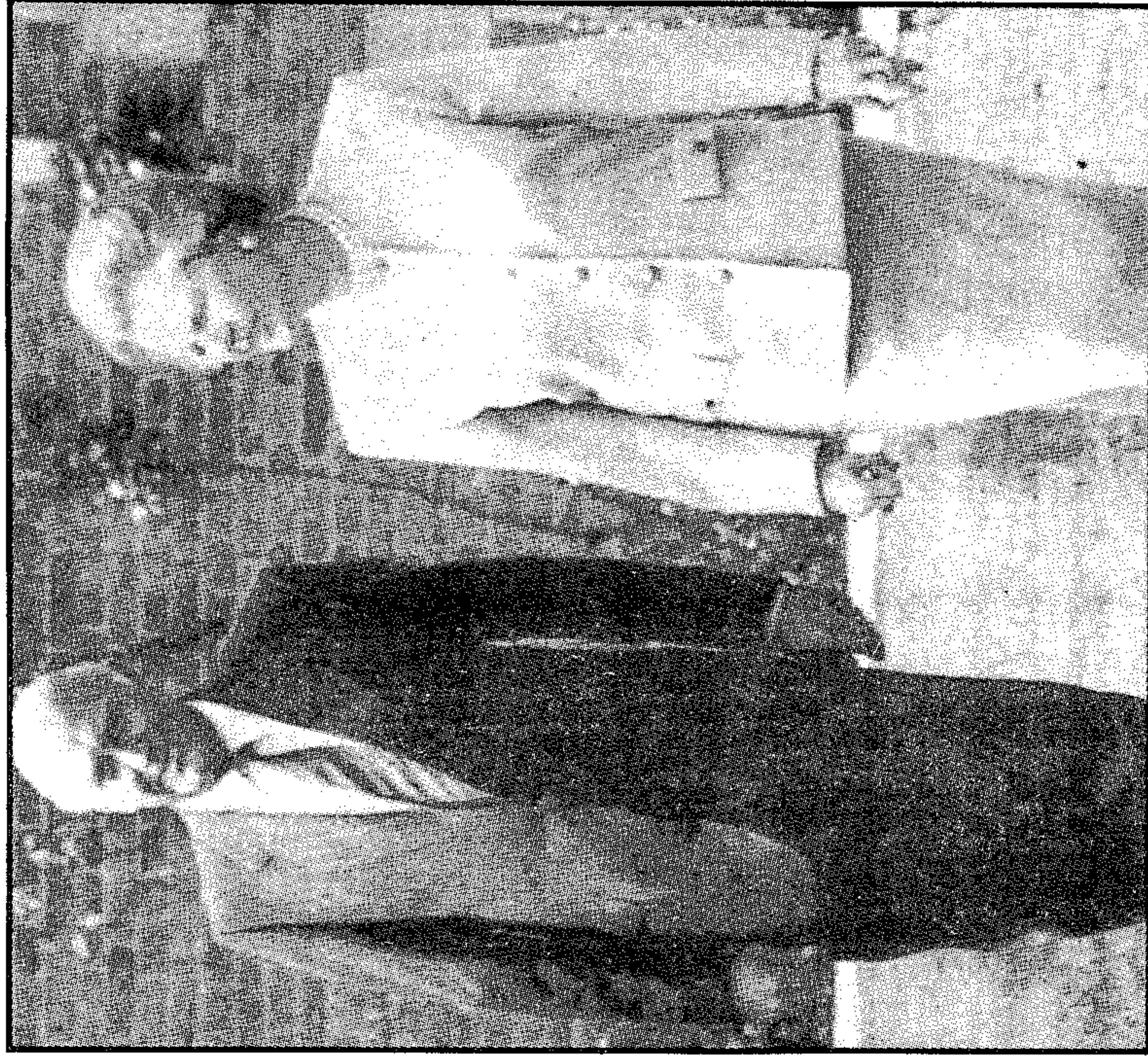
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"The going continues to be good," as one official attending most of the talks put it after Mr De Klerk's meeting with Mrs Margaret Thatcher. The European mood is fast changing.

While Mr De Klerk takes care at every press conference to note that he is not in Europe with cap in hand, waving a list of sanctions he wants dropped, there is no doubt that this aspect of South Africa-EC relations looms largest in the conference rooms as they talk.

This tour is about a first-



Mr F W de Klerk and British Prime Minister Mrs Margaret Thatcher stroll through the gardens of Chequers, Mrs Thatcher's official residence, before talks between the two leaders at the weekend.

hand De Klerk account, a chance for him to project himself, to let leaders, industrialists, bankers and the news media assess him. The reality, however, is that it is about sanctions.

Nobody is bluffed — Mr De Klerk's high ground tactic of not cajoling the people he meets is a solid, clever one. In fact, he avoids initiating the topic of sanctions.

But his drive for a "fundamental re-evaluation now" of what is happening in South Africa is recognised for what it is — an oblique yet powerful plea to change policies and, thereby, drop sanctions.

He makes the case as compelling as a lawyer can, noting that jobs have been lost and socio-economic programmes that could have served black upliftment have been retarded by sanctions.

Mr De Klerk said in London at the weekend he thought some action could come from the EC this year to acknowledge the changes that had taken place in South Africa and the irreversibility of them.

But nobody in the South African side is at this stage prepared to offer the forecast that this will happen on June

oners and exiles and the state of emergency are the three points they most mention.

French President Francois Mitterand, the first leader he saw and key to the success of the tour, was one of them.

Mr De Klerk has indicated that the questions of political prisoners and returning exiles are in the works and receiving his urgent attention. The emergency, however, is dictated by conditions on the ground.

Mr De Klerk has argued often on this tour that the emergency is not for political gain and harassment. It is there to smother violence which is no longer anti-government, but "black-on-black", as he describes it.

The emergency lapses on June 10, the week before the foreign ministers convene in Dublin. Mr De Klerk will have to decide whether to renew it nationally, or selectively to deal with violence in troublespots such as the Maritzburg area.

Anything he does in the next month may tip the EC foreign ministers' hands either way. It is by no means certain at this stage that they will respond with sanctions relief.

Mr De Klerk said on Saturday that some countries — it is believed he was referring mainly to Belgium — might find difficulty in extending dramatic, positive gestures to South Africa.

While the leaders have warmed markedly to the De Klerk regime, their constituencies probably have not yet done so.

The feeling is that European voters, bombarded for years with harshly critical reporting of the government of which Mr De Klerk was a Cabinet minister, will take time to adjust to South Africa's changing realities.

The Generally positive, prominent and invaluable press Mr De Klerk has received on the tour — Greece was the notable exception — will accelerate the grassroots awakening in Europe that change is afoot in South Africa.

That will heighten Mr De Klerk's chances of a trophy on June 18. Much depends, though, on what he delivers before then.

18 as foreign ministers gather to prepare for the two-day EC summit a week later.

"It is clear the big scrum is on June 18," said one South African source. "Let's face it, June 25/26 is just going to be based on what the foreign ministers decide."

Although Mrs Thatcher no longer stands alone in rejecting some of the EC sanctions, she has taken another solo step in rewarding Mr De Klerk by pledging her help in securing South Africa access to vital foreign funds.

Others of the EC 12 have asked Mr De Klerk to do more, however. Political pris-



FW AT CHEQUERS . . . President F W de Klerk and Mrs Margaret Thatcher outside Chequers, the British Prime Minister's country residence, on Saturday.

Picture: REUTER

Investment Coup for FW

CAPT TUNP 2/15/90

56A
[Handwritten signature]

From ANTHONY JOHNSON

BONN. — Leading European industrialists with interests in South Africa were ready to expand their operations, top South African government sources said yesterday.

President F W de Klerk's touring party arrived here last night after "highly successful" talks with Mrs Margaret Thatcher and more than 60 top British businessmen, bankers and industrialists.

A senior SA official in the touring party said the series of meetings with business leaders in five countries had been "very important" and could well turn out to be more significant than the meetings held with political leaders.

And tonight, after meeting West German Chancellor Mr Helmut Kohl and Foreign Minister Mr Hans-Dietrich Genscher, Mr De Klerk will fly to Frankfurt where he has been invited by a leading European bank to speak at a dinner attended by 50 top industrialists, bankers and businessmen.

A well-placed German source described tonight's meeting as "very important", adding that if Mr De Klerk made "a good impression" new loans and investment could be the result.

Prospects

Speaking at a press conference after a "very friendly" meeting at Mrs Thatcher's country residence, Chequers, on Saturday, Mr De Klerk said leading businessmen and bankers he had spoken to in Britain and other European countries had been "extremely interested and regarded us as a future market of great potential".

He said that businessmen and private investors he had spoken to in five countries were already looking at re-newing investment in SA — "already there is movement away from disinvestment".

"I also found a new interest and the absolute acceptance of the fact that South and Southern Africa offers tremendous prospects if one looks beyond the short-term problems."

This message was echoed in a statement from 10 Downing Street after the Chequers talks: "The task now is to help SA create the wealth, and have the access to international finance necessary, to create a successful post-apartheid society".

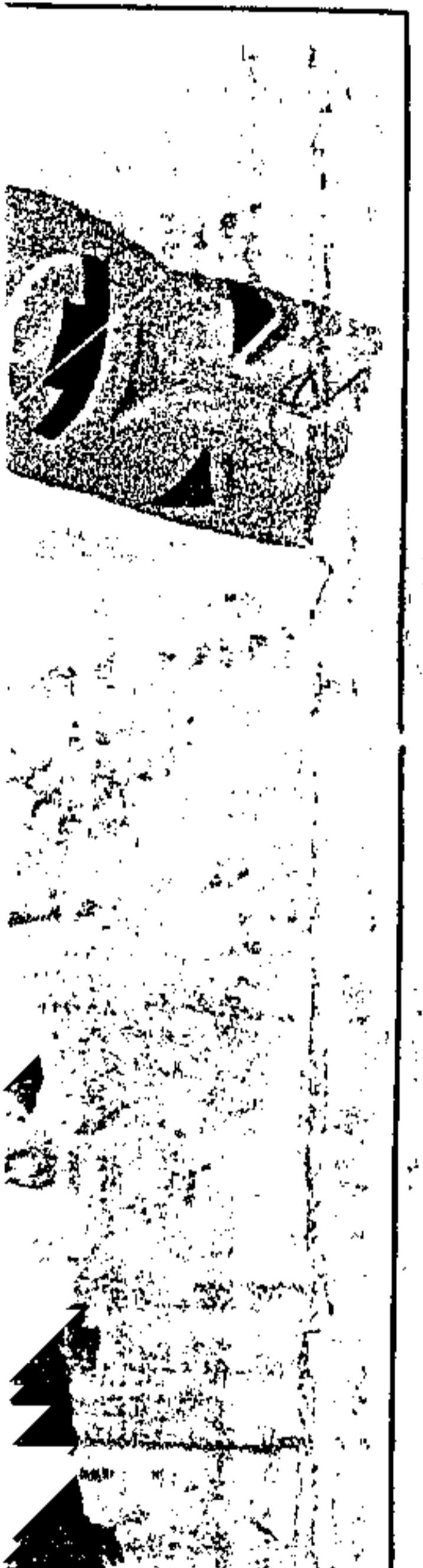
Mrs Thatcher's office also noted that

3 shot dead in WELKOM

CAPT TUNP
2/15/90

WELKOM. — Violence flared in Thabong township, leaving at least three people dead and scores seriously injured last night only hours after a mass meeting decided to call off an 11-day consumer boycott of the white town.

Police confirmed the deaths but could not give details.



Smal and Naas miss cup game

Staff Reporter

GERT SMAL won't be home in time for Western Province's Currie

May 21 1990

PAC warns on aid to government

By DENNIS CRUYWAGEN
Staff Reporter

THE Pan Africanist Congress has warned European governments to be "extremely cautious of giving any aid or sustenance" to the South African government.

Senior PAC member Mr Barney Desai said today his movement was concerned about rising immigration to South Africa.

The PAC was against further immigration because it would exacerbate the critical unemployment problem in the country, he said.

"Surely people are not incapable of acquiring skills if the means are put at their disposal," he said.

"When will this regime end this callous attitude which is causing near genocide for the indigenous people of this land. Or are they hell-bent on nurturing the seeds of a full-scale, bloody revolution?"

st EC ready to reassess policy on sanctions

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SNEEM (Republic of Ireland) — Foreign Ministers of the European Community (EC) confirmed yesterday that they were ready to reassess their policy of limited sanctions against South Africa in recognition of reforms initiated by President de Klerk.

The Ministers, many of whom have met Mr de Klerk on his present tour of Western Europe, gave a clear indication that they may offer some softening of the EC's stance to Pretoria when they next meet in Luxembourg on June 19. Any decision taken there would probably be endorsed by the EC summit a week later in Dublin.

The apparent change of mood is a clear boost for British Foreign Secretary Douglas Hurd, who in January stood alone in recommending a relaxation.

Dutch Foreign Minister Hans van den Broek indicated he might support some easing of sanctions, but only if they were linked specifically to new reform measures.

The apparent shift from full sanctions came in spite of the Ministers receiving a letter from the Commonwealth urging maintenance of sanctions. — The Independent News Service.

EUROPE AND SA FACING THE ~~2000~~ SAME DILEMMA

By LESTER VENTER: Political Correspondent

THIS should sound familiar: How can people of different nationalities, who speak different languages, have different cultures and customs and have attained different levels of economic development be accommodated with reasonable contentment in one political system?

It is, of course, and always has been, South Africa's problem. Well, now it's Europe's, too.

As the 12 leading nations of Europe (with Switzerland the notable exception) move through the vehicle of their Economic Community to a multi-faceted unity in 1992, their political conundrum comes into sharper focus.

And, indeed, it's in very sharp focus right now. It's a phenomenon that has done much to pave the way for the heart-warming reception President F W de Klerk has had here.

President De Klerk began the process by placing SA politics on a moral footing acceptable to the ancient civilisations of Europe. He unbanned his political opponents, permitted his countrymen the right to demonstrate their views, admitted the immorality of apartheid and set about its dismantling.



BELGIUM'S MARTENS

It's a curiosity that South African politicians could not see before — how elementary and decisive the moral considerations are to civilised nations.

Now that the situation has been corrected, or is seen to be "irreversibly" in the process of being corrected, there is a sense in Europe that both European and SA leaders are talking on equal terms about a common problem.

During his vital stop-over this week in Brussels, the city that is the pulse of the European Community, President De Klerk said between meetings with the Prime Minister of Belgium, Mr Wilfried Martens, and the President of the European Commission, Mr Jacques Delors, that he was encountering "constructive involvement and friendship".

The Foreign Minister, Mr Pik Botha, was more explicit. He predicted that European political unity would take place only in a charter that guaranteed minority and sectional safeguards.

The fact that Belgium only last year adopted a new constitution that granted those safeguards to its Flemish and Walloon minorities could not have been far from anyone's minds.

31 Times 2015/90 Changing

There was more. Diplomats said it was conveyed to President De Klerk and Mr Botha that SA should now become the hub of southern Africa's economic community, the Southern Africa Development and Co-ordinating Conference that was created to lessen dependence on SA by its neighbours in the region.

It's early days in South Africa's re-emergence into international respectability and there are bound to be many slips before the process has gone its course.

Mr Botha said on leaving Brussels: "While governments and experts understand the depth and the scope of the changes in SA, it may take European politicians a little while to make sure they are not running against the current of their own public opinion."

As this process goes on, however, it is likely to become clear that SA's foreign relations are becoming increasingly Euro-centric, easing up on the dependence on Britain that characterised relations until now.

As SA adapts to new European relations, it will at the same time have to adapt to a changing Europe — already by far SA's biggest market place.

While all this is going on, President De Klerk is showing he is the best man the country has for the job of directing its re-integration to the community of nations.

De Klerk finds EC reaction encouraging

BRUSSELS — President F W de Klerk said yesterday he believed the EC had a broad understanding and acceptance of the new dynamics in SA and of the irreversibility of the process his government had started.

"There is full understanding for the gravity of the steps the SA government has taken," he said after a two-day visit to Belgium and the EC headquarters.

"There is concern and a sincere interest that the government must succeed.

"My impression is one of a sense of constructive involvement not interference — almost friendliness — that greatly encourages me," De Klerk said.

Earlier yesterday he met Belgian premier Wilfried Martens after Wednesday's

discussions with Foreign Minister Mark Eyskens.

Eyskens was quoted after the meeting as saying: "It is time Belgian-SA relations were normalised."

"Mr de Klerk set out to me what he aimed to achieve and it sounds hopeful. We are receiving (ANC deputy president) Nelson Mandela here within three weeks, so we will hear both voices. (But) we have the impression that in SA an historic process has been started and that their standpoints are growing closer together."

De Klerk was warmly greeted by Martens at their meeting at the Hertoginnendal Castle. Flanked by the SA flag and the Belgian colours of black, yellow and red,

they posed for photographs at the main entrance before going inside.

They were joined later by Foreign Minister Pik Botha and senior officials.

On a separate programme, Marike de Klerk addressed the wives of SA diplomats attached to the two missions in Belgium — one to Brussels and the other to the EC — on the important role she felt they could play in encouraging acceptance abroad of the vision her husband had for a new SA.

De Klerk was also scheduled to meet EC president Jacques Delors, before flying to London to prepare for weekend discussions with British Prime Minister Margaret Thatcher. — Sapa.

81 Day 18/5/90

SLA

Sanctions 'inhibiting' plans for SA

BRUSSELS. — Sanctions were having an inhibiting effect on "imaginative developments" concerning social and economic programmes in South Africa, President F W de Klerk told a news conference here yesterday.

Mr De Klerk added that sanctions were also undermining the constructive role South Africa could play in Southern Africa.

He said the aim of his European tour was not particularly to get economic sanctions lifted, but to ensure EC leaders would be "fully aware of the dynamic situation in South Africa, of all the facts as they are ..."

He wished to emphasise that present restrictions were asking a heavy toll in a field where they could be the least accommodated — in the field of social and economic development.

"I did not come to Europe with

dynamic process taking place in South Africa," he said.

Currently, attention was being focused on solving the difficult problem of exiles and political prisoners.

"There is a risk of radicalism flaring up," Mr De Klerk added. a shopping list. I come on a mission to correct wrong perceptions and to bring across the fact of the new realism in South Africa," he said.

He had found "acceptance of the new dynamism, of the irreversibility of the process, and full understanding of the steps taken."

"That all South Africans have a vote of equal value, that's our goal," he said.

He emphasised that he was determined to do away with all statutory discrimination in South Africa.

"In the short term there will be recognition also by the EC of the

"We will deal with it in an orderly manner. We will not allow ourselves to be put off by vociferous minorities."

"We cannot allow that people arm themselves in an unlawful way or that private armies are brought into being. That is against the law ... If they break the law they will be prosecuted," Mr De Klerk said.

He admitted there was uncertainty among the population now. "I hope my trip can contribute to remove that uncertainty and to an international atmosphere of understanding that will have a stabilising effect," he said.

Mr De Klerk rounded off his two-day visit to Brussels with talks with Belgian Prime Minister Wilfried Martens and EC president Jacques Delors yesterday before leaving for London last night. — Sapa-Reuter-AP and UPI

From ANTHONY JOHNSON

BRUSSELS. — President FW de Klerk last night said he had "no doubt" the European Community (EC) would soon recognise the dynamic changes taking place in South Africa.

Mr De Klerk told an international press conference here: "I am really not looking for gestures — I am looking for a basic re-evaluation of policy and attitudes by the EC."

Mr De Klerk was speaking after in-depth discussions with the Belgian Prime Minister, Mr Wilfried Martens, which were described by sources close to the talks as "very, very positive".

It is reliably understood that the South Africans attending the talks "could agree with virtually everything" Mr Martens said.

He is believed to have reiterated that the lifting of the state of emergency, the release of political prisoners and the return of exiles would have to take place before Europe could reconsider lifting sanctions.

The SA delegation were also "delighted" with the discussion late yesterday with EC president Mr Jacques Delors.

As a group of about 25 activists chanted "Apartheid must go, sanctions stay" outside the International Press Centre, Mr De Klerk told journalists that his European tour would "contribute towards wise decisions".

Mr De Klerk said that while the main purpose of his visit was not to get sanctions lifted "as such", he was confident that Europe would give acknowledgement for the changes taking place in SA in a matter of "weeks and months". Europeans had "believed" the SA government representatives when they had been told that the issues of exiles and political prisoners were being "dealt with".

Mr De Klerk said SA had "some experience" in Namibia in dealing with such matters and procedures would be needed to deal with borderline cases.

Mr De Klerk said the state of emergency was under "constant review".

Asked whether he felt his meeting in Brussels with the chairman of the Ministers' Council of the EC, Mr Gerard Collins, would produce a positive report, Mr De Klerk said he was certain the Irish Prime Minister would bring out a "balanced report" on changes taking place in SA.

Mr De Klerk said that in the "in depth" discussions with a wide cross-section of political and business leaders in Belgium, he had "found throughout understanding for the depth and width of the process (of change) that is taking place in SA".

Mr De Klerk said he had found his visit to Belgium "productive and constructive" and had encountered recognition for the "very important economic role" SA had to play in developing the Southern African sub-continent "as a partner" with the European community.

● Mr De Klerk meets the British Premier and long-time opponent of sanctions, Mrs Margaret Thatcher, at Chequers tomorrow.

● Sanctions 'inhibiting' plans for SA — Page 5

FW is
sure
EC
will
take
note of
change
in SA

Cape Times
18/5/90
56A
~~56A~~
~~56A~~

AWB ^{Cape Times 18/5/90}
shock at
'drastic
defection'

PRETORIA. — The AWB has reacted with shock to the announcement by Blanke Veiligheid leader Mr Hennie Muller that he had joined Inkatha.

"Is he not aware of the fact, and the lessons from the past, that Zulus would definitely not protect Boer women and children?" AWB chief secretary Mr CA "Kays" Smith said in a statement yesterday.

The AWB executive committee had learnt with surprise and shock of Mr Muller's drastic step to join Inkatha, Mr Smit said.

Inkatha recently denied that Mr Muller, leader of a white group in Welkom said by many blacks to be vigilantes, had joined the Zulu nationalist organisation. — Sapa

crack of dawn



No, Dear, Father Christmas hasn't come early this year. That's a heavily disguised member of the CCB going to give evidence to the Harm's Commission.

Syfrets Cape Times

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How 'open' will EC's borders be?

The momentum grows towards a border-free Europe, but there are fears that it may lead to a Third World bar, writes SARAH HELM, Diplomatic Editor of The Independent, London.

The drive for a frontier-free Europe with a common European Community policy on immigration is once again gathering momentum amid claims from refugee agencies that it could turn Europe into a fortress against the Third World.

Five community members known as the Schengen group — West Germany, France, Luxembourg, Belgium and the Netherlands — met yesterday in The Hague to discuss their own border-free treaty, which could be signed as early as June.

If this goes ahead, it will put pressure on the EC to follow suit swiftly, once again sparking debate about how to balance the need for border checks to fight international crime and illegal immigration with the desire for an EC haven of free movement.

The intention under the Single European Act was that EC nationals would not need to be checked at internal borders because tighter restrictions, such as common visa and asylum policies, would be imposed at external frontiers, to prevent unwanted aliens gaining entry. Advocates argue that the new system will treat asylum-seekers and immigrants more fairly and consistently.

With changes in East Europe, the EC is showing a more welcoming face to its Eastern bloc neighbours, lifting visa restrictions for them, and there are fears that the tighter restrictions will now increasingly hit only those seeking to enter from other continents, particularly Africa where there is evidence of a mass movement of refugees into Europe.

Exacerbate

European refugee agencies and the United Nations High Commissioner for Refugees have pressed the EC not to set its entry policies at their most restrictive, and to maintain the principles of the UN Convention on Refugees. Alf Dubs, chairman of the British Refugee Council, said yesterday the EC was moving towards creating a special bar to non-white people.

"The policies are being set at their most restrictive; Europe is saying no to anyone from the Third World," Mr Dubs said. He said if non-whites did in future appear to be discriminated against by immigration laws, it would exacerbate racist tendencies in Europe.

The EC's restrictive approach was another sign that the EC was diverting attention to Eastern Europe at the expense of the poor countries in the southern hemisphere, said Mr Dubs.

Progress towards abolishing internal border checks and creating, instead, a tighter "ring-fence" around external EC frontiers appeared to run into serious problems last year over confusion about how German unification might affect the movement of people within the EC.

In particular, the Schengen group dropped plans to create their own early prototype of a border-free Europe precisely because West Germany had not resolved the position East Germany would have in the scheme.

However, with the swift progress towards unification, this seems to have been resolved and united Germany will be treated as one. Instead of treating the East-West German border as a heavily policed "external" frontier, Bonn will treat the East's border with Poland and Czechoslovakia as external, with tighter controls. East Germans, like all other Schengen citizens, will therefore be free to move within the five countries.

Although Britain favours a common visa and asylum policy, it is unhappy about lifting border checks at internal frontiers.

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Brussels protesters call for sanctions

From ANTHONY JOHNSON

BRUSSELS — Pro-
testers calling for the re-
tention of sanctions
against South Africa
marched through the ar-
city here to mark the ar-
rival of President F W de
Klerk today.

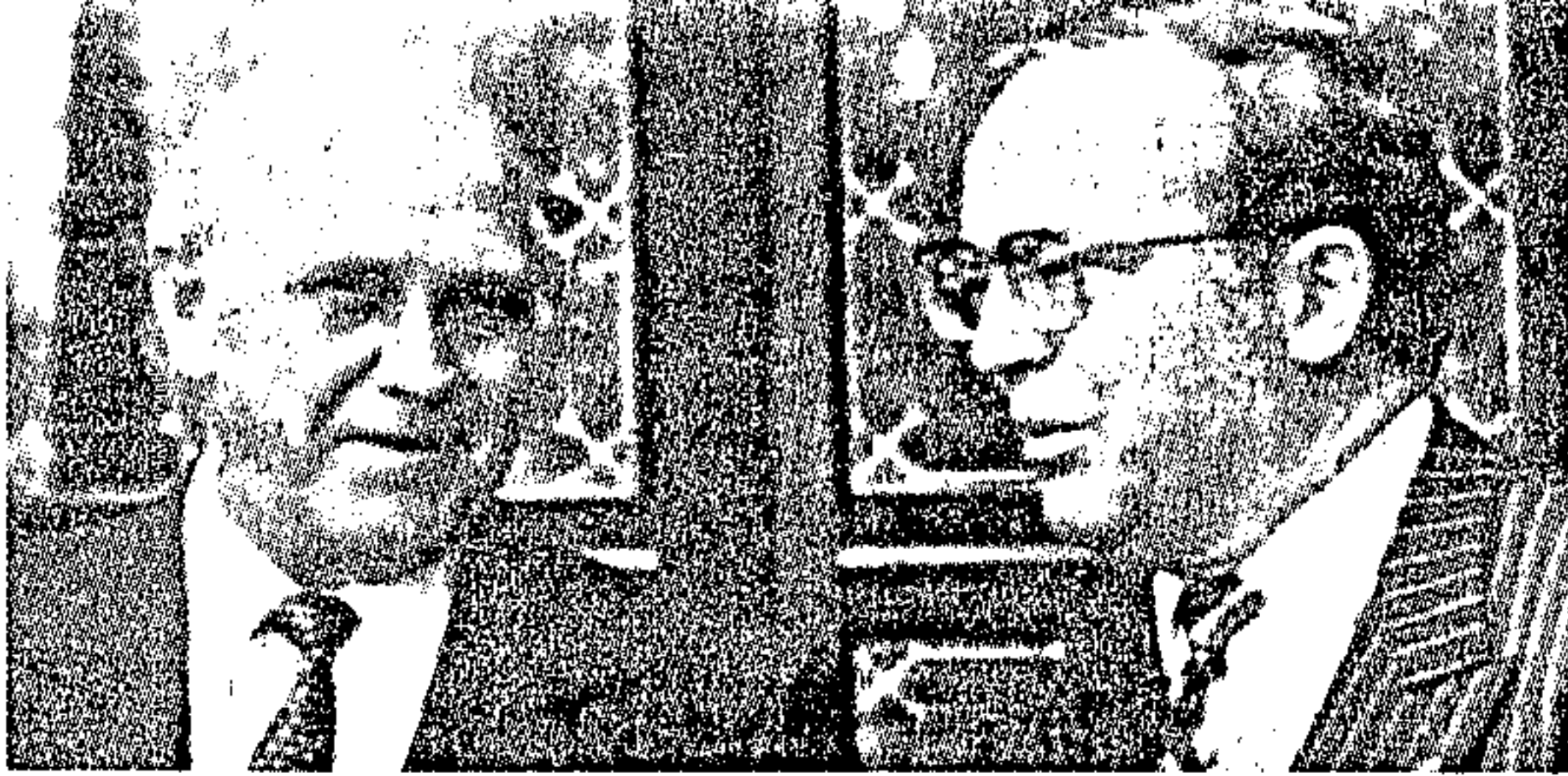
The roughly 300 anti-
apartheid activists in-
cluded Ms Helene Pas-
stours and a delegation
of the Association of
West European Parlia-
mentarians for Action
against Apartheid with
representatives from the
Christian People's Party
(CVP) and the People's
Union (VU) and the So-
cialist Party (PS).

Organisers said an-
other demonstration was
planned to coincide with
Mr De Klerk's crucial
meeting with Mr Jacques
Delors, the president of
the European Commis-
sion, at its headquarters
here this evening.

Although Mr De Klerk
and members of his
party have not been spe-
cifically asking leaders
on the current European
trip to lift sanctions, this
is clearly a by-product of
talks that Pretoria is
hoping for.

The protesters have
been trying to keep up
pressure on the Belgian
government and the
European Community to
retain sanctions until all
the demands of the Har-
are declaration have-
been realised.

● Pit and Mandela plead
for support — Page 3



TOP LEVEL: President De Klerk chats to Belgian Prime Minister Mr Wilfried Martens during their meeting in Brussels yesterday.

Belgians are confident FW will deliver

ARCAS 18/5/90

(Soft)

From PETER FABRICIUS and ALAN DUNN
Political Staff

BRUSSELS. — Belgian Prime Minister Wilfried Martens has expressed confidence that the South African government will take immediate steps towards lifting the state of emergency, releasing political prisoners, amending security legislation and ending violence.

He gave this indication after meeting President De Klerk here yesterday. And senior government sources have confirmed that Mr Martens's expectations are well-founded.

Mr De Klerk left Belgium last night for Britain, confident that Europe is accepting that the changes he has introduced will lead irreversibly to the end of apartheid.

Senior government sources have expressed satisfaction with the outcome of Mr De Klerk's meetings in Belgium with Mr Martens, the powerful Mr Jacques Delors, president of the European Commission, and other politicians and businessmen.

They said the meetings with businessmen were a great success and they had been invited "to come in on the ground floor and invest."

The pro-sanctions lobby appears to be crumbling here. A small crowd of about 25 chanting demonstrators greeted Mr De Klerk when he arrived for the meeting with Mr Delors.

Waiting crowd

Among them was Mrs Helene Passtoors, the jailed ANC activist released from prison in South Africa a year ago and now working in the ANC's Brussels office.

A crowd of the same size was waiting for him at his hotel in London.

Government sources said that a year ago there would have been 2 000 demonstrators.

Mr De Klerk was met at Heathrow by Deputy Prime Minister Sir Geoffrey Howe and South African ambassador Mr Rae Killen.

Mr De Klerk will see British Prime Minister Mrs Margaret Thatcher for an all-day meeting at her country residence, Chequers, tomorrow.

Tonight he will be guest of honour at a banquet of British VIPs hosted by Mr Harry Oppenheimer.

Tomorrow Mrs Marike De Klerk will go on a sightseeing boat trip to Greenwich and will address diplomats' wives at South Africa House.

On Sunday Mr De Klerk will lay a wreath at Brookwood cemetery in memory of 147 South African soldiers killed in World War 1.

At yesterday's lunch Mr Martens, warmly toasted "the new South Africa" and promised Belgium's support for Mr De Klerk's reform moves if they continued.

'Europe accepts SA is changing'

Political Staff

BRUSSELS. — President F.W. de Klerk said here that half-way through his European tour, he felt Europe had accepted the irreversibility of the changes taking place in South Africa.

"I feel a sense of involvement, not interference, a constructive involvement and an almost friendliness which has encouraged me," he said yesterday.

He was speaking at a press conference at the European Commission near the end of the Belgian — the fourth — leg of his nine-nation tour.

Asked what Europe's message to him was so far, he said: "At this middle stage I think there is a broad acceptance of the new dynamics in South Africa, an acceptance of the irreversibility of the process we have started and a full understanding for the gravity of the steps taken."

"There is also a concern and a positive wish that we should succeed."

Mr De Klerk also suggested that the desegregation of hospitals in South Africa should serve as proof to Europe that SA was serious about dismantling apartheid.

Pik, Mandela plead for support

CRIT TINT
17/5/70

(6A)

Own Correspondent

BRUSSELS. — Foreign Minister Mr Pik Botha yesterday appealed to Belgian parliamentarians to reward President F W de Klerk's reforms while in Nigeria Mr Nelson Mandela urged Commonwealth foreign ministers not to relax sanctions.

Mr Mandela was addressing the Commonwealth Foreign Ministers Committee in Abuja with Common-

Sir Shridath said that despite Britain's "minimalist" approach, sanctions had forced President De Klerk to make major policy changes.

But he said the main legislative pillars of apartheid remained intact.

He predicted Mr De Klerk's tour of nine European countries to persuade the European Community to lift sanctions would fail.

Mr Mandela told the Foreign Ministers Committee he was amazed at the suggestion that sanctions should be eased.

"The unbanning of the ANC and release of some political prisoners is not what the liberation struggle is all about," Mr Mandela said. "It is about getting rid of apartheid."

He said his talks with Mr De Klerk earlier this month had done no more than begin removing obstacles to real negotiations.

Yesterday in Brussels Mr Botha said President De Klerk could not indefinitely continue his rapid pace of change without some reward from the international community.

Addressing the multi-party Belgian-South African Parliamentary Association with Mr De Klerk, Mr Botha said his president had only held the post since September.

"In that brief space of time he has taken the imagination of the world.

"(But) he cannot continue like this indefinitely at this rapid pace without some reward or some recognition which we can show to the white electorate, which is our electorate (in South Africa)."

Mr Botha said if the international community did not respond, the white electorate would start saying, "the violence has increased, Mr De Klerk has done all these wonderful things, and the only thing the Europeans are doing is giving him a pat on the shoulder and saying 'very nice, a step in the right direction' ... like a goose on the way to its doom."

Earlier, Mr Botha told the 60 parliamentarians that Mr De Klerk's delegation had been given an excellent reception, particularly in France, but also in Greece, Portugal and now Belgium.

In his address, Mr De Klerk said, "What has happened in South Africa deserves a fundamental re-examination of attitudes ... not half-hearted, not a shifting of goalposts ... what has happened has already changed the face of South Africa.

"We are asking you to help create an international atmosphere which will be conducive to negotiations."

He said: "There is no turning back. However vociferous the opposition may be, we are going ahead and we want to do so with the greatest possible speed.

"We are talking of weeks and months, not years." — Sapa-Reuter

Soares visit a vital breakthrough for SA

For the first time since 1975, a head of state will be greeted with the pomp and ceremony of guards of honour and gun salutes when President Mario Soares of Portugal visit South Africa in the near future.

His acceptance of State President F W de Klerk's official invitation has been interpreted as an important breakthrough in South Africa's international relations.

It is also a clear indication of the success of President de Klerk's visit to Portugal this week, one of nine countries included on his current European tour.

The significance of President Soares's decision is accentuated by a look in the history books, which reveal that the heads of state who have visited South Africa — particularly since the Nationalists came to power in 1948 and the subsequent introduction of apartheid — can be counted on one hand.

The British Royal Family under the leadership of King George VI visited the country in 1947.

President Soares will be the second Portuguese head of state to pay a state visit to South Africa, following that of President Lopez in 1956.

President Alfredo Stroessner of Paraguay came out on an official visit in 1975 at the invitation of President Jim Fouché.

His visit was hailed by South African

Portuguese president Mario Soares will pay a state visit to South Africa in the near future.

Political Reporter **ESMARE VAN DER MERWE** puts his visit — one of a very few since the Nationalists came to power — in historical context.

commentators as an exceptional and remarkable event during a time of international diplomatic isolation.

His visit was fiercely attacked by the United Nations, which has vigorously campaigned against South Africa's apartheid policies and has played a major role in the country's international isolation.

The first black head of state to pay a state visit to South Africa was President Hastings Banda of Malawi. A believer in "killing apartheid with kindness", he visited the country in 1971.

Other senior government officials, prime ministers and members of royal African and Western countries have visited, but their visits have not been official state visits in terms of protocol.

Rand Afrikaans University political analyst Deon Geldenhuys believes the state

visit by President Soares is an acknowledgment by Western leaders of President de Klerk's reforms as well as South Africa's role in southern Africa.

"The mere fact that so few heads of state have ever visited South Africa already indicates the importance of the visit. It is a feather in the cap of President de Klerk.

"First, this is tangible evidence of Western acceptance of his seriousness about reform. Second, it indicates acknowledgment of South Africa's role in southern Africa.

"President Soares is an esteemed leader in Europe and definitely not a right-winger. It is highly significant that he has accepted the invitation, particularly in the light of Portugal's ties with Angola and Mozambique," says Professor Geldenhuys.

Political analyst Willem Kleynhuis also stresses the significance of President Soares's visit, but adds: "Western leaders should visit the country to realise that change cannot happen overnight. The current euphoria does not take into account the reality of political inexperience, poverty and disadvantage.

"It is important that they not only ride around in limousines and be entertained in banquet halls; they should also visit the backyards of deprived black South Africans."

'A reward needed to show white electorate'

By PETER FABRICIUS and ALAN DUNN

BRUSSELS — President de Klerk needed a reward from Europe to show his white voters — or he could "go like a goose to his doom", Foreign Minister Pik Botha told Belgian parliamentarians.

He was addressing about 40 MPs at the parliament here yesterday on a tour with Mr de Klerk to try to persuade Europe to end South Africa's isolation.

He said Mr de Klerk had, in his brief term as president, seized the world's imagination.

"He cannot continue like this indefinitely at this rapid pace without getting some reward or some recognition which we can show to the white electorate, which is our electorate," he said.

"Otherwise they will start saying the violence has increased and he has done all these wonderful things and the only thing the Europeans are doing is giving him a pat on his shoulder and saying 'very nice, very nice, a step in the right direction' like a goose on its way to its doom.

Mr de Klerk promised to tend promptly to the release of political prisoners and the granting of indemnity to exiles.

These are two of the crucial requests European leaders are presently putting to him to enable them to ease sanctions. Mr de Klerk was speaking in a parliamentary committee room to the South African-

Belgian Interparliamentary Society, a 50-strong voluntary group of liberal and conservative MPs saying they wanted the truth on South Africa.

He said that the report of the joint Government-ANC group given the task of identifying those eligible for release or indemnity would be on his desk when he returned home.

"It will receive immediate attention. We want to take the process of normalising the political process to its logical conclusion as soon as possible."

Re-evaluation

He said that what his Government had already done deserved a fundamental re-evaluation by European governments.

Earlier, Mr de Klerk and Mr Botha saw Mr Gerard Collins, chairman of the Ministers' Council of the European Community. Mr Botha said afterwards they were able to brief him on matters that didn't appear in the Grootte Schuur Minute.

It was important the Foreign Ministers of the EC 12 be kept informed of the Government's visions, predictions, interpretations and assessments of events in South and southern Africa, Mr Botha said.

"It (the meeting) was very encouraging ... We don't know what he will report but his reactions seemed sympathetic."

He said the Government was hopeful of a growing understanding in Europe of the complexity of South Africa's situation. Mr Collins said he and Mr Botha had spoken of the position in South Africa since the Government met the ANC.

He would convey what he had been told to a meeting of EC Foreign Ministers on June 18 as they prepared for a summit of EC heads of state on June 25 and 26.

On his meeting with the Centre for European Policy Studies, a key private body advising the EC, Mr Botha said it was very encouraging to hear their views on southern Africa.

The governments of Europe were more and more inclined to be against the transfer of public resources for African development. And the private sector would not invest unless there was stability on the continent, he said.

"We will miss the boat completely unless we come forward with sensible, realistic macro-economic policies which will make South Africa safe for investment."

He was sure ANC deputy president Nelson Mandela would hear the same thing on his visit to Europe.

"It is not necessary to wait any longer for a normalisation of relations before lifting sanctions," he said. If one did, the whole of South Africa, including the ANC and Inkatha, would face ruin.

Racism - a monster in the making by AWB

Racism on the Reef has begun to take a violent, and even deadly form. **CLAIRE ROBERTSON** of The Star's Pretoria Bureau reports.

A senior member of the editorial staff of The Star was travelling from his home with his wife and daughter last week when he stopped near a confecti- onary in a blue-collar white neighbourhood.

A red Cortina with tinted windows slowed as it drove by and the white men inside yelled abuse at him, shouting "Kaffir! Kaffir!" repeatedly.

Joe Latakomo had not noticed the car before — there had been no interaction between the two drivers which could have antagonised the men.

He looked at his wife and daughter, saw the men were spoiling for a fight. He did not react to the taunts.

Discretion is increasingly the better part of valour in a city where the colour of your skin can mean a roadside execution.

And rather than "antagonise" a passing white man simply by being black, Pretoria's township dwellers are increasingly reluctant to travel on certain roads after dark.

Random choice

Nine men and women have died in or near Pretoria since November 1988 in racial killings characterised by their apparently random choice of victims.

The recent trend began with the shooting of seven black people in Strijdom Square, Pretoria, in November 1988.

A spate of minor incidents followed until — two weeks ago — the incidents again took a deadly turn with two men being killed and two injured in attacks by whites.

Those listed below were sifted from the many attacks on the home or person of even minor public figures and concern victims with no public political or social office. They were apparently killed, wounded, threatened or insulted solely because they were black.

● Ismael Mogatle (35) was shot in the leg while walking on the

Ventersdorp-Klerksdorp road on the evening of May 12.

● On the previous Saturday, Petrus Makena (28) and Simon Koba (27) of Soweto were killed and a companion wounded when unidentified white men opened fire on the men and a friend near Cullinan.

● In January Indian residents in Mayfair and Fordsburg reported harassment by a group of whites who approached their car with knuckle dusters, baseball bats and sticks in a threatening manner before the men and women managed to escape.

Death sentence

● In June last year Lesotho tourists at a Rustenburg hotel had their cars vandalised, with the words "Wit Wolf" scratched on one.

● On November 15 1988 Barend Hendrik Strydom killed seven black men and women in a bloody rampage through Pretoria's city centre. He was sentenced to death in May last year.

Fred van Staden of Unisa's Department of Psychology is surprised there have not been even more killings since Strijdom Square.

Dr van Staden described territorialism as "a strong instigator of senseless racial killings" by whites who see what they perceive as their rights being eroded with no visible compensation.


"Possibly frustration with someone at work is generalised on to all black people — any black person can then represent (the white's) bone of contention."

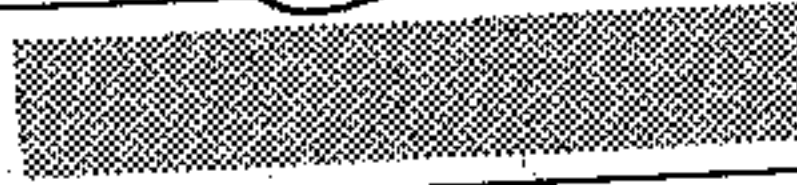
"In a strange way, an organisation like the Afrikaner Weerstandsbeweging can act as a way for these people to channel their energy. But it then becomes potentially even more damaging," he said.

"Eugene TerreBlanche (AWB leader) is creating a monster. I hope he can control it."

Star
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WS 

Commonwealth optimistic, but sanctions stay

ABUJA (Nigeria) — Commonwealth Foreign Ministers end a two-day meeting today determined to maintain sanctions against South Africa, but cautiously optimistic that its Government is on the way to abolishing apartheid.

Commonwealth Secretary-General Shadrach Ramphal said the ANC's deputy president, Nelson Mandela, had developed a rapport with President de Klerk based on mutual respect and trust.

"There are delicate issues which could be serious stumbling blocks ... but in general we find the mood optimistic," Mr Ramphal said. — Sapa-
Reuter.

17/5/90

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NE

De Klerk pledges further reforms to Europe

By Peter Fabricius,
Political Correspondent

BRUSSELS — President de Klerk is indicating to Europe that more reforms are on the cards in South Africa within the next month after the opening of hospitals to all races was announced in Parliament yesterday.

European leaders have been pressing him for further steps to enable them to ease sanctions.

Mr de Klerk pledged yesterday to tend promptly to the release of political prisoners and indemnity for exiles.

These are two of the crucial requests European leaders are putting to him to facilitate a quid pro quo.

Mr de Klerk meets the in-

fluent Jacques Delors, president of the European Commission here today — the first meeting between the head of the EC and a South African head of state.

SA diplomats believe the meeting — requested by the socialist Mr Delors — is an important sign of the thawing of relations with Europe.

Reward

They say Mr Delors has been rather aloof until now, but predict a reasonably clear change in attitude is coming.

The South African Minister of Foreign Affairs, Pik Botha, addressing MPs in the Belgian Parliament yesterday, said Mr de Klerk needed a reward from Europe to show his white voters — or he could “go like a goose to

his doom”.

“He cannot continue like this indefinitely at this rapid pace without getting some reward or some recognition which we can show to the white electorate, which is our electorate,” he said.

Mr de Klerk, in his address to the Belgian MPs, said the report of a joint Government-African National Congress group on identifying those eligible for release or indemnity would be on his desk when he returned home.

“It will receive immediate attention. We don't want any delay. We want to take the process of normalising the political process to its logical conclusion as soon as possible,” he said.

There had been substantial progress.

“We are talking about weeks and months, not years.”

Earlier, Mr de Klerk and Mr Botha saw Gerard Collins, chairman of the Ministers' Council of the European Community.

Summit

Mr Botha said afterwards they were able to brief him on matters that did not appear in the Groote Schuur Minute, the Government-ANC accord reached early this month.

Mr Collins said he would convey what he had been told to a meeting of EC Foreign Ministers on June 18 as they prepared for a summit of EC heads of state on June 25-26.

This suggests that Mr de Klerk must make some more reform moves by June 18 if he intends tipping an EC decision.

● See Page 21

De Klerk for talks with influential EC president

Political Staff *17/5/90*
BRUSSELS. — President De Klerk is to have talks with influential Mr Jacques Delors, president of the European Commission, here today — the first meeting between the head of the EC and a South African head of state.

Diplomats believe the meeting, requested by socialist Mr Delors, is an important pointer to a thaw in relations between South Africa and Europe.

They said Mr Delors had been "rather aloof" until now but predicted a change in attitude.

Mr Delors, a former French Minister of Economic Affairs, is one of the architects of the European Community and wields huge influence personally and officially.

As sanctions against South Africa have increasingly become an issue decided on a Europe-wide basis, the grip of the EC on South Africa's fate has tightened.

South African diplomats constantly complain that even European nations sympathetic to South Africa and opposed to sanctions will not budge from European sanctions policy unless the whole community budges.

Mr Delors's power rests on several foundations.

He heads the commission which formulates most of the policy eventually agreed to by the Council of Ministers.

REAL POWER

He also exercises influence because as president of the commission he sits in on the meetings of the council — although without voting rights.

But his real power lies in the reputation he has built up as one of the leading champions of the EC. As its reputation and power grows, as it is doing rapidly, so does his.

In Euro-politics he is regarded as an equal to British Prime Minister Mrs Margaret Thatcher or West German Chancellor Helmut Kohl.

Mr De Klerk will also meet Belgian Prime Minister Mr Wilfried Martens for discussions and a working lunch at the Val Duchesse, Mr Martens's office.

Last night Belgian Foreign Minister Mr Mark Eyskens met Mr De Klerk and Foreign Minister Mr Pik Botha at the Stuyvenberg Castle, where Mr De Klerk he is staying as a guest of Belgian King Boudouin.

FW could 'go like goose to his doom'

From ALAN DUNN
and PETER FABRICIUS
Political Staff

BRUSSELS. — President De Klerk needed a reward from Europe to show his white voters — or he could "go like a goose to his doom", Foreign Minister Mr Pik Botha told Belgian parliamentarians.

He was addressing about 40 MPs at the parliament here yesterday on his tour with Mr De Klerk.

He said Mr De Klerk had in his brief term as president seized the world's imagination.

"He cannot continue like this indefinitely at this rapid pace without getting some reward or some recognition which we can show to the white electorate, which is our electorate," he said.

"Otherwise they will start saying the violence has increased and he has done all these wonderful things — but the only thing the Europeans are doing is giving him a pat on his shoulder and saying 'Very nice, very nice, a step in the right direction' — like a goose on its way to its doom.

MASK BEING LIFTED

"We are not here to ask favours — we are here simply to state the facts," he said, noting that Mr De Klerk wanted to save not only his country but all southern Africa.

He said the government hoped there was a growing understanding in Europe of the complexity of South Africa's situation.

Apartheid had been a mask, preventing people from understanding



President De Klerk chats with King Baudouin of the Belgians yesterday.

the problems. Now that it was being lifted people were beginning to see the reality of South Africa.

On his meeting with the Centre for European Policy Studies, a key private body advising the European Community, Mr Botha said it was encouraging to hear their views on southern Africa.

The governments of Europe were more and more inclined to be against the transfer of public resources for African development.

And the private sector would not invest unless there was stability on the continent, he said.

"We will miss the boat completely unless we come forward with sensible, realistic macro-economic policies which will make South Africa safe for investment."

The effect of events in eastern Europe was that governments would not supply more than 15 percent of capital to developing countries. The rest would have to come from the private sector.

"We will cut our throats unless we seriously take a sober and close look at events in Europe," he said.

B Day 17/5/90

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Mark threatens EC currency

STRASBOURG — Europe's prototype single currency is in danger of being ousted by the mark, EC commission president Jacques Delors has warned.

He indicated the European Currency Unit (ECU), an artificial denomination based on a basket of EC currencies, could soon be knocked into oblivion by the German currency.

Pointing out that the 6-billion ECUs in circulation represented only 2.5% of EC trade, he said: "If we don't strengthen it now, in five or six years' time we won't use it."

Businessmen use the ECU as a hedge against exchange rate fluctuations. But the Brussels commission has marked it for greatness as a replacement of the pound, the franc and other currencies by 1996.

As Europe gears up for the abolition of exchange controls in July, anxiety is increasing that the stability of the mark, and its consequent attraction for capital, will give the West German Bundesbank an unhealthy dominance over EC economies.

It is the urge to claw back some mone-

Own Correspondant

tary sovereignty from Germany that has led countries like France and Italy to campaign for a single federal Eurobank in which all EC countries would have a say.

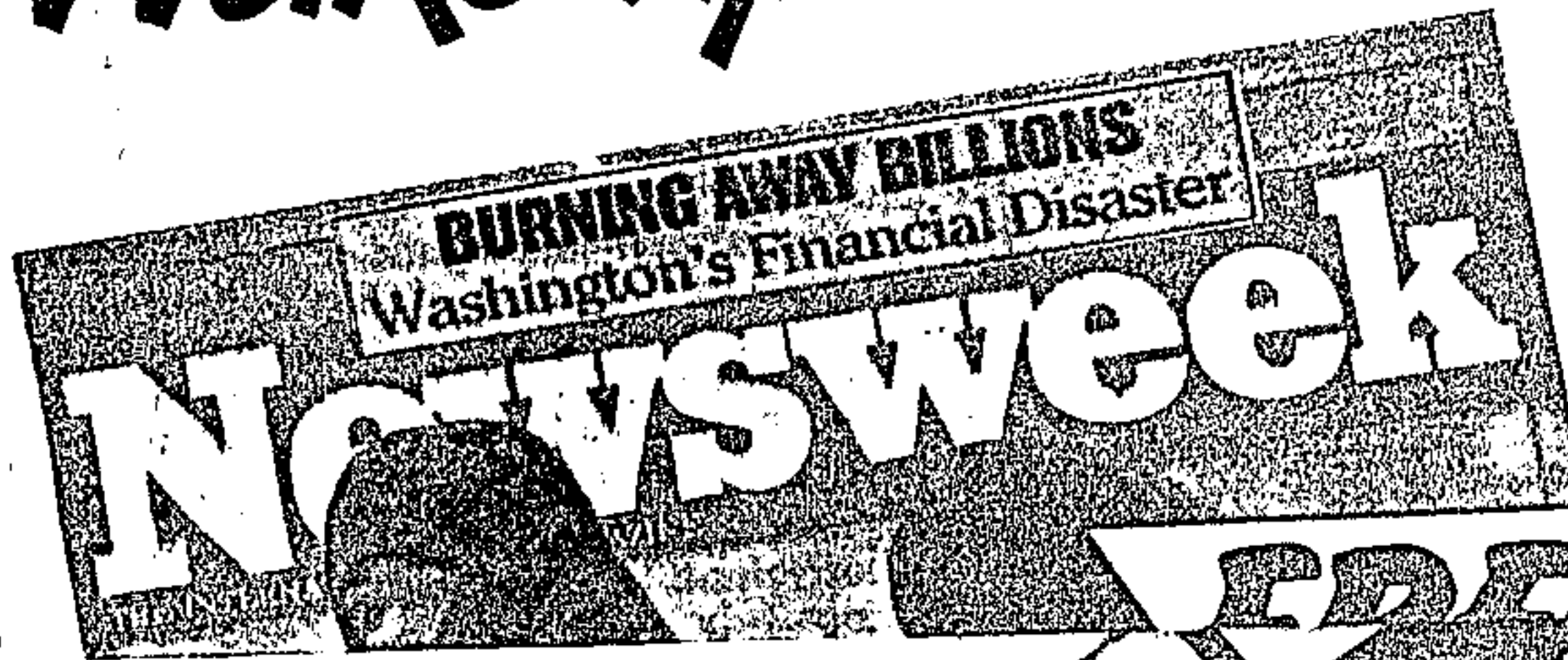
They are still smarting from the occasion last October when EC central banks were obliged to put up interest rates only 40 minutes after they were raised by Bundesbank president Karl-Otto Pohl.

But Tuesday's Euro-parliament debate on the proposed EC central bank made it clear the federalists have yet to show that "Eurofed" could be at once accountable to national governments and, at the same time, pursue the unbending monetary policy of the Bundesbank.

With Greece, Portugal and Ireland on the board of Eurofed, the Germans believe monetary policy could become lax and prone to inflation.

It is an issue that could still sink plans for European monetary union. — Daily Telegraph.

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ISSUE

Mario Soares accepts invitation to visit SA

Portugal's



President De Klerk with President Soares yesterday

sanctions policy

From ANTHONY JOHNSON
Political Correspondent

USBN. — Portugal's President Mario Soares has called on the 12-member European Community to drop all sanctions against South Africa.

The plea by the president, who later this year will pay an official state visit to South Africa, came as South African diplomats claimed a dramatic turn in the sanctions tide against South Africa.

One week into Mr F W de Klerk's European tour, sanctions were becoming "a moral issue, not for SA, but for Europe", one top source said.

The announcement of President Soares's visit, the first by a head of state since Paraguay's General Alfredo Stroessner in 1975, was made yesterday at the end of President

De Klerk's highly successful two-day visit to Portugal.

Both sides called for closer political, economic and cultural links between the two countries.

And in another significant development, Foreign Minister Mr Pk Botha will today meet his Irish counterpart, Mr Gerard Collins, in Brussels.

Mr Collins is the current chairman of the EC Council of Ministers which is meeting in Strasbourg. He will brief the meeting on his discussions with Mr Botha.

Mr De Klerk arrived in Belgium last night, the fourth stage of his 18-day European tour. He will leave for London and his meeting with Mrs Margaret Thatcher tomorrow evening.

Today he visits King Baudouin and is to meet Belgian Prime Minister Mr Wilfried Martens and Mr Jacques Delors, president of the European Community's executive Commission, tomorrow.

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Mr De Klerk said last night that his visit to US President George Bush on June 18 would, as was the case with his current European tour, be aimed at "a fundamental re-evaluation of the SA situation".

At a joint press conference yesterday at Portugal's Belem Palace, President Soares said that he and his Prime Minister, Mr Anibal Cavaco Silva, agreed that "the sanctions which apply to SA should not apply because of the changes which have taken place."

"The position of the Prime Minister and myself is that apartheid will be dismantled and that the process of change is irreversible and that sanctions should be lifted."

President Soares said: "The time has arrived for us to support the reform policies of President De Klerk."

Portugal wished to offer such support within the European Community to which Portugal had access.

President Soares said he was opposed to a checklist of measures by the EC before its

policies towards SA changed.

"We must speak our minds and trust the SA government and then see what happens."

President Soares is the third senior Western politician in the past week to oppose the idea of a change checklist before adapting their policies towards South Africa.

The others were France's President Francois Mitterrand and Canadian Foreign Minister Mr Joe Clark. Greek Prime Minister Mr Constantine Mitsotakis favoured the re-evaluation of EC sanctions.

Mr De Klerk said the "crux of the matter" when it came to restrictions was that the international community was damaging the very South Africans they purportedly wished to help.

Mr De Klerk said SA and Portugal shared "many common values" and agreed with President Soares that the 600 000 South Africans of Portuguese origin were a key element in bringing the two countries together.

ANC bid to stop FW's US trip — Page 3

Portugal in bid to ease sanctions?

From ANTHONY JOHNSON
Political Correspondent

LISBON. — Portugal favoured the lifting of sanctions against South Africa and would push for the partial removal of such punitive measures at next month's European Community summit in Dublin, Portuguese Prime Minister Dr Anibal Cavaco Silva said yesterday.

Dr Cavaco Silva told an international press conference that the EC should find a positive method to stimulate the positive reform already undertaken by President F W de Klerk and "to facilitate his job".

Speaking in the gardens of the Sao Bento Palace after 90 minutes of talks with Mr De Klerk, he said reforms introduced by Pretoria warranted a re-examination of the sanctions question by Europe.

Portugal's latest bold stand on the sanctions issue represents an important breakthrough for Pretoria — but any major easing of sanctions will depend on a consensus decision of all 12 EC members.

Mr De Klerk, who received a rousing welcome from the Portuguese government here, said: "The time has come for encouragement and not pressure."

Dr Cavaco Silva said he wished to congratulate Mr De Klerk for the reforms he had already implemented.

● Red carpet treatment greets FW — Page 3

FW set for crucial meeting with EC president

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16/5/90

By Peter Fabricius,
Political Correspondent

BRUSSELS — President de Klerk has arrived here, at the heart of the Economic Community, for a crucial first meeting with EC president Mr Jacques Delors and other leading politicians.

He flew in yesterday from Lisbon on the eve of a meeting today of the 12 EC foreign Ministers, who were expected to discuss whether or not to begin lifting sanctions.

Mr de Klerk had just left Portugal's President Mario Soares, who publicly accepted an invitation to visit South Africa.

Mr de Klerk and Foreign Minister Pik Botha will today also be meeting Mr Gerard Collins, the Irish Foreign Minister and president of the EC Council of Ministers.

They will see Mr Collins shortly before he leaves for Strasbourg for the foreign Ministers' conference.

Mr de Klerk will also meet Belgian King Baudouin today at the

Royal Palace. Mr de Klerk was met at Brussels airport late yesterday by Mr Andre Geens, Belgian Minister of Development Aid, and taken to Stuyvenberg Castle where he is staying as a guest of King Baudouin.

Others Mr de Klerk will meet are Belgian Prime Minister Wilfried Maartens for discussions and a private lunch tomorrow, and Belgian Foreign Minister Mark Eyskens today.

Tonight he will be received at the Belgian Parliament by the chair-

man of the Senate, Senator Frank Swaelen, and will address the South African/Belgian Interparliamentary Society.

Top South African officials are ecstatic at what they regard as successful visits to France, Greece and Portugal, all of which have signalled that they are prepared to relax sanctions.

But it is by no means certain yet that this will happen and the support of the influential socialist Mr Delors could be vital.

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FW to meet once-bitter Belgians

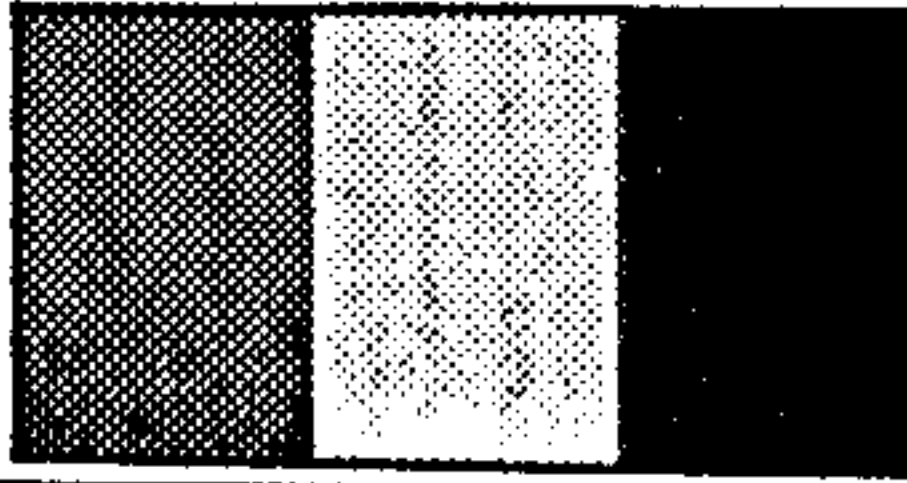
State President F W de Klerk arrives in Belgium today on the fourth leg of his nine-nation European tour, reports **ESMARE-VAN DER MERWE.**

The row between South Africa and Belgium over the imprisonment of ANC courier Helene Pastoors, a Dutch/Belgian citizen serving a sentence for treason, dominated diplomatic ties between the two countries in recent years.

In 1988, Belgium expelled three South African diplomats, an unusual step which was condemned by 10 Belgian companies in South Africa.

Foreign Affairs Minister Pik Botha visited the country in February last year for talks on the Pastoors drama. Three months later she was released and since, the Department of Foreign Affairs says, diplomatic relations between the two countries have improved.

In 1985, following a European Community decision not to accredit new South African



The President in Europe

military attaches in Europe, Belgium was the only country to immediately expel the serving attache before his term of duty expired.

Historic links between the two countries were strong. Jan van Riebeeck's wife, Maria de la Quellerie, was Belgian and in 1886 Belgium became the first country to establish a foreign consulate in South Africa.

Tight cultural links exist between the two countries. Belgians enthusiastically sing the South African national anthem at huge cultural events such as the Antwerp Song Festival, while students of Afrikaans literature study the works of leading Belgian authors.

A Foreign Affairs spokesman says Belgian visa applications to enter South Africa increased by 26 percent between 1988 and 1989, while trade figures have

improved during the past year.

According to the latest figures (1988) Belgium was SA's seventh biggest client and ninth biggest supplier. Exports to Belgium included diamonds — Antwerp is the world's largest commercial diamond city — metals, minerals and fruit, while SA imports mainly machinery, chemicals, diamond jewellery, plastics and textiles from Belgium.

Informed sources expect Belgium, which strictly follows the European Community's sanctions policy on South Africa, to lift unilaterally imposed sanctions after the dramatic political events here in recent months.

Former State President P W Botha included Belgium in his 1984 European tour, and this week President de Klerk will meet, among others, Belgian Premier Wilfried Martens.



Just a few more steps, FW urged

ARGUS 15/5/90
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From ALAN DUNN
and PETER FABRICIUS
Political Staff

LISBON. — European leaders are asking President De Klerk for "a few practical steps" to clinch the easing of sanctions against South Africa.

This emerged after his meetings with Portugal's President Mario Soares here.

At a glittering dinner last night in Mr De Klerk's honour Dr Soares cited two steps: ending the emergency and freeing political prisoners.

These measures would establish a climate of trust between all political forces in South Africa and would be welcomed "with rejoicing and hope" by the international community.

Views coincide

Dr Soares said the European Community had offered a positive sign by sending a delegation to South Africa last month. "We hope it will be returned by your government with effective signs of change."

His views seem to coincide strongly with those of France's President Mr Francois Mitterrand, who Mr De Klerk met in Paris last week.

Mr Mitterrand, a close friend of Dr Soares, is understood to have asked for some practical steps to be taken as well.



CHEERS: President De Klerk and Portuguese President Mario Soares share a toast at a dinner in Lisbon.

Their request for "a few practical steps" is becoming the pattern on Mr De Klerk's nine-country tour of Europe.

While there are definite signs that the South African government is on the brink of taking certain steps before the EC meets against in Dublin on June 25, Mr De Klerk has repeatedly rejected the idea of

working to "checklists" drawn up by others.

"We are absolutely against any concept of working against a checklist," said Mr De Klerk.

It is understood that Mr Mitterrand did not spell out specific steps that should be taken. However, he expressed his concern about political prisoners and the continued emergency.



Mr Cavaco Silva

Hectic day of meetings for De Klerk

Political Staff

LISBON. — Today President De Klerk meets the Mayor of Lisbon, Dr Jorge Sampaio, who is also the leader of the Socialist Party, and Dr Alberto Joao Jardim, president of the Madeira regional government.

He will also be the guest of honour of Prime Minister Dr Anibal Cavaco Silva and his wife at a lunch at the Sintra Palace.

He will then have further talks with Dr Silva.

Later this afternoon Mr De Klerk and President Mario Soares will hold a joint Press conference at Dr Soares's residence, Belem Palace.

Then he will be taken to Portela Airport, where he will again be received by a military guard of honour when he boards his Boeing 707 to fly to Brussels.

CAPL Times 14/5/90

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FW has six weeks in which to win EC concessions

whites-only election, but some, at present only a few, fear that if he fails to show the benefits of reform quickly he could lose control of the government.

If the European Community does not judge in June that Mr De Klerk deserves a reward, it will be at least six months before the 12 leaders get another chance to grade his performance and issue a more favourable report.

Mr De Klerk flies to Lisbon today, then travels to West Germany, Britain, Belgium, Spain and Italy in his bid to muster an EC majority for a softening of the community's anti-apartheid restrictions on South Africa.

Sources travelling with him said Greek Prime Minister Mr Constantine Mitsotakis would

back EC moves to relax the curbs and Portugal is expected to do the same.

And British Prime Minister Mrs Margaret Thatcher, who has already unilaterally suspended some sanctions, favours a co-ordinated move to reward Mr De Klerk for what he has already done.

But it is French President Francois Mitterrand, the sources said, who could be the key to a South African victory in the court of EC opinion.

"He has an established anti-apartheid track record and he has more credibility in Europe than Thatcher," one South African said. "He could emerge to be a pivotal player on our behalf." — Sapa-Reuter



Mr De Klerk

Coal exports ^{CMT} ^{T-14H} ^{14/5/90} delay expected at Richards Bay

^{SBH}
Own Correspondent ^(ZB) ^(ZB)

JOHANNESBURG. — The possible lifting of French coal sanctions on SA from France and subsequent export of coal to France could be bottle-necked in the short-term by the present capacity of the Richards Bay coal terminal.

Last week the French newspaper Liberation reported that French businessmen were anticipating the lifting of coal sanctions against SA.

And the French and Spanish governments seemed in favour of the gradual lifting of sanctions.

A Frankel Kruger Vinderine analyst said the lifting of sanctions would be welcomed by the industry, but the Richards Bay coal terminal, through which SA exports most of its coal, was running at a full capacity of 46m tons.

However, the terminal was being upgraded.

By the end of 1991, capacity would be 53m tons, Richards Bay Coal Terminal Co MD M Dunn said at a recent conference on coal.

● Our London correspondent reports, that according to a report in London's Financial Times, Indonesia's developing coal industry is threatening to become a major rival to exporters such as SA and Australia in the 1990s.

Plans to develop export terminals off the south-east coast of Borneo, mean that Indonesia should be able to export 20m tons of steam coal a year by 1994.

By 2000 Indonesia could be shipping 38m tons — making it the world's third biggest exporter after SA with 46m tons last year, rising to 53m tons when Richards Bay is expanded.

What makes Kalimantan coal attractive in the "green age" is the low sulphur content — normally defined as 1% or less — and being as little as 0,01%. SA steam coal contains between 0,3% and 1,2%.

Indonesia's competition will be felt chiefly because of its closeness to the big growth markets of the Pacific Rim.

Violent protest mars Greek visit

By Peter Fabricius,
Political Correspondent

ATHENS — A violent protest, during which anarchists threw Molotov cocktails at police, distracted media attention away from the positive results of President de Klerk's Greek trip which ended yesterday.

The Greek newspapers over the weekend mostly focused on Friday's demonstration outside Parliament shortly after Mr de Klerk met Prime Minister Constantine Mitsotakis of the newly elected centrist Nea Demokratia party.

Several newspapers reported the story with screaming headlines such as "Athens became Soweto for two hours".

An otherwise peaceful protest addressed by ANC local representative Khulu Mbata and Margaret Papandreou — wife of former Prime Minister Andreas Papandreou — turned ugly when a small group of anarchists threw Molotov cocktails at police guarding Parliament.

Some damage was done to the parliamentary complex, several vendors' kiosks were burnt down, two journalists and one policeman were injured and one 21-year old student was arrested.

Local observers said, however, that they did not believe the an-

archist violence was directed against Mr de Klerk.

They said the anarchists attached themselves to all protests and tried to turn them to violence.

However much of the newspaper commentary about the visit was unfavourable — more so than in France where the press was generally good.

Newspaper coverage

Foreign Minister Pik Botha put this down to the fact that most of the newspapers are either owned or support the ousted Pasok government of Mr Andreas Papandreou.

Pasok and its press described the visit as "unfortunate and untimely". It was the first visit by a head of state to the new Greek government — and the first by a South African head of state since Jan Smuts' visit during World War 2.

The famous singer Melina Mercouri — a member of the committee which will welcome ANC vice-president Nelson Mandela here early next month — issued a statement saying that Mr de Klerk was "undesired in Greece beyond description".

The Mandela reception committee read out a resolution at the protest demanding that the Greek government and the EC

continue to uphold UN sanctions until the final abolition of apartheid.

A few pro-Mitsotakis newspapers reported the positive outcome of the de Klerk/Mitsotakis meeting and also concentrated on the Greek leader's firm statement against apartheid — or Mr de Klerk's promise to consider allowing Greeks in South Africa to repatriate earnings to Greece.

The South African Government delegation did not seem overly concerned about the protest which was not witnessed by any of them.

Mr de Klerk had already left Athens for a brief Aegean yacht cruise — which ended last night — when it occurred.

Friday's meeting with Mr Mitsotakis was definitely successful from the South African Government's point of view as Mr Mitsotakis said at a press conference afterwards that he believed Mr de Klerk had "definitely entered the road for the total abolition of apartheid".

This meant that he had acknowledged the "irreversibility" of change in South Africa — the key condition which the European Community demands must be met before it will consider lifting sanctions.

● See Page 11.

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Europe welcomes De Klerk and may ease up on sanctions

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By LESTER VENTER
Athens

SOUTH AFRICA is close to achieving a major breakthrough in the wall of sanctions.

The creation of a favourable climate for a roll-back promises to be the major outcome of President F W de Klerk's European tour. The Economic Community, a formidable trading bloc of 12 European nations, will review its sanctions package next month.

This was confirmed in Athens this week by the Greek Prime Minister Mr Constantine Mitsotakis after he met President De Klerk and Foreign Minister Pik Botha.

The review is expected when EC leaders meet for a summit conference in Dublin on June 25.

Before then, the SA Government aims to announce a further package of reforms. They will probably include a partial lifting of the state of emergency and progress on releasing political prisoners and accommodating returning exiles.

These measures are already in the pipeline following the Groote Schuur discussions with the ANC.

How I beat cancer, by gentle Shirley



on releasing political prisoners and accommodating returning exiles.

These measures are already in the pipeline following the Groote Schuur discussions with the ANC.

Success

The South African party received strong signals in Paris this week that such steps would make it possible for the 12 countries to ease up on sanctions.

The EC, potentially SA's biggest foreign marketplace, began imposing punitive measures against SA arms, gold coins, steel, coal and agricultural products in 1985. Major new investments in SA were prohibited by some countries.

It is likely that the first changes will come in the fields of sport, culture and science — to be followed by economic measures.

President De Klerk's carefully-timed European tour — a resounding success after the first two calls in Paris and Athens — is proving a critical factor.

As a deliberate strategy, he has refrained from asking European leaders to lift sanctions. He has down-played the issue to avoid giving the impression that he

PARIS POP CONCERT HONOURS FW! Page 9

is badgering his hosts and is content to let the facts of reform speak for themselves.

"I have not come to Europe hat in hand," he told journalists.

But his meetings are all taking place at a time when there have been clear signals from European diplomats that the EC is eager to normalise trade with SA.

As the 12 nations move towards becoming a single market in 1992, sanctions is a deadweight and a subject of discord.

Nevertheless, sanctions became a central issue in discussions both in Paris and Athens.

And it's no accident that eight of the nine countries he is visiting — France, Greece, Portugal, Spain, Germany, Britain, Belgium and Italy — are members of the EC. Switzerland, also on the itinerary, plays a major role in European affairs.

Acceptance

French and Greek leaders, as well as Mr De Klerk, handled the sanctions issue gingerly in their public remarks this week.

But Mr De Klerk made a point of using a key phrase.

He said he had found acceptance in both Paris and Athens that the process of change in SA was now "irreversible".

This is the yardstick the EC has set for reviewing sanctions.

The ANC deputy leader, Mr Nelson Mandela, will follow President De Klerk to Europe and will meet President Mitterand on June 6.

Mr Mandela is expected to call on the EC to maintain sanctions until full negotiations are under way.

● JEREMY BROOKS reports from London that Holland's cold war against South Africa showed signs of thawing this week — 10 years after its inception.

Although The Hague is not on Mr De Klerk's itinerary, arrangements are being made for a later visit.

Foreign Minister Hans van den Broek signalled the first reversal of policy by saying Mr De Klerk would be welcome.

The following day, Dutch newspapers revealed the existence of a Hague proposal to lift sanctions in six phases.

The proposal will be discussed at the Dublin meeting.

Meanwhile, a visit to South Africa by British Prime Minister Margaret Thatcher — tipped to take place later this year — has been shelved.

Officials said she should wait until South Africa was further down the road towards transition.

She is due to meet President De Klerk at Chequers this week. Her much-delayed meeting with Mr Mandela has been set down for July.

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Page 2

De Klerk wins Greek support

CMB Trips 12/5/90 (2/2/91) (5/6/91)

By ANTHONY JOHNSON
Political Correspondent

ATHENS. — President F W de Klerk yesterday capitalised on his successful French visit by convincing the Greek government that his reform programme was "irreversible" and would eventually lead to the "total abolition of apartheid".

Mr De Klerk's meetings yesterday with Greece's President Konstantine Karamanlis and Prime Minister Mr Constantine Mitsotakis are expected to boost trade and lead to a relaxation of foreign exchange restrictions between the two countries.

Mr De Klerk said during the talks that blacks would be given an equal vote in an undivided South Africa with equal rights for all. Details of a new constitution would have to be negotiated with leaders of all communities in the country, he added.

Mr Mitsotakis said the EC would re-examine its anti-apartheid policy in the light of SA's political reforms.

A South African government source said Greece could play a pivotal role if there was a move at



IN ATHENS . . . President F W de Klerk and his wife Marieke.

next month's EC summit to review sanctions against Pretoria.

And in a meeting expected to have further important implications for SA relations with the EC, Mr Pik Botha is to meet his Canadian counterpart, Mr Joe Clark, in Athens tomorrow.

Speaking at an international press conference, Mr De Klerk said he regarded the inclusion of Greece on his European tour itinerary as a "historic event" as this was the first time since World War II that an SA head of state had paid a visit to Greece.

Meanwhile, international opposition is growing to Mr De Klerk's European tour, our London correspondent reports.

The UN Special Committee against Apartheid has described the official visits as "entirely premature".

In the UN statement issued from Nigeria, Special Committee chairman Mr Ibrahim Gambari said they were concerned that the visit by Mr De Klerk to nine EC countries "may be used by Pretoria as a manifestation of, and an instrument for, the relaxation of pressure against apartheid".

● Street protests against Mr De Klerk's visit erupted after he left Athens on a two-day island cruise, with students throwing stones at shops and hurling fire-bombs outside the parliament building.

A police spokesman said at least five people were arrested and another four were injured.

● The entire presidential touring party leaves Athens for the third leg of the nine-nation tour, Portugal, early on Monday morning.

FWT

triumphs in Greece

90 12/5/90

56A

EC to re-examine apartheid policy, says Greek leader

**PETER FABRICIUS,
ALAN DUNN and SAPA-REUTER**

ATHENS — President de Klerk's swing through Europe continued yesterday with a diplomatic triumph in Greece.

Greek Prime Minister Constantine Mitsotakis said that the European Community would re-examine its anti-apartheid policy in the light of Mr de Klerk's political reforms.

"I am impressed by Mr de Klerk's programme. In the light of the most recent developments in South Africa, the European Community will re-examine its (anti-apartheid) policy," Mr Mitsotakis told a news conference.

His comments, after a private meeting with Mr de Klerk, were the strongest sign yet that the EC may reconsider economic sanctions against Pretoria.

Plan to lift sanctions

This followed highly successful talks this week with President Mitterrand of France and the Dutch government announcement on Thursday that it had drafted a plan under which the European Community would lift sanctions against South Africa in six stages.

The details have already been circulated to EC Foreign Ministers, and will probably be discussed at their next meeting in Dublin on May 19.

More good news from the tour yesterday was that Foreign Minister Pik Botha is to hold a surprise meeting here with his Canadian counterpart, Joe Clark.

Mr Botha will see him in an Athens hotel tomorrow night to discuss bilateral relations between the two countries.

Mr Botha and Mr Clark will then have a working dinner at the hotel.

Mr Botha's office would not say what the meeting with Mr Clark was about, but it is understood that it may concern Commonwealth matters.

South African delegates

The South African delegation consists of Mr Botha, his director-general Neil van Heerden, head of the European section Jim Steward, South African Ambassador to Greece Sample Golden and D de Klerk.

The Canadian delegation consists of Mr Clark, Secretary of State for External Affairs; De Montigny Marchard, Under-Secretary of State for External Affairs; Lucy Edwards, chairlady of the Southern African Task Force; policy adviser Larry Hagen and press secretary Abbie Dunn.

On his arrival in Greece, amid stringent security, Mr de Klerk was greeted by demonstrations staged by the local Communist Party and other anti-apartheid organisations.

As his talks with Mr Mitsotakis started, a series of small-scale demonstrations took place in the city centre. They were staged by the Communist Coalition Party, the youth branch of ex-Premier Andreas Papandreou's Socialist Party, and a number of other

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Triumph

● FROM PAGE 1.

anti-apartheid and trade union organisations.

Mr Mitsotakis said after meeting President de Klerk in Athens yesterday that he firmly believed positive moves away from apartheid in South Africa were irreversible.

He emphasised Greece had always taken a strong stance against apartheid, but added: "I want to wish Mr de Klerk great success in the very important but difficult task ahead of him".

Commenting on the series of talks he and Mr Botha had held with the Greek Government, Mr de Klerk said his delegation had been "overwhelmed with friendliness".

The central issue of the discussions had been South Africa's belief that Europe should substantially re-evaluate its current policies on the country and the region as a whole, following dynamic developments in Southern Africa.

Referring to last week's talks with the African National Congress, Mr de Klerk said: "We are making

progress at a very acceptable tempo".

"There is a growing realisation of the new reality of change in South Africa and an acceptance that it is part of an irreversible process".

Other bilateral issues concerning the two countries were also discussed in detail.

Mr de Klerk also undertook to consider representations for fewer foreign exchange restrictions for South African Greeks wishing to send money to Greece.

The President also confirmed he would seriously consider the position of a Greek citizen being held prisoner in the Republic.

A Greek government spokesman later identified the prisoner only as "Skoularikis".

Dimitrios "Jimmy" Skoularikis (36) was given the triple death sentence in March 1987 for the murder of a prominent Greek businessman and his daughter and son-in-law. His sentence was later commuted.

Mr de Klerk and his wife, Marike, are due to be taken on a private sightseeing tour near Athens at the weekend before departing for Lisbon on Monday morning. — Sapa.

Argentina reduces its inflation — at a cost

BUENOS AIRES — Argentina appears to have pulled out of its hyper-inflationary cycle with sharp cuts in public spending and higher taxation and utility tariffs, but the improvement is at the cost of a deepening recession.

The inflation rate in April slowed to 11,4% from 95,5% in March, official figures released yesterday stated.

But economists and businessmen said the battle to hold down prices, which had skyrocketed 20 000% in the year ended in March, had pushed the economy deeper into recession.

"Things will get worse before they get better. We're looking to the first quarter of next year before there will be any recovery, but we are still backing the government," said an executive of a US company here.

Economists have applauded the effectiveness of austerity measures adopted by government since January 1, but these have taken a toll on consumer demand, industrial output and employment.

Rodolfo Rossi, an economic adviser to President Carlos Menem and a former central bank governor, said government had no choice.

Rossi calculated that in the first quarter of the year consumer demand had plunged 35% to 40% from the same quarter of 1989. Industrial output was now running at only 50% of capacity and unemployment had risen, he said. *blwam 11/5/90*

Of the country's labour force of 12,2-million, 4,5-million were either unemployed or under-employed.

Citing government's success in controlling inflation, stabilising the austral currency and achieving its first genuine operating surplus in history, Rossi said signs of economic recovery might come as early as June.

But he said the social problems of high unemployment and low salaries would continue until industry could be persuaded to make badly needed investment. — Sapa-Reuter.

Talks on trade get under way

MOSCOW — Soviet and EC officials began two days of talks yesterday on how best to implement a sweeping trade and co-operation pact the two sides signed last year. *blwam 11/5/90*

The 10-year agreement is designed to dismantle EC quotas on industrial imports from the Soviet Union by 1995 in return for better access to Soviet markets for EC firms.

The official Soviet news agency Tass said the session would look for ways to improve trade and economic co-operation in science and technology, the power industry and training of personnel.

But an EC spokesman warned that it would be unrealistic to expect too much from the meeting as it would be their first. — Sapa-Reuter.

SPR 11/5/90

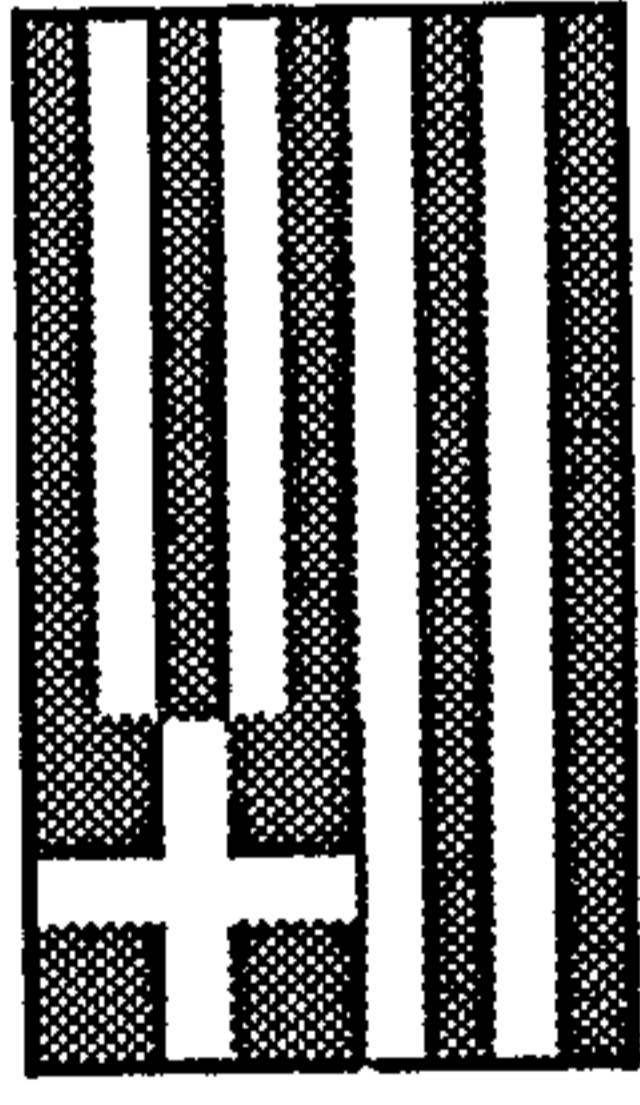
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BACKGR

The Greek connection: FW in bid to boost ties

The President in Europe



By **ESMARE VANDER MERWE**

The Verwoerdburg suburb of Irene, close to Pretoria, was named after Greek Princess Irene, sister of the reigning Queen of Spain, Queen Sophia.

During World War 2, the Greek Royal Family sought brief refuge in SA with the assistance of General Smuts.

Strong historic links exist between the two countries. But cultural and trade relations are surprisingly minimal despite a large Greek community of about 100 000 in South Africa.

Diplomatic ties have existed since 1945, with Greece having an embassy and several consulates in South Africa. South Africa's current ambassador to Greece is Dr Sampie Golden.

A spokesman for the Greek embassy in Pretoria says close ties exist between the Greek community here and their country of origin. However, official relations between the two

countries have been cool over the past 10 years.

"Trade and cultural links are minimal. Greece closely follows the European Community line on South Africa. If the EC decided to lift sanctions, we will follow suit," he said.

He predicted that recent political developments here would boost relations between the two countries.

Institute of International Affairs researcher Gary van Staden believes President de

Klerk's visit to Greece is the first of its kind since World War 2. Former president P W Botha did not visit the country during his 1984 European tour which was the first major overseas trip by a South African head of state in 20 years.

"Greece has had a history of political instability and a fair share of socialist governments. Therefore relations have been cool."

While Greece, an EC member since 1981, has not taken

any unilateral action against the South African Government, it followed the 1986 EC ban on trade, says Mr van Staden.

However, in that year the Greek authorities urged prosperous Greek businessmen to reinvest their money in Greece to avoid losses through political turbulence.

The only other diplomatic event which has made headlines was in 1985 when the Greek government accused a South African diplomat of being involved in a spy scandal between Greece and Turkey.

Mr van Staden says Mr de Klerk's decision to include Greece on his tour itinerary was "part of a general bid to improve relations with Europe".

He will meet, among others, newly-elected Conservative Greek Prime Minister Constantine Mitsotakis, President Constantine Karamakis and Foreign Minister Anthony Samaras.

Softening of EC sanctions is unlikely, says Irish official

KIN BENTLEY

LONDON — The lifting or softening of sanctions against SA is unlikely to be recommended when the three EC ministers who visited SA last month report back to the organisation's foreign ministers' council.

A report on the trip, headed by Irish Foreign Minister Gerard Collins, would probably go before the council at its next meeting in Luxembourg on June 18 and 19, an Irish Foreign Office spokesman Michael Forbes said yesterday.

alia, that EC sanctions would remain until there had been "profound and irreversible" change in SA.

Forbes said there was "an over-obsession with sanctions because one state (Britain) has a different view on it".

While the UK had unilaterally dropped some of its measures against Pretoria, he said the remaining 11 EC nations remained committed to the terms of the Strasburg Declaration.

Although the visit took place at a time when government was gearing up to meet the ANC officially, Forbes said the aim of the visit had been to "promote a dialogue" in SA, not to make recommendations.

While the trip had proved useful, he said the Strasburg Declaration of last December still stood. This meant, inter

(56A)

Dutch plan for EC to lift sanctions

ARGUS
10/5/90
56A

The Argus Foreign Service

THE HAGUE. — The Dutch government has drafted a plan under which the European Community would lift sanctions against South Africa in six stages.

The details have already been circulated to EC foreign ministers and will probably be discussed at their next meeting in Dublin on May 19.

The news comes within 48 hours of the Spanish government's announcement that it was lifting a number of trade sanctions against the Republic.

The Dutch proposal, which is dependent on certain developments in South Africa, was presented by Dutch foreign minister Mr Hans van der Broek to his EC counterparts three weeks ago.

First stage

The first stage would be for the EC countries to shelve sanctions they have imposed individually. The Dutch, for example, could lift their strict visa policy for South African visitors and reinstate the suspended Dutch-South African cultural treaty.

The other five stages refer to sanctions imposed jointly by the European Community.

The second phase would be lifting the embargo on new investments in South Africa. Mr Van der Broek feels this step could be taken as soon as Pretoria has released all political prisoners and has ended the state of emergency.

This phase would also include revoking the ban on importing South African iron and steel, and gold coins. This could take place when negotiations between the government and the ANC resume.

During this stage the Dutch government would retract legislation on a ban on new investments.

The next steps would include the full lifting of the community's embargo on exports of oil to South Africa and the abolition of restrictive measures in military fields.

Final stage

The final stage would be dropping the ban on supplying arms to South Africa. This step, the Dutch feel, might be taken after the government has irrevocably abandoned all apartheid policies.

Mr Van der Broek gave another indication of the Dutch government's new line on South Africa when he said President F W de Klerk would be welcome to visit the country on his next European tour.

When the itinerary was



Picture: DION TROMP, The Argus.

SHOOTING STAR: Shooting the rapids is one thing, but shooting a waterfall? Phillip Lloyd, a University of Cape Town student and top white water canoeist, dares what few others would even consider. This picture was taken on the Dwars River near Ceres after heavy rain at the weekend. After he plunged into the maelstrom at the bottom of the waterfall, it took more than a minute for paddler and canoe to resurface, unscathed.

The Argus Foreign Service

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Mr Van der Broek gave another indication of the Dutch government's new line on South Africa when he said President F W de Klerk would be welcome to visit the country on his next European tour.

When the itinerary was drawn up for the present visit, Mr De Klerk was "not yet welcome" in Holland.

The Dutch foreign minister said he had changed his stance after the first set of "talks about talks" between the government and the ANC.

Spain announced earlier this week that it would lift certain trade sanctions against South Africa and that Iberia is to resume freight flights to the Republic. A resumption of sport and cultural ties with the Republic is being considered.

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EC unveils VAT plans for Europe after 1992

BRUSSELS — The EC commission unveiled long-awaited proposals on how value-added tax (VAT) should be collected on cross-border trade in the EC after 1992.

The plans are crucial if the EC is to succeed in scrapping customs controls at borders as planned on January 1 1993. But the proposals outlined on Tuesday by Christiane Scrivener, EC commissioner for taxation, fall far short of the less cumbersome system originally sought by the commission and favoured by most companies, which was rejected unanimously last year by EC member states, according to yesterday's Wall Street Journal Europe.

Scrivener said the new proposals would ensure "the abolition of customs controls and fiscal frontiers from January 1 1993". She urged EC finance ministers to reach agreement on the proposal as soon as possible, saying there was no time to put off decisions.

The proposal would also in most cases allow individuals to shop freely across borders for the best deals and could lead to a significant increase in cross-border shopping.

But the proposal would exclude two major categories from this generally less restrictive regime for individuals: cars and goods ordered by mail. Those goods would be taxed in the home country, eliminating the incentive for consumers to buy such goods in the lowest-tax countries.

Most business leaders and companies say the current plan is an acceptable compromise that will achieve the primary objective of doing away with costly and time-consuming border checks.

But the latest proposals still could run into problems with EC countries, such as France, that want to maintain more controls on companies than those envisaged by the commission. In addition, many member states are unlikely to share Scrivener's view that her system should function only for a transitional four-year period beginning in 1993, with more-far-reaching plans to take effect after that.

Under the commission proposals, VAT on cross-border shipments of goods would continue to be levied at the point of destination. The payment of such taxes, however, would no longer be controlled at EC borders, reducing the red tape involved in shipping goods to other EC countries. — AP-DJ.

BP aug 10/5790

Faster EC moves to integrate East

SUNDAY TIMES FOREIGN DESK (56A)

EUROPEAN Community leaders, united on the issues of German unification and financial support for Eastern Europe, appear set to launch a campaign for faster and deeper political integration of the 12-nation bloc. *S/Times 29/4/90*

British officials this week signalled that Prime Minister Margaret Thatcher, although sceptical about a Franco-German plan for EC political union by 1993, would not try to block moves for an overhaul of the community's institutions.

"We don't have any problem with that, if that is what they want," said a British official. "What we want to do is to get to the bottom of what political union means."

The harmonious tone was set during the morning session of the EC's special one-day summit this week, when West Ger-

many's partners warmly welcomed the prospect of unification with East Germany and endorsed a strategy for incorporating its 16-million citizens into the EC.

The leaders said: "We are confident that German unification — the result of the freely expressed wish on the part of the German people — will be a positive factor in the development of Europe as a whole and of the EC in particular."

They also approved a plan from the EC's Executive Commission to provide financial aid to the new democracies of Eastern Europe and build closer political and economic links.

European unity edges

closer

80-25/4/90 (56A)

Last week's theatrical call from Bonn and Paris to match a European economic and monetary union with a political union, all by 1993, has rekindled old British passions concerning the whole idea of European unification.

Were we of more settled and worldly opinion on that score we might greet the news with a French or Italian shrug, grunt "good idea" and expect little to happen for a long while.

The latest initiative from President Mitterrand and Chancellor Kohl belongs in a tradition of high-sounding declarations which goes back to the Enlightenment.

The two leaders are saying that, in view of the ending of the Cold War, the imminent reunification of Germany and the advent of some degree of closer economic and monetary union within the European Community, some measure of greater political union would be a "good idea".

Imply

They are not saying much more than that, but that they are saying it, the two of them at this moment, is important enough.

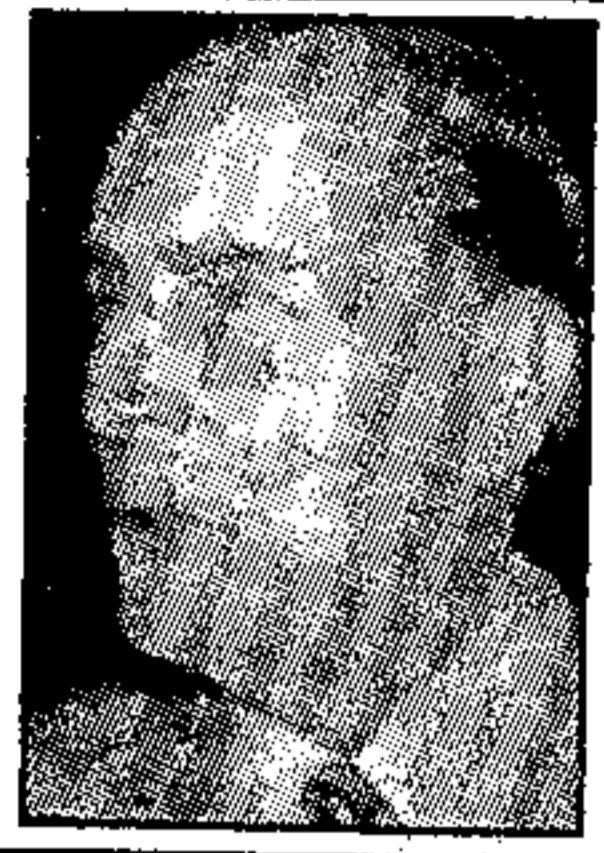
What do they mean by "political union"? The words imply the merging of states (although not necessarily nations) into some form of single federated state. That was the great dream of the founding fathers of the original European communities — a United States of Europe. In practice, Mr Kohl and Mr Mitterrand mean something much more mundane.

They have in mind beefing up the powers of parliaments — national parliaments and/or the European one in Strasbourg — to take account of the bureaucratic decision-making which accrues to Brussels as part of the process of European integration.

As the European Community moves towards economic and mone-



The issue of European unity always brings an excited British response, writes **PETER JENKINS** from London. He examines the implications of a recent declaration by West German Chancellor Helmut Kohl (left) and French President Francois Mitterrand.



Britain cannot counter Mitterrand-Kohl axis

tary union, that so-called "democratic deficit" will become less acceptable than it is already to democratically minded member states.

Secondly, they propose extending the scope and depth of political co-operation. "Political co-operation" is a term of art which covers the common endeavours of the EC in areas of foreign policy not covered by the treaties.

Because what Chancellor Kohl has in mind is such small beer, the British government appears ready to sup with him, albeit with a long Thatcherite spoon. This is an improvement on the first-ditch tactics which Mrs Thatcher has tended to favour for her European diplomacy, and may also reflect the position of greater weakness in which she finds herself.

Plainly, from the way in which they went about their new enterprise, Mr Mitterrand and Mr Kohl no longer see the need to trifle with her.

An argument which deserves to cut no ice is the one first advanced by Mr Enoch Powell and since frequently deployed by the Prime Minister and her friends in the Bruges Group.

This is that any further Western European integration will be against the grain of history set by Eastern European liberation from communism. This is no more than a new excuse for reviving a 30-year-old British hankering for a free trade area which the anti faction has always favoured against an economic community.

A more closely united Western Europe is quite consistent with associating the newly free countries of central and Eastern Europe with in a broader community of nations.

In any case, it will be many years before most of them could hope to participate fully in the existing EC.

The idea that they are fearful of exchanging their Stalinist central planners for the bureaucratic centralism of Mr Jacques Delors is positively ludicrous. For Eastern Europe the EC is the most concrete manifestation of what they call the West and wish to become a part of.

Mrs Thatcher's antipathy towards Germany is, these days, probably the best guide to her diplomatic reflexes. It may be her calculation that German hegemony will be even greater through the medium of a more closely knit European Community than it would be footloose in

a diluted Europe of nation states.

But even if this were correct (and it is the opposite of the French perception), there is little she can usefully do about it. The importance of the Mitterrand-Kohl declaration is not that it will bring about political union at the flourish of a scrap of paper because, of course, it will not.

Rather, it should be seen as an indication of their mutual resolve to maintain their partnership as the chief axis for constructing the Europe of the post-Cold War. Surely Britain, by now, has learnt the futility of trying to gang up with France or Germany against the other?

Mrs Thatcher's approach to Europe is objectionable to those who see positive merit in the slow erosion of national sovereignty through the process of unification.

But the most powerful objection ought to be that her view of the world is not available.

Unstoppable impetus

Alternative schemes for a wider free trade area did not run in the 1950s and will not run today.

Deregulation and liberalisation of the European Community's internal market in accordance with the 1992 programme have created an unstoppable political impetus towards closer economic and monetary union. The ending of the Cold War and the certain prospect of a diminished American presence in Europe puts closer European co-operation at a higher premium.

With the Americans, French and Germans all in agreement on these general propositions, there is nothing for Mrs Thatcher to do. In the end, the history of the Single European Act is likely to repeat itself: she will hold her nose, shield her eyes and sign up for the future.

Later she can always blame it on the Foreign Office — if she is still around. — The Independent News Service.

West told not to lift sanctions

Sowetan 24/4/90

HARARE - The president of the Association of West European Parliamentarians for Action Against Apartheid (AWEPAA), Mr Jan Nico Scholten, yesterday called on the West not to lift sanctions against South Africa under the current circumstances.

Speaking at the opening of a four-day conference in Harare on how to counter the effects of SA destabilisation on children in the Frontline states, Mr Scholten predicted that a renewed bid by Britain's Margaret Thatcher to gain the support of other European Economic Community member states in relaxing sanctions would be thwarted at the EEC council's next meeting in Dublin.

Members

AWEPAA draws its members and associates from national parliaments in Western Europe, the United States, Canada, New Zealand, Australia and Japan and from the European Parliament.

Scholten said it would be a contradiction for the EEC to lift sanctions, after the unanimous adoption by the United Nations general assembly of a resolution which called for upholding sanctions until profound changes had taken place inside South Africa.

Sanctions, he said, worked, as evidenced by Namibia's independence and the important though not decisive changes in South Africa.

He added the West had at its disposal instruments of economic, financial and arms embargoes that could lead to one-person-one-vote.

The conference heard destabilisation had cost the SADCC some 10 billion US dollars in 1988 alone, the equivalent of more than three times the total development assistance for that year.

(S6A)

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Bonn: plans for currency 'not a threat'

LUXEMBOURG (SbA) West German finance minister Theo Waigel told his EC colleagues yesterday that a limited one-to-one conversion rate of Ostmarks for Deutsche Marks under a currency union between East and West Germany would not be inflationary.

Earlier, Waigel participated in a cabinet meeting in Bonn which decided to offer East Germans a one-to-one conversion for salaries and for savings up to 4 000 Ostmarks (\$2 350).

Savings above 4 000 Ostmarks would be converted at a rate of two-to-one. Pensions would be converted at less than a one-to-one rate.

Briefing EC finance ministers at their monthly meeting, Waigel said a more attractive interest rate for savings would mop up liquidity in the East.

He told the ministers that once a market interest rate for savings was applied in East Germany, savings would increase. He argued this would offset inflationary pressure created by the new spending power East Germans would acquire if their salaries were converted at a one-to-one rate. *Bloom 2414190*

"There is no danger of overheating," Waigel said.

At a Press conference after the briefing, Waigel said the EC finance ministers viewed the Bonn proposal positively.

The Bonn proposals are still subject to negotiation with the recently formed East German government.

Waigel expected negotiations on the terms of monetary union to begin in earnest very soon, though he said a date had not been set.

A West German spokesman said the talks could begin as early as next week. — AP-DJ.

WITH South Africa seemingly set to embark on a freer trade policy than ever since 1925, world trading conditions are becoming increasingly uncertain. South African economic policy makers must be more than a little concerned that international negotiations to establish a new General Agreement on Tariffs and Trade are facing severe obstacles.

GATT talks are scheduled to be concluded later this year, but participating countries and trading blocs seem far from agreed on many crucial issues.

Though the government has not yet publicised the details of its new trade policy, aspects of it are leaking into the public arena, probably derived from briefings with the private sector. The philosophy behind the new trade policy was summarised in an appendix to the Budget Review reported on these pages. The government believes that the inefficiency and uncompetitiveness of South African manufacturers is the product of the distortion of the prices of capital and labour. This distortion was partly caused by tariffs which favoured the importation of machinery and intermediate goods so that imported final goods could be made domestically.

One way of rectifying factor prices proposed by the government is the abolition of a range of tariffs protecting locally made manufactured goods. Among the products mentioned by economists as candidates for losing their protection are paper and pulp, pharmaceuticals, and textiles.

South Africa's daring 56A free trade leap of faith

BY ALAN HIRSCH

At the same time exports are to be promoted through the General Export Incentive Scheme, launched at the beginning of this month, which rewards firms that successfully enter the export market. In short, the government is abandoning an import substitution policy for an export promotion policy, but through minimal intervention in markets.

Critics might fear that loss of protection could threaten employment in some manufacturing sectors, though it is intended to encourage the substitution of capital with labour in uncompetitive sectors. With the added uncertainties faced by potential exporters reflected in the GATT talks employment growth in the export sectors is less than certain.

The current "Uruguay round" of GATT talks began in 1986 and is due to be concluded early in December, 1990. The weighty questions would have to be settled by July to allow time for fine-tuning. But divisions are still so great that some commentators wonder whether the agreement will be concluded on schedule.

A major line of division indicated in reports in international business publications and GATT monthly bulletins, is that between the advanced in-

dustrialised countries and the "developing countries". The issue is not simply free-trade vs protectionism; the industrialised countries are calling for controls over the trade and exchange of certain commodities, and free-trade in others, while the developing countries hold similar views about different commodities and services. *WMAJ 24/4 - 26/4/90*

For example, the European Community and the United States want the more developed countries of the Third World (the newly industrialised countries — NICs) to give up their right to impose trade restrictions when faced with balance of payments problems. The EC also wants to change a key clause which allows countries facing a sudden surge of imports to take temporary blocking action. Instead of blocking imports from all countries manufacturing the relevant category they want to be able to act against individual countries. The industrialised countries also want to free the international trade in services (banking, transport, telecommunications etc) and restrict the international transfer of "intellectual property rights" (patents, computer software etc).

The developing countries, on the other hand, want to end the present restrictions on the international trade

in textiles (under the Multi-Fibre Arrangement); to lift restrictions on the export of tropical products; to prevent the imposition of so-called voluntary export restraint agreements; and to have anti-dumping rules obeyed.

While Third World tariffs are the chief targets of the industrialised countries, the Multi-Fibre Arrangement (MFA) which controls world trade in clothing and textiles, beyond GATT rules and in defiance of GATT principles, symbolises for the developing countries the protectionism of the industrialised countries. The US has proposed a very gradual phasing out of the MFA which is unacceptable to the developing countries.

Another major stumbling block to the completion of the Uruguay round is the dispute over agricultural subsidies. Here the major antagonists are the US, which wants to end all farm support by 2000, and the EC, which has agreed to a partial removal of concessions, with increases in protection on certain products such as soya beans and other cereal substitutes. The EC's position has been rejected by all other delegations.

South Africa is launching a drive to market manufactured goods internationally in an environment not altogether conducive to free trade, especially when it comes to selling manufactured goods to the industrialised countries. In the context of the stable international monetary and trade order of the 1950s and 1960s an export drive in manufactured goods might have made sense. Today it is a daring leap of faith in free trade.

(S6A)



(11)

New EC could open frontiers

ZILLA EFRAT

SOUTH Africans will have to learn to live with post-1992 Europe, says Frankel Kruger Vinderine's Mike Brown.

In an economic appraisal of Europe in 1992, analyst Brown says 26% of SA's total exports and 42% of its imports are with EC member nations, and SA's trade with the EC has grown steadily.

The EC will not only be the largest single market or economic bloc in the world, but may enjoy economic growth rates comparable to most other regions.

Brown says SA's exporters should take advantage of its positive market potential. However, political developments in SA would play a vital role in shaping the EC's future policy on SA.

"Should the normalisation of political representation in SA continue apace, it may be possible for government to negotiate abolition of sanctions and even favourable 'compensation' packages.

"A more politically acceptable SA might also be able to negotiate some favourable access to the EC."

Brown says lifting of inter-EC trade restrictions should enhance trade, but

might lead to greater introspection within Europe and deter trade with the outside world.

"SA companies should look towards penetrating such barriers by establishing a presence within Europe, either through direct representation or through co-operative agreements with European countries."

He advises serious SA exporters to acquire a European identity and think European to breach the barricades of "Fortress Europe".

A single market will also bring about conformity among EC members in standards, technology, tax and legal requirements. This should facilitate trade, but SA businessmen must familiarise themselves with EC standards.

Brown says regional cultural and income distribution disparities suggest that fragmented demand will still exist in many areas of Europe.

As a result, SA companies may need to look for targeted markets.

EC to be briefed on visit to SA

(Bentley) KIN BENTLEY *(56A)*

LONDON — THE leader of an EC delegation which visited SA last week, Irish Foreign Minister Gerard Collins, will brief his 11 European counterparts on the trip at a meeting in Dublin this weekend.

However, Irish Foreign Office spokesman Michael Forbes said yesterday that the matter would only be dealt with in a "preliminary sort of way" on Saturday. A formal report would be made to the next EC Council of Ministers, probably in June. The matter would then go before the European Parliament.

He said Saturday's meeting of the 12 was primarily to discuss events in Eastern Europe.

The EC "troika", which included the deputy foreign ministers of Italy and France, met a broad cross-section of leaders in SA, including President F W de Klerk, ANC leader Nelson Mandela, Inkatha leader Mangosuthu Buthelezi, and leaders from the far right and far left.

Forbes said the delegation returned hopeful that a dialogue could begin between the ANC and the government, both having expressed themselves willing to address the key issues. *B104 18/4/90*

However, there were extreme groups opposed to talks, and the EC troika had sought to encourage them to enter the process of negotiation.

He said Collins had reiterated the EC's view that there had, as yet, been no fundamental change in the apartheid system. "The aim of the dialogue must be to lead to that."

EEC team wants to force SA into solution

Political Correspondent

THE high-powered European Community delegation visiting South Africa on a fact-finding mission wants to pressure all parties to reach a negotiated political settlement "as soon as possible".

The leader of the three-person delegation, Irish Foreign Minister and current chairman of the EEC Council of Ministers Mr G Collins, said yesterday that the atmosphere for a negotiated solution in SA had never been better.

The three members, Mr Collins, Mr Thierry de Beauce, French Secretary of State for International Cultural Relations, and Mrs Susanna Agreli, Italian Deputy Minister for Africa, yesterday met President F W de Klerk, Foreign Minister Mr Pik Botha and a number of other ministers.

They later met churchmen Dr Allan

Boesak and Archbishop Desmond Tutu, Conservative Party leader Dr Andries Treurnicht and the head of the government's new black upliftment fund, Mr Justice Jan Steyn.

The group will be talking to a wide cross-section of parliamentary and extra-parliamentary organisations over the next few days.

Mr Botha told a press conference at Newlands House that the delegation, which represented the 12 EEC members, would report back to their governments on the situation in SA.

He hoped this would be done by the time President De Klerk visited Europe next month, so there could be an on-going exchange of ideas.

"This is the way dialogue should be conducted," said Mr Botha.

Both Mr Botha and Mr Collins confirmed that the questions of sanctions had not been formally raised during any of the discussions.

De Klerk to visit US in June?

Political Correspondent

THE government did not wish to comment on speculation yesterday that President F W de Klerk might take up US President George Bush's invitation to visit the White House in June.

A possible summit date of June 16 was doing the rounds in some circles yesterday, but neither the office of the State President nor that of the Minister of Foreign Affairs would be drawn on the latest speculation.

Last week government sources indicated that no date for the visit had been fixed yet, but that July, August and even September were possibilities.

Sapa-Reuter reports that sources close to the government said yesterday that Mr De Klerk will visit the US in June, adding that he plans to spend about a week in North America in mid-June.

Sowetan 12/4/90

EC group of 14 (S6A) visits SA

Sowetan Reporter

FOURTEEN ministerial representatives of the European Community countries arrived in South Africa yesterday for talks across the political spectrum.

They will hold talks with the Government and other organisations to acquaint themselves with reform moves.

The delegation is led by Irish Minister of Foreign Affairs Mr Gerard Collins. He is accompanied by Italian Secretary of State for Foreign Affairs Mrs Susanna Agnelli, and French Secretary of State for Cultural Co-operation Mr Thierry de Beauce.

De Beauce said they would report back on the progress of dialogue to the EC.

Talks with ANC 'please' European delegation

The Argus Correspondent

JOHANNESBURG. — Fourteen representatives from European Community countries have held talks here with internal ANC representatives led by Mr Walter Sisulu.

The leader of the delegation, Irish Minister of Foreign Affairs Mr Gerard Collins, said after yesterday's meeting that he was pleased with the discussions, which had centred on housing, education, health, sanctions and changes in South Africa.

The EC's position had always been against apartheid.

"We want to encourage dialogue between the government and ANC and we will help the victims of apartheid in a positive way."

The delegation and the ANC had agreed that sanctions would remain until fundamental changes had taken place.

Mr Collins welcomed reforms brought about so far in South Africa. He was confident "definite steps" would be taken by President De Klerk.

"The good atmosphere in the country has to be used by both sides to bring about a democratic situation."

FRUITFUL

Mr Sisulu said his delegation had had fruitful discussions with the European ministers.

The EC delegation met ANC deputy president Mr Nelson Mandela at Jan Smuts Airport when he arrived from Zambia yesterday and will meet President De Klerk in Cape Town today.

Talks have also been arranged with Chief Mangosuthu Buthelezi, the South African Council of Churches, the South African Catholic Bishops Conference, the Pan Africanist Congress, Azapo, the Democratic Party, the Conservative Party, representatives of the Indian and coloured Houses of Parliament and various business leaders.

They will also meet Foreign Affairs Minister Mr Pik Botha and deputy Minister of Constitutional Development Mr Roelf Meyer.

Labour Party leader Shimon Peres bites his nails as he confers with a member of the ultra-orthodox Agudat Israel Party in the Knesset yesterday.

Picture: REUTERS

national movement to change Israel's strict proportional representation system which gives the balance of power to parties with little public support or to individual defectors. — Sapa-Reuter.

Bonn set for stronger EC role

NEW YORK West Germany, already hesitant about EC plans to create a common currency for Western Europe, might soon carry additional clout because of the power of the deutschmark in the opening economies of Eastern Europe.

Western Europeans have already resigned themselves to their West German partner focusing its attention on a monetary union with East Germany, but they could discover next that Germany's interest will be distracted by the other nations that were, until recently, Soviet Union satellites.

The EC commission and most EC members are pushing for the eventual adoption of the European currency unit (ECU) as the currency of daily commerce in Western Europe and as a means to dilute the Deutsche Bundesbank's power to determine monetary policy.

But so far, the West Germans have resisted.

As time passes, not only will the mark become the currency of a larger and more powerful Germany, but it will also play a role in Poland,

8104 12/4 90
Czechoslovakia, Yugoslavia and Hungary, said William Harrington, senior foreign exchange analyst at the Wefa Group in Pennsylvania.

How EC monetary union will progress is still an open question, with the debate currently focused on political accountability for a central banking system and how much latitude countries will have in running budget deficits.

EC members have not begun to tackle the more divisive issue of what kind of currency will be used.



Political (S6A)

The EC Commission has proposed that a federal central banking system be created for the 12-nation bloc and that the ECU be adopted as a common currency.

Senior international economist at McCarthy, Crisanti & Maffei in New York, James Merrill, said the concern among West Germany's fellow EC members, was more political than financial.

He pointed out that the Bundesbank ran the risk of seeing its influ-

ence decreased by the opening of Eastern Europe. And with its hands full with managing German monetary union, the Bundesbank could have less ability to call the tune in Western Europe, he said.

But many in Western Europe prefer to see the mark rather than the dollar become the currency of Eastern Europe as it would bind potential markets more closely to the EC than the US.

The mark has already found widespread use in countries such as Poland and Yugoslavia.

Economics and Finance Professor at Cleveland's John Carroll University, said it would be logical to expect those nations that trade heavily with Germany to fix their own currencies to the mark.

But, said, Randall Henning, research associate at Washington's Institute of International Economics, such developments were a long way off as they would first have develop reserves to defend a new currency and this would entail economic reforms. — AP-DJ.

EC to boost aid for black development

B/Dam
12/4/90

THE EC is to increase aid to "victims of apartheid" in the areas of education, health and housing, Irish Foreign Minister and head of the EC "troika" mission to SA Gerrard Collins said in Johannesburg yesterday.

He was briefing the media after the delegation's first appointment in SA — a meeting with an ANC/UDF/Cosatu delegation headed by the ANC's Walter Sisulu.

Collins described the visit as more than a fact-finding one; its purpose was specifically to promote dialogue in SA.

Other senior members of the EC delegation include Italian Secretary of State for Foreign Affairs Susanna Agnelli and French Secretary of State for International Cultural Co-operation Thierry de Beaucé.

Sisulu — accompanied by Eric Molobi, the UDF's Mohammed Valli Moosa and Cosatu's Sydney Mafumadi — described the talks as generally very fruitful and said he had "forcefully indicated" to the EC group the need for assistance in the areas targeted.

Collins said Sisulu had urged very strongly that the EC maintain existing sanctions until irreversible change had occurred in SA. This, he said, was EC policy, although it had welcomed very warmly the initiatives of President F W de Klerk.

Collins said earlier the delegation's basic message was that the EC believed apartheid was unjust and had to be replaced by a democratic, non-racial SA achieved through peaceful means.

"There now exists an opportunity for this to occur, and the responsibility for seizing this opportunity rests with all involved. The 12 EC nations are anxious to assist with this process, and we will be

ALAN FINE

asking those we meet how best we can help," he said.

He said the EC believed the retention of the state of emergency and the continued incarceration of political prisoners remained an obstacle to dialogue.

De Beaucé, commenting on the possibility of the EC amending its sanctions policy, said: "When we go back and discuss our visit, it is possible we will take a new view on what is going on. Speaking as a French government representative, we are very interested in the measures De Klerk has taken and in the renewal of dialogue."

He pointed out this was the first official visit to SA by a French government representative since 1978.

The EC delegation left for Cape Town last night. Today it is to meet De Klerk, Constitutional Development Deputy Minister Roelf Meyer and Foreign Affairs Minister Pik Botha in separate meetings. Other Cabinet Ministers will then host a meeting with the troika at the Tuynhuys.

In the afternoon the group is to meet World Alliance of Reformed Churches moderator the Rev Allan Boesak, and then House of Delegates leader J N Reddy, business community representatives, CP leader Andries Treurnicht, and finally, Urban Foundation president Jan Steyn.

Also on its agenda for meetings in Johannesburg and Durban later are the SA Catholic Bishops Conference, PAC president Zeph Mothopeng, LP co-leader Zach de Beer, Kagiso Trust director Achmad Dangor, Labour Party leader Allan Hendrickse, KwaZulu Chief Minister Mangosuthu Buthelezi and ANC deputy president Nelson Mandela.

● Pictures: Page 3

EC visit may set ^(S6A) new policy on SA

A HIGH-POWERED EC delegation is due to arrive in SA tomorrow morning on a three-day fact-finding visit, the outcome of which could decisively affect the future of European sanctions policies against SA.

The 20-strong delegation, headed by Irish Foreign Minister Gerald Collins, whose country chairs the EC, is to meet a wide variety of SA organisations ranging from the ANC and PAC to CP leader Andries Treurnicht.

Their visit was decided upon at a meeting of the Council of Ministers of the EC in Brussels on February 20.

The EC "troika" — as the composition of the delegation is described — will also include, as the immediate past and future chairs of the EC, representatives of France and Italy. They will be French deputy foreign minister Thierry de Beaucé and his Italian counterpart Susanna Agnelli.

The other senior politician in the delegation is EC Commission vice-president Frans Andriessen. The delegation is scheduled to arrive tomorrow on separate flights from London, Paris and Rome.

Italian Embassy second secretary Alessandro Cortese said yesterday the purpose of the visit was for EC representatives to meet all in SA concerned with constitutional development.

The delegation would report back to Brussels on its findings on events in SA

ALAN FINE

since President F W de Klerk's February 2 speech at the opening of Parliament.

It was hoped the visit would assist the EC in developing its policy on SA, he said.

He expected that, with 12 countries having to reach agreement on the question, this would be a lengthy process. But, depending on the delegation's impressions, it could be the beginning of a process of changing or refining EC policy.

Tomorrow afternoon has been set aside for meetings in Johannesburg with the ANC, UDF and Cosatu. An ANC spokesman said at the weekend deputy president Nelson Mandela would be arriving back from his Lusaka trip in time to meet the group.

On Thursday the delegation flies to Cape Town, where it will meet De Klerk and other government representatives.

In the afternoon it is scheduled to see the SA Council of Churches, House of Delegates head J N Reddy, and Treurnicht. It will also meet various members of the business community including, it is understood, a delegation from the SA Chamber of Business.

On Friday the EC group returns to Johannesburg, where it will see Labour Party chief the Rev Allan Hendrickse, the DP

To Page 2

EC visit ^{6/Day} ^{10/4/90}

and the PAC.

It will also meet representatives of the Kagiso Trust — the body through which much of the funding for anti-apartheid organisations has been channelled.

The delegation plans to meet KwaZulu Chief Minister Mangosuthu Buthelezi on Saturday morning before flying home.

In 1986 the EC banned the import of SA iron, steel and Krugerrand gold coins, and barred new investment in SA. British non-

compliance with aspects of EC sanctions has already caused dissent in the EC.

The UK regards the iron, steel and coin embargoes as mandatory, but not the investment ban. Prime Minister Margaret Thatcher has indicated her intention to phase out certain sanctions.

Before 1986 the EC froze scientific and cultural relations with SA. Britain has already announced it is no longer observing the scientific and cultural embargo.

From Page 1



A delegation of EC ministerial representatives arrived in South Africa yesterday for talks with various political leaders. From left are Italian Secretary of State for Foreign Affairs Mrs Susanna Agnelli, Irish Foreign Affairs Minister and leader of the delegation Mr Gerard Collins and European Commission vice-president Mr Frans Andriessen. ● Picture by Jacob Rykliff.

Optimism in Brussels that EC sanctions may be lifted soon

12/4/90 The Star's Foreign News Service and Stan Hope

BRUSSELS — The end to European Community sanctions against South Africa could be only days away if the EC delegation visiting the country gets the assurances it is seeking on negotiations to end apartheid, according to diplomatic observers here.

The delegation of 14 ministerial representatives arrived in Johannesburg yesterday and held talks with Mr Walter Sisulu and an ANC group.

The EC delegation is headed by Mr Gerard Collins, the Irish Foreign Minister.

One Brussels diplomat said that the sanctions on coal, steel and Krugerrands from SA and new investment could be lifted at a Foreign Ministers' meeting on April 21, or possibly earlier.

He said: "The information from the mission will flow through the political co-operation net immediately after they return.

"It does not necessarily have to be decided at a ministerial meeting. It could just be announced by the Irish presidency."

The EC mission was set up at a Foreign Ministers' meeting in March after the 12 EC states moved in favour of removing sanctions. The UK had been alone in favouring their removal when

Ministers discussed the issue in February.

Mr Collins is accompanied by senior Italian and French diplomats on his visit to SA.

Key to the easing of the EC stance on sanctions is the readiness of the SA Government and the ANC to start the process of negotiation.

In spite of the optimism over the possible lifting of sanctions in Brussels, the EC delegation in SA has taken a more cautious stand.

Speaking after yesterday's meeting with the ANC, Mr Collins said he was pleased with the discussions which focused on housing, education, health, sanctions and political changes.

Encourage dialogue

He said the delegation wanted to encourage dialogue between the Government and the ANC and "help the victims of apartheid in a positive way". He added that the two parties had agreed that sanctions should remain until fundamental changes had taken place.

Mr Collins welcomed changes made in SA.

Earlier yesterday, the delegation met Mr Nelson Mandela at Jan Smuts Airport on his arrival from Zambia. Today, it will meet President de Klerk in Cape Town.

Top team from Europe to see FW

Political Staff *mlb 10/4/90*

THE delegation from the European Community on a short fact-finding tour of South Africa will meet President F W de Klerk in Cape Town on Thursday.

They will also meet the Minister of Foreign Affairs Mr Pik Botha.

The delegation will be led by the Irish Minister of Foreign Affairs Mr Gerard Collins. He will be accompanied by the Italian Secretary of State for Foreign Affairs Mrs Susanna Agnelli and the French Secretary of State for International Cultural Co-operation Mr Thierry de Beauce.

They represent the past, present and future presidencies of the European Community and their purpose is to update their knowledge about South African politics.

A vice president of the European Community, Commissioner Frans Adriessen, and Mr G Jannuzzi, Secretary-General, European Political Co-operation, will be

in the party of 20. (56A)

They will have discussions with several political organisations, including the ANC, UDF and Cosatu, ANC deputy-president Mr Nelson Mandela and Conservative Party leader Dr Andries Treurnicht.

The final details of the trip were sorted out by South Africa and officials from European governments while they were all in Windhoek for the Namibian independence celebrations.

The Italian diplomatic mission in South Africa is co-ordinating the visit.

Britain announced at a European Community ministers' meeting in Dublin in February that they would lift some restrictive measures against South Africa as a reward for the steps Mr De Klerk has taken to normalise South Africa's politics. Britain urged the EC to do the same, but the EC decided instead to send the fact-finding mission here.

● Churchmen to see FW — page 2.

Japan wins case on 'dumping'

S6A

GENEVA — An international arbitration panel has reiterated its findings that EC duties on Japanese electronic components assembled in the EC are illegal.

In a statement to a council meeting of the General Agreement on Tariffs and Trade (Gatt) on Tuesday, the panel defended itself against EC criticism that its judgment took no account of commercial reality and that existing world trade rules were insufficient to prevent companies dumping unfairly priced products on foreign markets.

Tim Groser, a member of the panel, repeated the recommendation that the 12-nation trading bloc should change its laws, a move that could have far-reaching implications for other countries.

The EC executive commission has argued the judgment potentially leaves governments without a legal defence against avoidance of customs duties.

Christoph Bail, an EC legal expert, told the council that the EC opposed the panel's "formalistic and extremely narrow" ruling.

The council, which traditionally decides by consensus on implementation of panel findings, deferred the case until its next meeting. Biday 5/4/90

Discrimination

The EC rules are aimed at so-called screwdriver plants. They are designed to prevent foreign companies from avoiding anti-dumping duties on imported finished products through setting up assembly plants that, critics say, use a screwdriver to put together individual components imported from a third country.

But there is mounting concern that the growing reliance on anti-dumping legislation threatens to undermine Gatt's efforts for more trade liberalisation through reduction of traditional barriers such as tariffs.

In its first-ever case brought before Gatt, Japan argued that EC rules discriminated against foreign-owned companies. The complaint was upheld.

At the same meeting, the Soviet Union bid for observer status in Gatt was deferred until the council's next session in mid-May, a Gatt spokesman confirmed.

Moscow's application was noted at the meeting and consultations will continue until the next session, said the spokesman on condition of anonymity.

Trade sources have said there is agreement on a Soviet presence in Gatt, but there is no consensus yet on timing.

At last December's Malta summit, President George Bush said he would back Moscow's bid for observer status. The US had previously opposed any Soviet involvement on the grounds that its economic system was incompatible with Gatt's market-oriented approach. — AP-DJ and Sapa-AP.

EC to consider access for Japan

8117004 4/4/90
LUXEMBOURG — European Community and Japanese officials will start informal talks soon aimed at reaching an accord to gradually remove restrictions on Japanese car-makers' access to the EC market, say EC officials, according to yesterday's Wall Street Journal Europe.

At a Luxembourg meeting of EC foreign ministers, Frans Andriessen, the EC's external relations commissioner, said the Japanese government agrees a transition phase is needed before the EC market is fully opened. He met Japanese Prime Minister Toshiki Kaifu in Tokyo on Friday.

Andriessen expects to have an accord ready by June. (SBA)

(UB) Bickering

EC nations disagree over how fast to liberalise the EC market and over whether Japanese cars assembled in the UK should be included in any future quota.

Italian Trade Minister Renato Ruggiero said he was worried the bickering was making the EC hostage to a Japanese offer.

France, Italy and Spain, which restrict Japanese car-makers' market share to 5% or less, say that UK transplant production (Japanese car plants) must be compensated by tougher curbs on shipments from Japan. That is unacceptable to the UK because it would amount to indirect pressure on the Japanese to reduce transplant production. — AP-DJ.

Pound poised to enter EC arena Thatcher

56A

B/Day 2/4/90

LONDON — Prime Minister Margaret Thatcher said on Friday that "very great progress has been made" on issues related to the pound's entry into the exchange rate mechanism (ERM) of the European monetary system, but that Britain's own inflation must still decline before she is ready to say when sterling will enter.

At a Press conference after a two-day bilateral meeting of West German and British government officials, Thatcher said West German chancellor Helmut Kohl did not raise the question of sterling's earlier membership of the ERM.

"I would like to confirm that Britain will join the ERM when the conditions laid down by the British government are completed," Thatcher said. Among the main conditions set by Thatcher has been controlling and reducing Britain's inflation rate.

She declined to give any further indication of when all conditions would allow the pound's entry.

On other issues, Thatcher said West German officials and their British counterparts "all agreed" that a unified Germany must stay inside Nato and that West Germany was still eager to work within the EC's time schedule for completing measures on market unification

— at the same time working towards unification with East Germany.

Thatcher laid out several basic conditions for the pound's entry into the EMS last June during an EC summit in Madrid. Among the key elements were the removal of foreign exchange and capital flow controls by other EMS members and the reduction of Britain's inflation to a level more closely in line with those of the other EMS countries.

Thatcher referred to progress made on the European side of the conditions, mainly France's removal of exchange controls at the start of the year and freer capital flow regulations.

She added that she hoped Britain's inflation would soon be falling.

Her emphasis on "progress" on the several European-related conditions confirms recent comments by Chancellor of the Exchequer John Major.

Thatcher said she and West Germany's Kohl saw eye-to-eye on the major defence and political issues facing Europe.

The bilateral talks, which included defence, foreign, economic and finance ministers from the two countries, found "all agreed that a unified Germany has to stay inside Nato", she said. West German officials were "very" committed to Nato, she added.

Both Kohl and Thatcher said the two

countries were likewise committed to pursuing the goals of EC market unification, and incorporating plans for German unification within it.

Thatcher, who is considered the most reluctant of the European leaders to speed up European integration, said there was already "very good and increasing political co-operation" in which each member was able to keep its "own pride ... and identity".

Kohl said both German and EC unification could be worked on simultaneously.

"One shouldn't impair the other, but stimulate it," he said. His government would hope to see German unification "tackled in such a way that nobody feels surprised".

In a separate interview with journalists after the Press conference, Kohl made it clear that while his relations with Thatcher were conciliatory, there remained points of disagreement between them.

He described Thatcher as "a great woman" but noted that she had a strong mind and he also had his "own will".

"There are certain areas where we simply cannot agree," he said. Nevertheless, he added, "it is worthwhile arguing with her" and that, as a leader, she was also willing to make compromises. — AP-DJ.

SA's neighbours 'will co-operate'

Cape Times, 30/3/90

SGA

SUVA, Fiji. — Southern African countries are ready to co-operate with a democratic South Africa to rebuild the region's economy, shattered after years of bitter civil war against rebels backed by Pretoria.

"We are certainly ready to co-operate with a democratic South Africa," Mr Frances Rodrigues, Mozambique's ambassador to the European Community (EC), said in an interview yesterday.

"Given the vast potential of the region, co-operation would be natural," said Angolan Planning Minister Mr Antonio Da Silva in a separate interview.

They were speaking on the fringes of a two-day meeting of ministers from the 68 African, Caribbean and Pacific (ACP) countries to discuss the Lome trade and aid treaty.

Both politicians welcomed President F W de Klerk's efforts to reform the apartheid system and his release of Mr Nelson Mandela, but called on the EC

and other nations to maintain sanctions against his government.

"We think De Klerk is sincere, but we don't know if the system will allow it. There are many dangers," Mr Da Silva said.

"The steps he has taken are courageous and very positive," Mr Rodrigues said. "But the international community must continue to put pressure on his government until the process of eradicating apartheid is completed."

In a speech to EC and ACP delegates yesterday EC Development Commissioner Mr Manuel Marin said the countries of the SADCC (Southern African Development Co-operation Conference) should prepare for co-operation with South Africa.

The nine-nation SADCC comprises Angola, Mozambique, Botswana, Lesotho, Swaziland, Zimbabwe, Malawi, Zambia and Tanzania. Newly independent Namibia will be the 10th.

"We will perhaps see a democratic and non-racial South

Africa emerge in the next decade. SADCC should start to take this into account in its planning," Mr Marin said.

The EC gives non-lethal aid to help the called frontline states. It also supports projects to help victims of apartheid within South Africa.

Mr Da Silva said peace was the first prerequisite for development in the region.

He and Mr Rodrigues said their respective governments were striving for peace through dialogue with rebel groups, and were working to promote democracy within their single-party systems.

It was important for the SADCC to support Namibia, economically and politically, Mr Da Silva said. The region needed more financial aid from the EC and other donors if co-operation was to be successful, Mr Rodrigues said.

Both said transport and communications were key priorities for stimulating development. — Sapa-Reuter

EC to consider ^(56A) path to economic, monetary union ^{B/Doc 20/3/90}

BRUSSELS — The European Community's top finance officials retreat this weekend to an Irish castle to try to narrow their differences over how far and how fast to move towards economic and monetary union.

The meeting of finance ministers and central bankers at the 700-year-old Ashford Castle is billed as a relaxed, informal chat, but the subject is deadly serious — whether the EC should set the goal of a single currency and, if so, how to get there.

"The issue at the heart of this is (national) sovereignty," said a top official of the European Commission, the community's Brussels-based executive.

Looming in the background is German unification, which will be a major side issue. The meeting may also talk about a proposed development bank to aid Eastern Europe and global co-operation on foreign exchange markets, officials said.

On EC economic and monetary union, ministers and central bankers will have before them at least four reports.

The starting point is a paper compiled last year by a committee of experts headed by European Commission president Jacques Delors. It laid out a three-stage path culminating in a common central bank system, binding rules on budget deficits and a possible common currency for the 12-member nations.

EC leaders have already agreed to

launch stage 1 of the Delors plan from July 1 this year. During the opening phase the 12 are supposed to align economic and monetary policy more closely and lock their currencies more tightly together.

In spite of objections from British Prime Minister Margaret Thatcher, the EC has also decided to convene a constitutional conference in December to negotiate changes in its founding treaty to press on with later stages.

Britain is loath to cede control of its monetary policy to a future EC central bank and refuses so far to contemplate going beyond stage 1.

Late last year Britain called for all community currencies to become legal tender throughout the bloc and compete for survival.

The idea has little support from other EC members.

In the other camp is France, backed by Italy, Spain and some smaller nations, all seeking quicker progress.

They want national parliaments to ratify the treaty changes by the end of 1992 so that stage 2, when a common central bank system would be formed, could start in 1993.

They argue that impending German unification makes it all the more important to work quickly to bind an economically powerful Germany to its partners in Europe. — Sapa-Reuter.

THE thawing of the international cold war against South Africa has raised the question of the country's status with regard to the Commonwealth, once the politicians get it together so that the rest of us can get on with our miserable lives.

Although it is early days yet, the issue of Commonwealth membership could become contentious, emotive and highly controversial. Basically, the position is that South Africa renounced its membership of the Commonwealth when Dr Verwoerd went to a heads of state meeting in London and promptly withdrew the new Republic's application on March 15, 1961.

It was a classic *volte face* because he had already declared the Nationalist government to be in favour of continued membership, regardless of whether the country became a republic or not. Withdrawing from the Commonwealth was not a stated objective of the bitter referendum which led to South Africa becoming a republic on May 31, 1961. Had it been, the voting might have gone differently.

As it was, the referendum governing the decision was a close fought thing, with 52,3 percent of the electorate voting in favour and 47,7 percent against.

That particular plebiscite drew a remarkable 90 percent poll, certainly one of the highest voting turnouts in South African political history and a clear indication of the depth of feeling that had been aroused.

True to standard South African political practice, however, the vast majority of our citizens were not invited to offer an opinion on the issue, but it is reasonable to assume that, if they had, they would have voted overwhelmingly against a republic, for the simple reason that whatever Dr Verwoerd wanted for South Africa, the disenfranchised majority did not.

It could be argued that, because the republican referendum was so obviously unrepresentative and in no way a true reflection of South Africans' views, it remains *ipso facto* null and void. This argument suggests that, although South Africa is excluded from cocktails in the Commonwealth clubhouse, it is still *de facto* a member, albeit not in particularly good standing at present.

This position presupposes that, when all the fuss is over, we will take our rightful place at the dinner table — probably wedged somewhere between the right honourable members from Zambia and Zimbabwe, where we can all be jolly good fellows together and sing freedom songs as Queen Liz passes the port.

It has been said of South Africa that it is the only country in the world which needed to go back-

South Africa will be just another faraway place trying to sell its fruit and veg along with the rest of them.

It is for this reason that South Africans should be thinking about a return to Commonwealth status even at this early stage. Despite the sorry cul de sac in which we have thrashed about these past 40-odd years, South Africa falls logically into the Commonwealth bloc. We share a common language, institutional heritage and emerging democratic ideals.

Our immediate neighbours and local trading partners are enthusiastic members. And, although the vast majority of Commonwealth nations merely pay lip service to democracy, South Africa is in no position to criticise the Commonwealth — at least not until we have our own democracy to parade before the Philistines.

It is certain that a democratic South Africa, free of its recent and unhappy past, would be a most welcome member of the Commonwealth. It would also be a considerable asset and reliable partner in the grand and visionary enterprise.

It is also certain that it would be greatly to the benefit of South Africa to have access to the Commonwealth Club which, an old Africa hand from the British Foreign and Commonwealth office once aptly described as the "Colonial Old Boys' Network".

It may well be a hotch-potch of nations and peoples, but it is an invaluable meeting place and, of course, marketplace. And the old boys' network is a powerful institution for anyone who hopes to get on in life.

The Commonwealth also has one great strength in that each of its members went to the same stern English public school and each member got caned by the Brits somewhere during that long and unhappy road to nationhood. And, as any schoolboy who ever suffered that indignity will tell you in a moment of candour, at such awful moments an invisible bond develops between master and student which no amount of growing up can ever erase.

So, now that South Africa approaches its own adulthood, perhaps it is time to think seriously about rejoining that particular old boys' network, to don the red, white and blue tie of the Commonwealth, wipe the slate clean of real or imagined slights and generally become respectable once more.

At the very least, it would mean watching our athletes bring home the bacon once more and receiving a few baubles from her Nibs each year. And what's so bad about having a few titled people about the place again? We already have our Dame Suzman. But what about a Sir Domkrag, or better still, a Lord Nelson?

81 Times 25/3/90

Time to consider rejoining old boys' network

Kerry Swift

lecturer in journalism at Rhodes University, argues that South Africans should not be dismissive about returning to the Commonwealth

wards in order to go forward and, now that President De Klerk is turning the clock back with such a vigorous hand, it is perhaps also time for South Africans to consider just where the post-apartheid South Africa will fit into the global matrix.

Rhodesia returned to the ample bosom of the Commonwealth when it regained its legality and today Zimbabwe is a proud and certainly a valued member of the Commonwealth body of nations — despite the fact that Mrs Thatcher would rather sleep with a hyena than spend an afternoon in the chilly Marxist company of Comrade Mugabe.

Reliable

But what of South Africa? Would we return "home" after our long racist slumber? Will a South African head of state once more stand beside the other Commonwealth leaders (or at least those of them who feel secure enough to leave their capitals without fear of returning to a coup)?

This is a reasonable question for South Africans to consider because a new world order has rapidly emerged with the collapse of international socialism, and a future South Africa must find a secure and safe place for itself in the international order which will best serve its own interests.

In 1992, Western Europe becomes one vast and integrated market, with the added prospect of a united Germany and the rapid economic integration of Eastern Europe.

With such momentous change in the offing in Europe, the future of our subcontinent pales into insignificance. And, once the *cause celebre* of apartheid disappears,

Vigorous

SLP

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6/10am 28/3/90
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Treaty could solve clashes over mergers

Own Correspondent

BRUSSELS — British commissioner Sir Leon Brittan this week called for a treaty between the Common Market and the US to prevent clashes over merger policy when the Brussels commission takes charge of all big EC mergers in September.

The mergers regulation gives the commission power to block or bless all mergers within the Community with a combined value of over £3.45bn. But Brittan pointed out that "there could be conflicts of jurisdiction, with the US and the EEC claiming jurisdiction in the same areas".

This would happen if, for instance, a merger took place between two American multinationals which each had a turnover of more than £1.72bn within the EEC, or if US and EEC firms combined with a total value of more than £3.45bn.

Under the mergers regulation, Brussels would have the right to vet the merger, and so would anti-trust bodies in the US — with potentially conflicting results.

A new treaty could provide "a detailed procedure for consultation on cases of common interest", Brittan said. It might even contain an arbitration clause, he added. — Daily Telegraph.



A little boy waves an ANC flag at an anti-apartheid rally attended by about 9 000 people in London's Trafalgar Square on Sunday. Picture: REUTER

EC top-level troika, in bid to promote dialogue in SA

LONDON — The way has been cleared with the SA government for a visit by a high-level "troika" of representatives from the EC.

A spokesman for the Department of Foreign Affairs in Ireland said yesterday that Irish Foreign Minister Gerard Collins met President F W de Klerk in Windhoek on Thursday last week.

He said at the meeting, which was also attended by Foreign Minister Pik Botha, the SA government indicated what dates it found suitable for the visit.

With Ireland currently holding the EC presidency, Collins is chairman of the EC's Foreign Ministers Commission which, in February, decided to send a delegation to SA.

The troika, led by Collins, will include the foreign ministers or senior foreign office officials of France and

KIN BENTLEY

Italy. The visit was likely to take place between mid-April and mid-May.

This means it should occur during or soon after the first formal talks between the government and the ANC, scheduled to start on April 11.

The troika visit is aimed at promoting dialogue between government and the ANC and other organisations representing the black majority.

Sapa reports from Windhoek that the EC is to provide Namibia with R28m to support priority projects.

This was announced by the director-general of the Development Communities, Dr Dieter Frisch, who led a delegation to Namibia's independence celebrations.

The aid would be in addition to that available for development assistance

once Namibia becomes a member of the Lome Convention.

About R14m would be for targeted budgetary support as the new government was inheriting a large deficit.

An amount of R8m had been pledged for health services in the north and would be channelled through the WHO.

An amount of R570 000 was for English-language training for 100 teachers at the Lusaka-based UN Institute for Namibia.

The commission had also provided R2m towards a development project at St Mary's Mission at Odibo in the far north. Another R3,2m was allocated for community and income-generating projects in Owambo.

The EC had also pledged R200 000 to the Namibian Institute for Social and Economic Research for urban planning and research.

Economic debate must focus on material deprivation of blacks SAIRR

A POLARISED socialism-versus-capitalism debate could distract attention from the urgent need to deal with black material deprivation, the SA Institute of Race Relations (SAIRR) says in its latest Social and Economic Update.

Any post-apartheid government will face enormous demands to match political with economic emancipation and the temptation to opt for symbolic quick-fix solutions like nationalisation will be great, the SAIRR report says.

CHARLENE SMITH

It says businessmen have pointed to socialism's failures in Eastern Europe. The trade unions, as represented by Cosatu's Jay Naidoo, have on the other hand pointed to "the failure of capitalism in SA. More than four-million are unemployed, five-million are homeless, millions live in abject poverty in rural areas. The health, social security and education systems are in a crisis.

There has been virtually no growth in the economy for the past 10 years".

The SAIRR urges that the debate be comprehensive, and not just a dialogue between business and trade unions.

"The jobless, the rural poor and the illiterate must be brought in as well. If they are not brought in from the outset we will see a new form of apartheid opening up between whites and urbanised, housed, unionised, educated

blacks on the one hand, and the illiterate, malnourished, unemployed urban and rural poor on the other," the Update suggests. *6/24 27/3/90*

"Any new government in SA will need to be structured in such a way as to ensure that the black platteland and the jobless all over the country are in a position to see to it that their needs are looked after, and not only in the interests of the urban proletariat."

Europe 1992 and outlook for SA

EUROPE 1992 would put pressure on SA manufactured exports, but demand for local raw materials might well improve, says Syfrets research analyst Hugh Broadhurst.

Reviewing changes in the latest edition of the Syfrets bulletin, Money Matters, Broadhurst said SA businesses would have to position themselves to grasp the opportunities of Europe 1992.

He said the larger European market would increase trade, but lower costs and barriers to trade within the EC would lead to community members preferring to source internally.

Among changes already taking place in Europe were the standardising or abolition of barriers at common borders such as quotas, rules of origin, currency control and taxes.

Broadhurst said other ideas being debated were a monetary union, one central European bank and a single European stat-

TANIA LEVY

ute standardising company taxes.

International companies expected the formation of a single market in Europe to affect their activities, he said.

Toyota, for example, had invested \$1bn in the UK to qualify as a European manufacturer, while other companies outside the EC had quickly formed alliances with, or taken over, European companies. Nestle took over Rowntree.

Within the EC, companies were merging to achieve mass production and distribution and to ensure representation across Europe, as with Siemens and GEC taking control of Plessey.

There were important political implications for SA in Europe 1992, Broadhurst said.

Voting in the European Council of Ministers would be by majority and SA's traditional allies might be outvoted.

31/01/90
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LAW

(SbA)

Business rushes in as Europe's barriers tumble

W/Mail 2/21 - 8/21/90

(56A)

THE Dutch landscape extends flat, placid and predictable as far as the eye can see outside the headquarters of NV Philips, the multinational electronics giant.

But for Philips executives looking beyond that first horizon, squinting toward the European Community taking shape around them and the Eastern European glacier disintegrating off to the east, the year and the decade ahead promise change, opportunity and more surprises.

Business leaders in this company town, like their counterparts in corporate centres throughout Western Europe, have been confronted with an unpredictable new element in what already was a process of swift and sometimes unsettling change that is both political and economic.

Western Europe had braced itself for the creation of a single business and trading market to take effect on December 31 1992. Now it is also seeing the unexpected opening of market and investment opportunities in Eastern Europe — developments that may put new claims on Western European financial resources and political energies.

All this turmoil and change sweeping through Europe is presenting already-burdened executives and policy-makers with potentially momentous decisions on how to respond.

Gerrit Jeelof, executive vice president of Philips Industrial Incorporated and president of North American Philips Corporation, describes the shifting European business situation

The European conglomerates are helping propel western contacts with Eastern Europe, reports EDWARD CODY

by quoting the French writer Paul Valery: "The future isn't what it used to be."

In an apparent attempt to shake the thinking of the continent's leaders, Jacques Delors, president of the European Commission, the EC's administrative arm, suggested at the same time that the Community increase aid to emerging Eastern European democracies by more than 22 billion dollars a year for at least the first half of the decade. EC nations have pledged only about 3.5 billion dollars so far, to Poland and Hungary exclusively.

Philips, a global corporation listed on 19 stock exchanges and ranked 22nd in the Fortune 500, has particular reasons for interest in both the EC's effort to abolish economic borders by 1993 and Eastern Europe's effort to shake off communism and expand commercial relations with the rest of the continent.

Executives here like to recall that Wisse Dekker, then Philips's president and still chairman of its 12-member advisory board, set forth a plan in January 1985 that helped rouse European leaders to eventually produce the 12-nation political accord on a single internal market. A high-level "Europe 1992" team within the company has been set up to usher



EC president Jacques Delors

Philips into the changes that will be produced.

As for Eastern Europe, company historians say co-founder Anton Philips landed his first big export contract in 1898 by promising to put 50 000 electric lamps in the czar's palaces in St Petersburg and Moscow. More recently, executives have been told 50-year-old Philips equipment is still

generating electricity in Warsaw.

In a pattern repeated by other European multinational companies, the march toward a single European market has coincided with — and to some degree caused — substantial change at Philips in recent years. Other factors that forced the company to change its way of doing business, Jeelof said in an interview, were the end of Europe's easy postwar economic growth and the emergence of competition from the Far East, particularly Japan.

"Philips used to be a multinational organisation that really was a federation of various national organisations," Jeelof explained. "With the coming of the European market, the first thing to do was to go through an enormous rationalisation," or streamlining, of its operations.

That streamlining has meant scaling back the number of its products, focusing on core areas of consumer products such as televisions and compact-disc players, traditional lighting, computers and computer chips.

But it also meant shedding fat and reorganising along product lines, seeking to take advantage of economies of scale and cheap labour that could be employed under the EC's new rules allowing free movement within the 12 member nations.

In the process, more than 50 factories have been closed, and the number of Philips employees worldwide has dropped in the last 10 years from 378 000 to 307 000. Trying to shake a reputation for paternalism and creaky management, Philips executives have promised stockholders a "leaner and meaner" company to compete with Japanese companies in the single European market.

Progress toward 1993 promises to help Philips and similar multinational companies by increasing standardisation within the community in such areas as safety regulations, technical definitions and national procurement policies.

The European Community's tightened political integration already has proven valuable in co-ordinating Western European reaction to changes in the East, Jeelof pointed out. Since the July 1989 summit of the world's leading industrial democracies in Paris, the European Commission has taken the lead in organising aid for Eastern Europe.

But less-developed EC countries, including Spain and Portugal, have expressed fear that the emergence of free-market economies and democracies in Eastern Europe will quickly draw away investment that would have come to their areas, prized for low labour costs. For example, Japan's Suzuki Motor Company recently announced a shift in plans to build a new plant in Spain, choosing to invest in Hungary instead. — The Washington Post

HISTORIC RAIL STRIKE SETTLEMENT W/Mail 2/21 - 8/21/90

THE January killings at Germiston station, together with the extraordinary capacity of 26 000 workers to sustain their protest for three months, were the factors that turned the railway strike in favour of the union.

Evidence that white Sats personnel and policemen had been involved in planning the attack on striking workers heightened international interest in the strike and threatened to put a dent in the government's reform image.

"It was at this point that Dawie de Villiers intervened and urged management to put an end to the battle. It was the blood of those comrades that bought us victory," says Sarhwu general secretary Martin Sebakwane.

"Within Sats there was a division between the 'hawks' and the 'doves'. For a long time the 'hawks' had supremacy. When Germiston happened it shocked them and gave the 'doves' the upper hand."

Jan Brelenkamp, labour relations manager for the railways, told the *Weekly Mail* that this assessment of the incident was correct.

"I had always been saying to my colleagues that the longer the strike kept on going, the bigger and more politicised it would become. Germiston played a role in convincing them of that," he said.

Sats' failure to break the strike with a strategy of mass dismissals and offers of

'These guys are incredibly resilient'

selective re-employment was another factor that helped Sarhwu extract concessions from the company.

"The mines (Anglo-American) dismissed 40 000 workers in 1987 and the National Union of Mineworkers' strike crumbled. But this one didn't," said Brelenkamp. "These guys are incredibly resilient. I don't know where it comes from."

Although Sats insists that it did not backtrack on any of its collective bargaining principles in signing the deal, the union has emerged with some substantial gains.

A major cause of deadlock in the original dispute was management's insistence that the union first register before negotiations on recognition and substantive issues such as wages could begin.

"Sats agreed to enter into immediate negotiations on an interim recognition agreement, which they previously refused to do," said Sarhwu attorney Jonathan Joffe. "And we have secured effective

guarantees to negotiate wages in April this year."

Joffe notes that even if there is no agreement on recognition between the parties, the strike settlement obliges Sats to bargain with the union on wages within 14 days of it being registered.

Other gains for the striking workers include:

- No reduction in job grades, wage levels, pension rights, bonuses and housing benefits.

- Payment for accrued leave, which will provide strikers with cash after going without it for three months.

- All workers evicted from their hostels will be re-admitted.

While the mass dismissals failed to break the strike, they had a negative effect on the attitudes of non-strikers and white supervisors.

"The impression was created among temporary workers that they enjoyed a measure of security. And as part of Sats' tolerance of right-wing activity, no disciplinary action was taken against those supervisors involved in violence. This gave them the impression they had a mandate to attack striking workers," said Joffe.

"This has now presented Sats with a huge problem. A backlash from these elements could create a disaster when the workers return to work over the next week."

Clash with Foreign Office looms

Maggie eager to open door for the new SA

57th 5/2/90 (10) 28/28 5.6A

LONDON — Mrs Margaret Thatcher is ready to overrule Foreign Office objections to lifting the ban on new British investment in South Africa once Nelson Mandela is released and the remaining emergency powers are lifted.

This is the prediction of *The Sunday Correspondent*, which goes on to say the British Prime Minister is determined to take the lead in ensuring that South African industry gets renewed access to international and British capital following President de Klerk's speech on Friday.

Mrs Thatcher, who is expected to receive Mr de Klerk in London in the spring before she goes to South Africa, has put an end to the voluntary investment ban — agreed to by the European Community — as an urgent priority if the pace of reform continues as expected," the newspaper reports.

It suggests that Britain is expected to lift its ban even if it fails to win the agreement of EC members.

"It is this strategy which is likely to meet with resistance from the Foreign Office. It will argue that it could upset some Western opinion, which believes that such an early move by Britain would be going too far, despite the wide international welcome for Mr de Klerk's speech in Cape Town."

The British government is also hoping to persuade Commonwealth leaders to ease

Commonwealth leaders are cautioning Margaret Thatcher over her eagerness to lift the ban on new British investment in South Africa following President de Klerk's latest reform moves.

sanctions on Pretoria, diplomats said at the weekend.

It intends to approach Malaysian Prime Minister Dr Mahathir Mohamad, current chairman of the Commonwealth, so that the easing of pressure on South Africa can be announced before British Foreign Secretary Douglas Hurd visits SA on March 20.

Mr Hurd is planning to combine the trip to South Africa — the first by a British Minister since 1986 — with attendance at Namibia's independence celebrations.

Pressure point

Asked whether the visit would be conditional on Mr Mandela's release, Mr Hurd said: "No, I am not imposing conditions."

The Foreign Secretary emphasised that it had been the combination of pressure and encouragement which had brought Mr de Klerk to announce the historic changes.

"His approach is a step-by-step approach, which strikes me as very sensible. He cannot be expected to do everything at once, but equally we cannot be expected to relax all the pressure points at once," Mr Hurd

added.

Mrs Thatcher emphasised that Britain believed in carrots as well as sticks, and so would seek an end to "petty sanctions".

But Dr Mahathir said at the weekend that it was too early to take any action: "It is a major development and I think progress will be made further, but there will also be a lot of resistance from the orthodox whites. This is not the end of the black struggle."

Commonwealth Secretary-General Mr Sonny Ramphal also cautioned against early change.

"To ease the pressure would be to take away the incentives to negotiate," he said.

Labour Party leader Mr Neil Kinnock is eager to confront Mrs Thatcher during Commons questions tomorrow on her argument that President de Klerk's commitment to unban the ANC and release Mr Mandela are a triumph for her policy of blocking comprehensive Commonwealth sanctions.

And Labour and the Liberal Democrats will also challenge Mrs Thatcher to reconcile her flexible line on sanctions with her determination to maintain Britain's military strength in Europe despite the collapse of communism.

Mrs Thatcher maintains that to underline or toughen sanctions now would be counter-productive. — *The Independent*.

hundreds of companies affected by SADF cuts

Some 3 000 private companies supply Armscor and could be affected by the cuts in SADF and Armscor budgets, reports GAVIN EVANS

cuts announced last train to lead to a significant rise in unemployment. The immediate effect of the massive re-orientation in the programmes of the South African Defence Force and Armscor will be the retrenchment of at least 2 100 Armscor and about 2 300 SADF officers, men and staff, according to military representatives.

But the ripple effect will soon be felt throughout the economy, particularly in the up to 3 000 companies believed to be sub-contracting to Armscor.

According to Democratic Party President's Councillor and security expert James Selfe, the likely effect of the cutbacks will be "huge retrenchments, particularly in the mainstream Armscor group companies".

He said companies dependent on Armscor contracts could be forced to cut their workforces by up to 40 per cent.

"What we're seeing is the whittling down of the military-industrial complex in which there has been enormous investment over the past decade. The cuts will have a huge impact on this sector of the economy".

The reductions are likely to facilitate a 20 percent reduction in the defence

budget — from R10-billion to R8-billion.

Selfe said the halving of the period of initial military service from two years to one year could lead to R1-billion being cropped off the Defence vote with a further R1-billion cut from the Armscor account.

But the spinoff effect of what the generals are rather ominously calling a "leaner and meaner" SADF could be a reduction in taxation or a shift in expenditure to areas such as housing and education.

The halving of the period of initial military service will also increase the number of young white males, many of them with tertiary qualifications, on the job market.

The moves announced last week by acting Defence Force Chief Lieutenant-General Kat Liebenberg involve the withdrawal of aircraft, the scrapping of "mothballing" of several SADF projects and the closing down of military bases.



Armscor display a new tank — now new plans have to be put aside

The airforce will be affected by the permanent withdrawal from service of five types of aircraft and the closure of six airforce bases.

The army's running costs will be "drastically curtailed" while 11 weapon and equipment projects would be cancelled and a further 49 will be reduced or suspended.

The army will also cancel a Kimberley-based training project for coloured soldiers and a horse breeding farm in De Aar. A total of 268 soldiers and employees will immediately

lose their jobs.

But the most dramatic effect will be felt by the navy which will lose 8,3 percent (2 000 members) of its full-time force.

The marines will be disbanded, five naval bases will be closed and the Simonstown and Walvis Bay bases and several Naval units will be scaled down. The Durban-based Naval Command East and the Naval Command West at Silvermine in Cape Town will also be disbanded. SADF representatives say that

Armscor will be forced to lay off at least 10 percent of its more than 21 000 employees. It may also find itself having to cast around for buyers for several of its prize projects.

The SADF, for example, will no longer be buying its new attack helicopter, the Rooivalk.

Armscor is believed to be the third largest industrial concern in the country, owning 15 factories and wholly controlling eight major subsidiaries.

According to the 1986 Defence White Paper 100 000 private sector employees were kept in work by Armscor contracts, and the figure is believed to have grown since then.

It is likely that many of these will be affected by the cutbacks, and is possible that several companies will close down as a result.

What is not clear is where the savings on defence expenditure will be channelled.

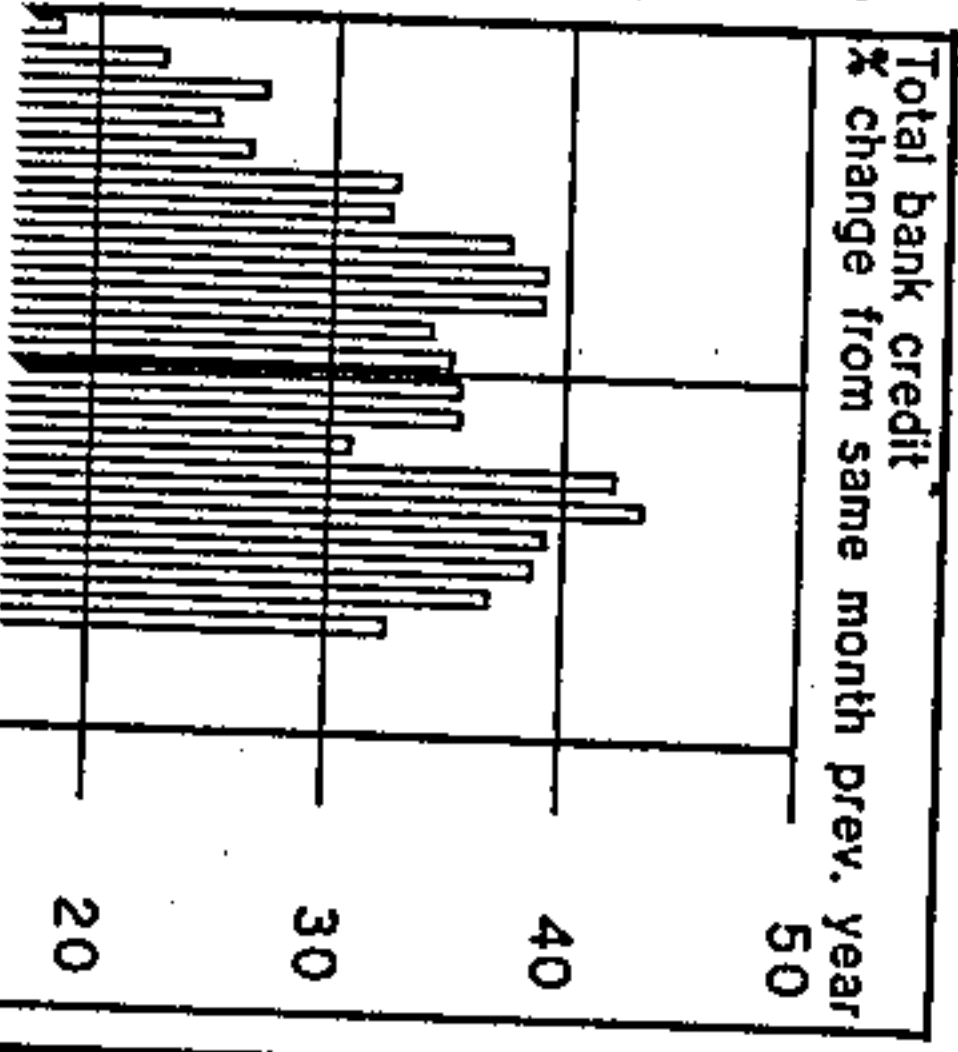
The most popular option with business would be for the move to facilitate further cuts in taxation, but there are also strong pressures for the savings to be used to help solve the massive crisis in black education.

Another aggressive bidder is expected to be the SA Police.

Expect no major tax concessions

Weekly Mail Reporter

INTEREST rates will remain high this year and there are unlikely to be



Confusion upon confusion on exports

MANUFACTURERS are anxiously awaiting a policy statement from the Department of Trade and Industries to clear up the confusion surrounding South Africa's export promotions policy.

A statement is expected this week, but many in industry are crossing their fingers that it won't be superseded by a contradictory statement

The government wants to encourage exports but it's pursuing different — and often contradictory — strategies. ALAN HIRSCH reports

The first structural adjustment programme (SAP) was launched in April last year for the clothing and textile

announced last year and due to be implemented from April 1. The principle of the scheme is that products which have gone through the most stages of manufacture, and use the highest percentage of locally-sourced raw materials get the greatest incentives.

Each product registered for export is classified according to the stage of manufacture (from primary product to

Standard Bank's calculations which the government presents its budget in March.

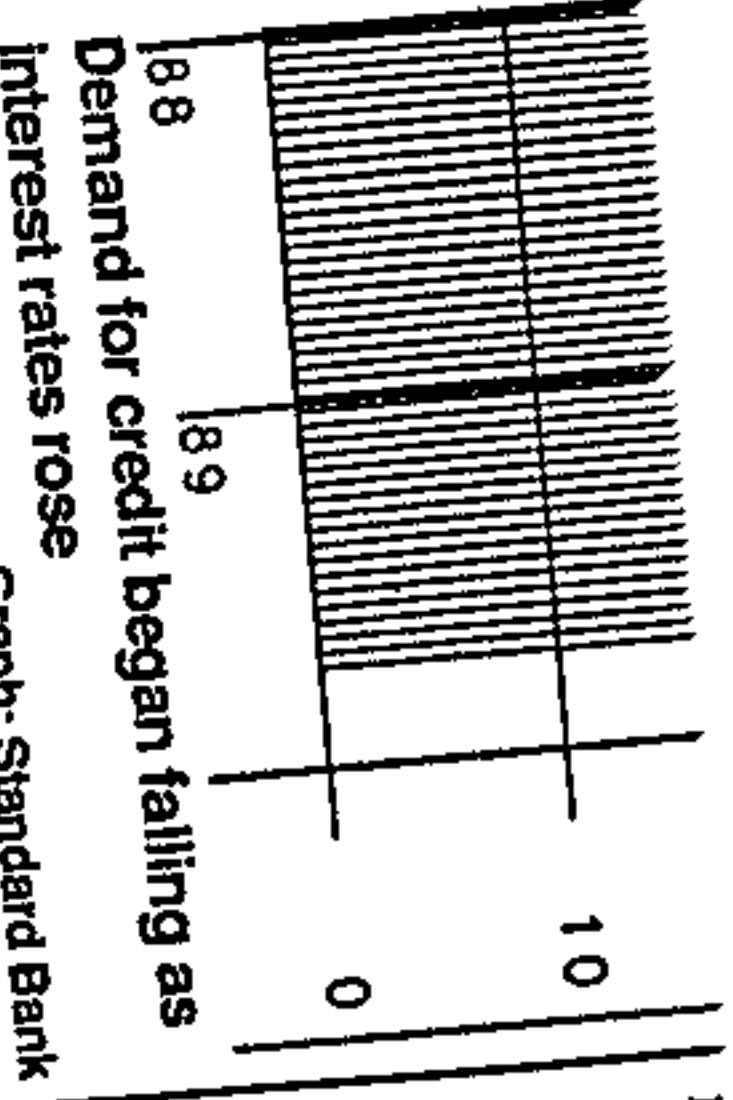
That's the message in two economic reviews released this week. The *Standard Bank Review* and United's *Economic Monitor* stress the need for monetary and fiscal policies to remain tight this year in the expectation of large foreign capital outflows. They also point to the domestic high money supply growth, which require curbs on economic activity be maintained.

United estimates a surplus on the current (trade) account of South Africa's balance of payments of at least \$2.2-billion (around R6-billion) will be required to cover foreign debt repayments due this year and other capital outflows. Standard says debt repayments could be as high as \$2.4-billion. Gold and foreign exchange reserves are totally inadequate to meet anticipated capital outflows so the country will have to generate substantial surpluses on its balance of payments current account.

But non-gold exports are unlikely to increase as they did last year because of slower world economic growth and weaker global commodity prices, says Standard.

In United's more optimistic view, the higher gold price will probably help the current account and "despite the general OECD slowdown, strong economic growth in Japan and West Germany, which are our major trading partners, will leave some room for export expansion". But on the negative side imports could still be growing so that the current account is expected to equal capital outflows, leaving gold and foreign exchange reserves little better than before.

Standard estimates exports rose 8.5 percent in volume terms last year, after recording 5.7 percent growth in 1988 and the increase in revenue was greater than this because of higher prices received for exports. United points out although South Africa's trade account position improved in rand terms, the improvement in dollar terms was less marked. But exports of base metals, semi-precious metals and minerals went up by between 10 and 20 percent in dollar terms, while



Graph: Standard Bank

agricultural exports grew by well over 85 percent on the previous year. On the import side, machinery and "unclassified" (which includes oil) both decreased in dollar terms by around four percent. But vehicle imports increased by some 10 percent since demand remained high among corporate and small business buyers. The need for stringent policies will make it unlikely the government will have much room to stimulate the economy in the March budget, says United. Tax revenues (which have grown faster than budgeted) will decline as economic activity slows. Large scale tax relief is unlikely though United notes there may be some form of bracket creep adjustment and tax relief on interest earnings. It is also possible the government will introduce separate assessments for married women.

Interest rates are expected to remain high through 1990 because it is vital to maintain real interest rates (that is, higher than the inflation rate) likely that Standard. "It is therefore likely that the list of financial casualties will lengthen during the course of the year and that individuals will continue to feel the burden of high interest rates." But, the bank's economists add, real interest rates will mean lower inflation and improved economic growth in the medium and longer term. United adds that positive real interest rates will also benefit the economy in that they will check the "free" fall in the value of the rand and encourage savings rather than expenditure. United predicts a 13.5 percent inflation rate for this year. Although the cooling in economic activity is expected to reduce inflation, food prices are likely to be rising at a faster rate because subsidies will probably be cut in the March budget.

next week.

The confusion began last September when a statement issued by the department seemed to override a policy outline issued only five months earlier. It now appears that the apparent conflict within the department heralds a major shake-up in the course of which several advisory bodies, including the Board of Trade and Industries are to be weakened and rationalised.

The story begins with the report of the Kieu committee which recommended that industrialisation should be promoted through an export-oriented policy, moving away from import-substitution. It argued that industrial sectors should be singled out for assistance on the basis of a range of factors, including growth potential, employment potential, and dependence on imported capital goods.

After enquiries into several industries, the Board of Trade and Industries came up with a strategy of aiding industries through tailor-made "structural adjustment programmes". In compiling the programmes BTI director Lawrence McCrystal claimed to draw on the policies that generated rapid industrialisation in the Far East, though economists might quibble over his understanding of the success of the newly industrialised Asian countries.

Black business tour of Zim

By MZIMKULU MALUNGA

EMBARKING on an "observation mission" to Zimbabwe in April this year are 102 black business personalities.

The co-ordinator of the trip, Willie Ramoshaba, said that one of the major reasons for the move was to expose blacks to broader markets and future business opportunities both in the country and beyond.

"Another reason for the mission was to begin equipping blacks so that they can face the challenges of the post-apartheid South Africa."

The tour is scheduled to last six days, starting on April 21.

Leading the mission Foundation, chairman of Get Ahead Foundation, Dr Nhatso Moflana who said the real power was economic. "Political power

implemented for the television and electronic sectors, and several other industries are under investigation.

Response to the SAPs has been mixed. Textile Federation marketing economist Brian Brink says the textile manufacturers "are happy with the SAP". It helped the industry's export drive, and encouraged further development oriented towards the domestic market.

Harry Pearce, managing director of the East London giant Da Gama Textiles said this week that the SAP had encouraged the firm to export fabric, as well as yarn, and that it now sees exports as "a growing business".

The clothing industry was much less happy. To get access to the SAP's incentives firms have to export at least 2.5 percent of their output. Hennie van Zyl, executive director of the National Clothing Federation, points out most clothing firms are relatively small and don't have plants big enough for export orders, or the infrastructure to market them. Most clothing firms would have to pay the new higher duties on textile imports which could only be escaped through exporting. Consumers would pay for the new tariffs.

Some industrialists are still uncertain about the implications of the General Export Incentive Scheme,

intermediate stages) and according to the percentage of local content. Each product registered for export will be categorised by the department.

Supporters of the scheme argue that it will be much simpler to apply than the SAP, which is a complex strategy requiring substantial administrative support. In addition, Minister of Trade and Industries Kent Durr, and Deputy Minister of Technology Dr Theo Alant have both endorsed a move away from micro-planning towards macro-planning.

Industry representatives are reluctant to comment on the export incentives because so little is known about the new programme, and because negotiations between the private and public sector on this matter continue. The clothing industry's Van Zyl is an exception. His federation is happy with the new policy because it is simple, applies to all industries, and doesn't penalise small manufacturers as the SAP does.

A critical question which has not yet been officially decided is whether the export incentive scheme totally replaces the SAP. The textile industry has not been informed that the SAP is being totally abandoned, a situation which could penalise them. Under the export scheme textiles probably would not have the most favoured status of "manufactured product" and would lose out to clothing.

Observers have detected signs that the Department of Trade and Industries is in the midst of a major upheaval. There is talk of the "rationalisation" of the BTI and Decentralisation Board, suggesting their power is to be diminished.

Trade and Industries director general Stef Naude recently talked about the complete restructuring of the department promotion branch of his department. Whether the power struggle within the department is simply about policy or also about personal fiefdoms is not yet clear.

What is clear is that the frequent shifts in policy that accompany the current shake-up don't provide the kind of stable business environment in which long term export strategies can be developed.

26/1-1/2/90

W. Moflana

26/1-1/2/90

THE WEEKLY MAIL

REPORT

profiles • analysis • this week • science • environment • technology • medicine

Bhutto's baby

PAKISTANI Prime Minister Benazir Bhutto yesterday gave birth to her second child, a daughter, in a Karachi hospital.

"Both are in good health," her mother and senior cabinet minister, Nusrat Bhutto, announced.

Bhutto, 37, kept her public engagements until just hours before going to the Lyari General Hospital.

After her return to parliament in November 1988 Bhutto became the Muslim world's first woman prime minister. She had jumped into the election campaign just a week after giving birth to her first son, Bilawal, in September 1988.

It has not been stated by the family how long she will rest this time before resuming government affairs. — Deutsche Presse Agentur

Soviet troops break Baku blockade to free refugees

26/1-1/90 WMA

SOVIET troops, afraid that Azerbaijani militants would soon begin attacking Russian families in Baku, used artillery, tank and naval gunfire on Wednesday evening to break a blockade of Baku's port so that ships carrying refugees, many of them Russians, could leave.

A number of ships used by Azerbaijani militants to blockade the port for the past three days were sunk, according to reports from Baku, while others were observed on fire in Baku Bay. Some of the sunken vessels were believed to be oil tankers whose crew had declared their solidarity with the Azerbaijani nationalists.

The troops had opened fire, according to a Soviet television correspondent reporting from Baku, after members of the Azerbaijani militia launched an attack on the port's main

By MICHAEL PARKS

to await evacuation across the Caspian Sea.

Baku, the Soviet Union's fourth largest city, has about 100 000 Russians in its population of 1.8 million.

Rumours had swept Baku for two days that Azerbaijani militants would begin attacking Russians in the city on Wednesday if the troops were not withdrawn, and wives and children of the army officers already had been wounded and killed in previous fighting.

The official news agency Tass in a late report said simply, "The blockade of Baku Bay has been lifted."

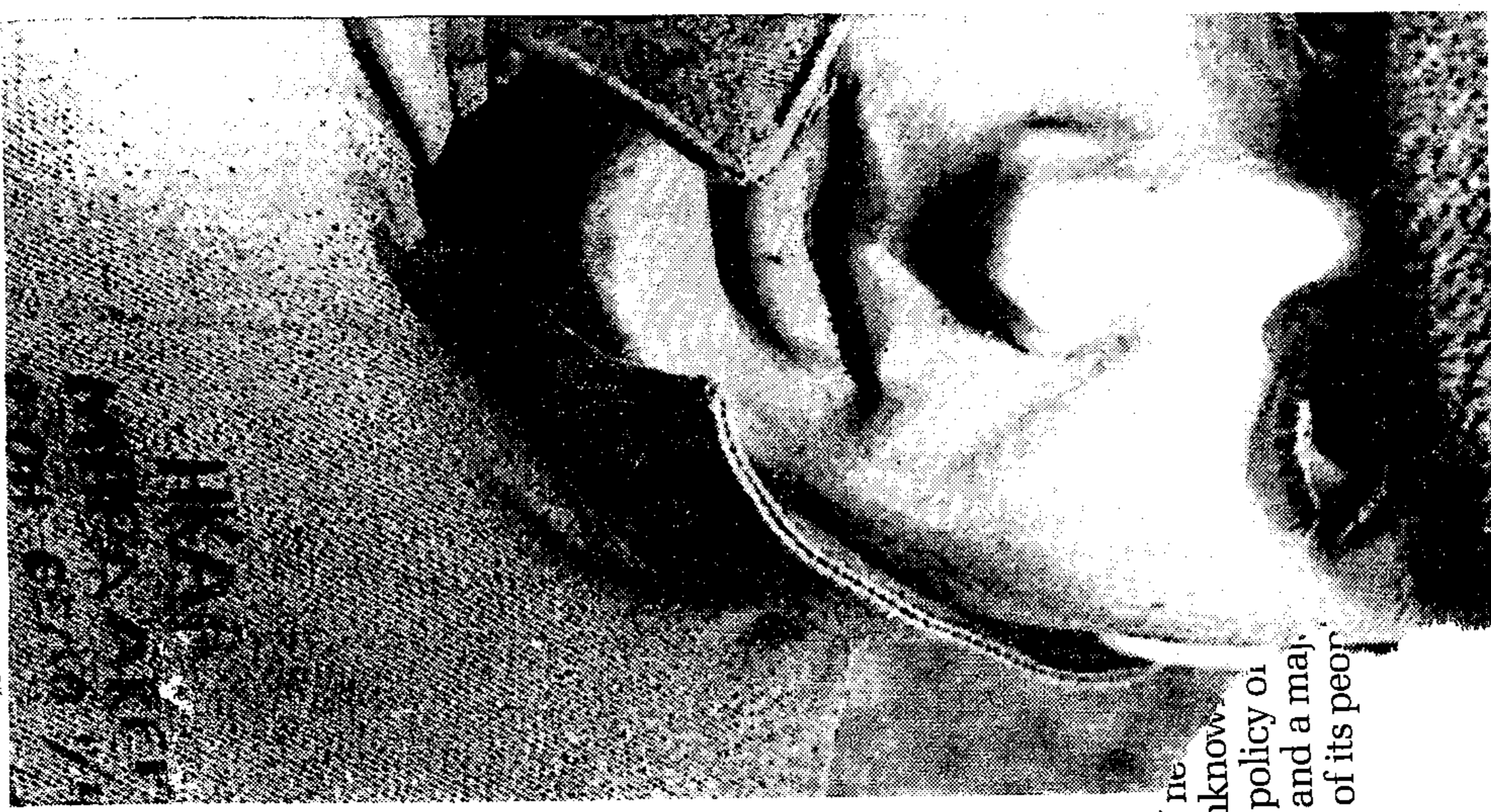
In the city early on Wednesday troops raided the offices and homes of leaders of the Azerbaijani Popular Front and its National Defence Council.

the groups' files and equipment. The council was outlawed under the emergency regulations and another 110 people were reported detained later in the day.

But Basu Aleskerov, a member of the movement's leadership council, declared that it would fight on. "The Popular Front continues to act and to lead the people," he said by telephone from Baku.

A general strike called by the front remained in effect for the third day. No factories or offices are working, and most of the oil industry there has shut down despite an order by the military commandant to return to work. Only a few shops selling food and daily necessities are open.

The Central Committee of the Azerbaijani Communist Party went into



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Siege aborts Haiti's election hopes

By WILLIAM LONG

HOPE for democracy in Haiti has faded after a harsh crackdown by the country's provisional military government.

General Prosper Avril, the president, used dictatorial powers last weekend to declare a state of siege, impose news censorship and persecute political and civic leaders. Dozens have been arrested, some have been severely beaten and at least five have been deported.

Presidential hopeful Hubert de Ronceray and another politician, Gerard Brun, were among those assaulted and deported. Some of the beatings reportedly took place in the white-domed presidential palace where Avril lives and works.

Politicians have gone into hiding and some who are overseas are unsure of whether they may return. Avril decreed the suspension of several constitutional guarantees, including one

ensuring the right of Haitians to return to their country without visas.

Analysis say the government actions have all but destroyed the possibility that elections scheduled for this year by Avril could be considered free and fair.

He is under strong international pressure to end the repression and guarantee open elections. United States ambassador Alvin Adams met the general this week and made it clear that "we deplore and are outraged by what has happened here", Adams said.

Concensus among other diplomats and Haitian analysts was that any future democratic gesture by Avril probably would lack the credibility needed for unfettered elections.

"I think that at this stage the best solution would be to get Avril out of power," a Haitian political scientist said.

Since the state of siege was declared on Saturday, the city has been peaceful with no signs of rebellious military activity. Repression by the army and police was severe over the weekend, however. By one diplomatic tally, security forces detained nearly 80 people, later releasing most of them.

Avril also imposed censorship on radio broadcasts, the main vehicle for news in Haiti. Last September Avril, who had taken power a year earlier, promised elections for 1990. This month he approved a calendar setting municipal elections for late April, two rounds of legislative elections for July and August, and the first round of presidential elections for October, with a runoff in November.

But signs of authoritarian excess by Avril had been clear for months. In October, authorities arrested and beat three major political figures, refusing them medical and legal aid for several days. In November, gunmen with Uzi assault guns killed three partisans of former President Leslie Manigat who were posting signs calling for Manigat's return to power.

On February 7 Haiti will mark the fourth anniversary of the day that ended 29 years of dictatorship by Jean Claude Duvalier and his father, Francois. — Los Angeles Times

Harare renews its 25-year Emergency

By ANDREW MELDRUM, Harare

ZIMBABWE'S parliament last week renewed its State of Emergency despite protests from human rights groups and backbench members of parliament.

Minister of Home Affairs Moven Mahachi called for the Emergency to be renewed because of the series of Mozambican rebel raids along Zimbabwe's eastern border.

The State of Emergency, which includes the power to detain an individual indefinitely without trial, has been renewed every six months since it was first promulgated in November 1965 by Rhodesian Prime Minister Ian Smith's government in order to combat rising black nationalism.

Robert Mugabe, Joshua Nkomo and many other leaders were held for long periods under the Emergency that they now support.

Zimbabwe's leading human rights group, the Catholic Commission for Justice and Peace, circulated a letter to all members of parliament urging them not to renew the Emergency.

All set for drive into Europe

STimes 28/1/90

SBA

THE liberalised European Economic Community market has been the most important strategic planning subject for the past two years at the Kuehne & Nagel International Forwarding Organisation.

Developments in Europe, which will constitute the largest internal market in the world, will have a profound effect on the forwarding industry, affecting trade with all other parts of the world.

KN chief executive Gunter Venth says that in 1988 his company initiated a European development programme which will involve investments in Europe of more than 400-million marks by 1992-93.

Collapse

Mr Venth says KN, one of the world's largest freight forwarders with 400 offices in 60 countries, has bought or set up joint ventures with companies in Italy, Spain, Britain, the Netherlands, European Free Trade Association nations and others which are particularly involved in the distribution of cargo.

"The collapse of the centralised systems of the Iron Curtain countries and the liberalisation of their markets put a completely new aspect on these developments.

"German companies traditionally had strong ties with their Eastern neighbours. No doubt, they will be re-established in the next few years."

Mr Venth believes that freight rates are likely to drop with the introduction of EEC transport market liberalisation. Forwarders and transport companies wishing

By Robyn Chalmers

to attain long-term competitiveness must more than ever try to offer services in line with real-market conditions.

Mr Venth says all industrial regions are subject to a rapid development and refinement process of logistic systems. Concurrently, there are ever-increasing demands on the performance of the forwarding and transport industries.

Monitor

"This general trend particularly manifests itself in the reduction of all warehousing stocks associated with the JIT (just in time) system and distribution sectors.

"Additional factors are playing a vital role in growing demands on delivery speed, reliability and punctuality.

"The basic condition for the realisation of such aims is an efficient information system accompanying the transport chain. KN SA has plans in place for a satellite linkage with its major foreign operations."

KN has separate divisions. One of the most developed in SA is the airfreight division, which goes under the name of Knair.

KN director Alfons Tellian says more emphasis is put on customer consultation than sales. Knair helps to form an awareness of products suitable to an individual shipper's requirements.

In particular, international express door-to-door services provide facilities for JIT shipments as well as urgent samples and documents.

"Because SA is heavily import-oriented, the main task

of forwarding agents in this market is to promote that business.

"In this manner, the SA consignee, being the freight payer in most instances, appoints an agent to collect from an overseas supplier, make the necessary transport arrangement and monitor the shipment all the way to his premises."

The hub of the seafreight operation is controlled and managed worldwide under the corporate identity of Blue Anchor Line (BAL).

BAL is an integrated non-vessel operating common carrier (NVOCC) service handling the control and management of seafreight imports and exports from consolidations (small parcels) through to project cargo movements.

Speed

Sales and marketing general manager Richard Adamson says that in 36 years in SA, KN has concentrated on developments in import and export trading links with all major partners, including Western Europe, Mediterranean countries, America and the Far East.

Among the specialist services of KN, the project shipping division produces large freight volumes, turnover and profits.

The services of KN projects involve the complete management of the movement of capital equipment, including machinery and complete industrial manufacturing complexes from the point of origin to destination.

At present, KN Projects SA, in conjunction with KN-owned offices abroad, is involved in handling project shipments for Sasol and other synthetic fuel projects, Majuba power station and the Sasol polypropylene plant.

THE WORLD

In practical fact, the ideological commitment was severely limited. Many government functions — social security, support to agriculture, the bailing out of failing banks and financial institutions — proved politically invulnerable.

However, this ideological commitment had a more damaging social effect in the US. Public support for the voiceless poor of the great cities, for low-cost housing, for educational expenditure, for much-needed maintenance of roads, bridges and other infrastructure and for environmental protection and control and retrieval of industrial wastes was either eliminated or kept far below the level of obvious, even urgent need.

Additionally, taxes were reduced with particular reward to those in the higher-income brackets. It was now held that the poor were not working because they had too much income and that the rich needed the stimulus to more income. The result of thus reducing revenues, in conjunction with the higher defence outlays, was a

budget deficit large by all past peacetime standards. The inflationary effect of this, in turn, had to be held in check by high real interest rates. Affluent spending on consumers' goods and services in general was offset by a sharp curb on industrial investment and housing, which is the way high interest rates act to reduce aggregate demand and inflation.

The effect on investment was understandably adverse to our competitive position in the world. More immediately, the high interest rates attracted foreign funds, notably from Japan, for the purchase of American securities, real estate and even whole firms. For a time and to some extent still, this kept the dollar artificially high, lodged imports in American markets and placed a penalty on exports. And, unlike old-fashioned commodity trade, once automobiles,

television sets and other consumer durables are solidly established in markets, they are not easily dislodged. The US, at the beginning of the decade the world's largest creditor, ended the 1980s by far the world's largest debtor. The Mexicanisation of the American economy in this respect was carried far beyond anything yet achieved by Mexico.

Our poor in the US have remained poor, and the number so classified has substantially increased, as has, more markedly, the share of income going to the very rich. The conditions of life in the centres of our large cities is appalling. Housing is bad and getting worse. Many of our citizens are without even the barest element of shelter, their income at near starvation levels. Schools are also bad, and young and old, sustained often by

crime, contrive a temporary escape from despair with drugs. In Britain, I do not doubt, the safety net is stronger but one notes the stubborn economic differences between north and south and the equally stubborn persistence of unemployment.

As the only evident remedy under socialism is to move toward the market, so the only possible solution for us is a larger, more effective, more compassionate role for the state. The public role needs to be prouder, efficient and honest, but there is no other that will serve. And there is much more that is needed, not the least of which is to accept the taxation which will pay for this escape from misery and allow for lower interest rates and resulting improvements in productivity and shelter. (High interest rates, let all know, sustain and subsidise a large and extensively non-functional

● **From PAGE 19**

The case for a caring society

rentier class.)

We must also accept that more progressive taxation contributes at least modestly to a more equitable distribution of income. Nothing serves social tranquility so well as taxes that evoke a few screams of anguish from the affluent; the rich, it is then thought, are suffering too.

Our economic decline, relative and in some respects absolute, could have been avoided. Irrelevant and damaging ideology triumphed over needed practical action. And, alas, it still does both in the US and in Britain. The comfort and short-run convenience of the many in the modern economy who are secure, contented and, in greater or lesser measure, affluent has been served while, as in our case, action on the budget, taxes and needed civilian expenditure important for the longer-run has been forgone. Ideology is, by both nature and purpose, a substitute for thought, and thought, alas, is what is required if we are to accommodate to changing reality. — The Guardian, London

56A

EC legislation could boost 56A

SA exports 274

Finande Staff 2/11/90
Environmental legislation in the EC could boost local production of exhaust systems fitted with platinum-based catalytic converters and bring in R2 billion in exports a year.

It is reported today that three manufacturing plants are already on the drawing board, with the first to be built within a couple of weeks by Algorax in Port Elisabeth.

The company expects to export 1 million converters a year from 1991 with the help of technology provided by majority shareholder Degussa AG of Germany.

Two other German companies, linked to local car manufacturers, were also reported to be setting up their own plants but this could not be confirmed.

SA mines 80 percent of the world's platinum.

Lower revenue figures underscore slowdown

Star 22/11/90

320

By Derek Tommey
The slowdown in the economy is starting to show up in the Government's tax figures.

The latest Treasury statement shows that inland revenue receipts, which include general sales tax, grew by only 8,7 percent in December to R4,09 billion from R3,76 billion a year ago.

In sharp contrast, Inland Revenue receipts in November, after excluding the R3 billion received from the Iscor issue, grew 33 percent to R3,3 billion from R2,54 billion a year earlier.

Slower growth

An analysis of the figures suggests that slower growth in general sales tax receipts could be the main reason for the weaker revenue figures.

At the end of October, GST receipts amounted to R9,4 billion and were running 31,2 percent ahead of last year's.

But in November they amounted to only R1,4 billion, which was 19,2 percent ahead of

last year.
This brought down the growth in general sales tax receipts in the first nine months of the fiscal year to 30,8 percent.

Figures for December's GST receipts will only become available in four weeks' time.

Other indications in the Treasury statement of a weaker economy include the lack of buoyancy in Customs and Excise receipts.

Government income from customs duties dropped 11,2 percent in November.

In that month they brought in R201,2 million, against R226,6 million in November last year.

Although excise duties in November were 16 percent higher than a year ago at R202,1 million, this is almost no increase at all in real terms.

The import surcharge has also been affected. It shows only a four percent growth in November to R240,9 million from R230,8 million a year earlier.

However, the Government has a winner in the fuel levy. This produced R325,5 million

in November, some 63 percent more than it did a year ago.

In the eight months to November, the levy produced R2,6 billion — up from R1,47 billion a year ago.

Preliminary figures for the nine months to December show that the taxman received a total of R46,4 billion, some 35 percent more than in the same period last year.

At the same time, expenditure continues to surge ahead.

For the first three quarters of the fiscal year, the Government had already spent 78 percent of the budgeted amount of R66,525 billion.

Defence spending

Spending from April to December totalled R51,87 billion, compared with the R40,93 billion spent over the same period in 1988.

Defence spending at R7 billion was almost 27 percent ahead of the previous year and will once again swallow a major portion of this year's revenue before cuts in spending, announced

over the last few weeks, take effect.

The SA Police also exceeded its budgeted estimates, with spending over the first nine months 33,5 percent higher at R1,99 billion.

While the Treasury statement does not contain a breakdown of provincial budgets, it does show that the Transvaal has been a heavier burden on the central Government this year than the other provinces.

Transfers from the state revenue account to the Cape in the nine months to December were 17,2 percent higher than last year at R1,98 billion.

Transfers to Natal were 9,6 percent higher at R1,07 billion and transfers to the Free State were 15,9 percent higher at R670 million.

But transfers to the Transvaal were 32,8 percent up at R2,45 billion.

It has not been possible to determine exactly what was responsible for the steep increase in the contribution to the Transvaal.

EC focuses on Eastern Europe

SA barely figures in Strasbourg session

By Stanley Uys

LONDON — The European Parliament's week-long session in Strasbourg which ended today was so preoccupied with events in Eastern Europe that South Africa scarcely figured on the agenda, Dr Bhadra Ranchod, South Africa's ambassador to the EC, said yesterday.

Speaking from Strasbourg, where he has been attending the session, Dr Ranchod, a former Dean of the Faculty of Law at Durban-Westville University, said the usual emergency motions calling for action against South Africa were absent.

The only reference to apartheid was contained in the usual declaration by the incoming president of the European Commission in this case, the Irish Foreign Minister Mr Gerard Collins.

"Even the declaration's reference to South Africa was mild," said Dr Ranchod. "It repeated the Commission would pursue an 'active policy to end apartheid,' but stressed it wanted to see a peaceful resolution to conflict in southern Africa."

The declaration said the objectives of the 12 member-states of the Commission "remain the achievement, through peaceful means, of a democratic and multiracial system in South Africa. We will maintain our pressure on the South African Government in order to promote the changes which we have repeatedly stood for.

"We will reconsider it (pressure) only with clear evidence that these changes have been obtained. It is the firm belief of the 12 that only broad-based negotiations bringing together the true leaders of the South African people can result in a lasting settlement."

Haggie worker shot dead

Labour Reporter

Another worker has been killed in inter-union conflict at Haggie Rand's Germiston plant.

Haggie said a member of Cosatu's National Union of Metalworkers, Mr Julius Nkosi, was shot dead in Kattlehong last week.

Five Haggie workers have died and eight have been injured

in conflict between Numsa and Inkatha's United Workers Union since last September.

Numerous meetings have failed to halt the violence.

Management said it had tried to set up a meeting between the unions on Wednesday, but that a disagreement over who should

attend had led to Numsa's withdrawal.

Dr Ranchod said this was a clear indication "that the Commission recognises the efforts being made to promote negotiations in South Africa leading to the dismantling of apartheid

"The European Commission is not prepared to support groups that promote violence, and it also accepts that it is for South Africa to negotiate the settlement that is best suited to its needs."

FAMILY ANNOUNCEMENTS

Family announcements for Engagements and Marriages are not accepted by telephone but must be placed personally at The Star Office, 47 Sauer Street, Jhb or Computicket Offices, where advertisers are required to sign the advertisement. In case of difficulty, Tel: 492-3500.

Lost, Found and Hebrew Notices appear on the front page of the Classified Section.

Births

BRIVIK
Brad and Aviva (nee Gen-
del) to Australia, a son

Deaths

BIRKOW
Jonathan, Our dear nephew, passed away Wednesday 17th January. Deeply mourned by his Uncle, Aunt and cousins Michael, Herta, Yvonne, Roy, Sandi and John.

SOLEL
Issy passed away on 14th January. Deeply mourned by his sister Sylvia, brother-in-law Joe Cohen, uncle of Stella and Mannie Saenger, Robyn Cohen, Denise and Ernest Smily (USA).

BRICKETT
Peter Sydney passed

Deaths

MORTON
Phyllis (Widow of Denis), passed away peacefully at Johannesburg on January 18th, 1990. Deeply mourned and sadly missed by Carol and Kevin, Pam and Mike, Gary and Monique and grandsons.

ROGERS
Dona. We will always remember your smiling face. Deepest sympathy to Mr and Mrs Rogers and Timothy. Sadly missed by Jack and Pauline Lea.

Funeral Notices

THOMPSON
The cremation service for Charles Harold Late of Raceview, Alberton will be held at the Methodist Church, 17 Heidelberg Road, Alberton on Monday the 22nd January at 10am. Donations in lieu of flowers may be sent to the Methodist Church P.O. Box 36, Alberton 1450.

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Sympathy

FISHER
Dr E. L. Heartfelt sympathy to Mary, David and Jonathan for the sad loss of a truly wonderful man.

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Nurses a
central hos
resume the

Easier said than done

■ Economic opportunities depend on careful analysis

Rimmer de Vries, chief economist, Morgan Guaranty Trust, provides a perspective on eastern Europe.

The downfall of the old-line communist rulers of eastern Europe is triggering irreversible changes in the region. Assuming the Soviet Union continues to pull back, both economically and politically, potentially significant opportunities will open up for Western firms and investors. The Eastern economies could raise their living standards, provide expanding markets for Western firms and perhaps function as low-cost production sources for west European markets.

Due caution begins with the recognition that the Eastern countries, excluding the Soviet Union, are of modest immediate economic significance. Though their collective population of about 110m is roughly one-third that of today's European Community, their GNP — of which all estimates are necessarily shaky — may be less than that of Italy alone.

First, the Eastern economies have limited potential as export markets for the West. In 1988, their combined hard-currency purchases came to only US\$35bn, as up to 70% of their external trade was conducted among themselves or with the Soviet Union. The existing Comecon trade regime is now likely to be changed by substituting world market prices for the former fictions and provide for hard-currency settlement of trade imbalances.

Second, suppose, at the extreme, that the Eastern economies raise the proportion of their imports from hard-currency sources to 70% over five years and are able to finance 10% annual growth in their imports overall. Five years hence, their hard-currency imports would rise from the 1990 level of \$35bn to \$120bn at today's prices. While this would be a significant sum, it would amount to no more than the total rise in exports of the four major Western European economies during last year alone.

Third, caution is warranted concerning the investment potential of the east European economies. Take the case of East Germany: providing its 17m population with a capital stock akin to West Germany's would take cumulative investment in plant, equipment and infrastructure of perhaps \$200bn. Western capital goods and construction firms drool at the prospect.

But, starting from a position where the creditworthiness of all Eastern economies is in serious question, who will pick up the financing tab and with what chances of suc-

cess? Export expansion by the Eastern economies in the Eighties met only limited success, was very costly to living standards and investment and did little to relieve the dearth of hard currency for imports to support development — very similar to many debt-loaded Latin American economies. The Eastern economies now can try to divert exports from Comecon partners to Western markets, in so far as the products concerned are of saleable quality. But their overall exports and growth will be severely limited by domestic needs and supply constraints.

The political changes, therefore, do not necessarily unlock doors to large-scale private bank finance without Western official guarantee. Nonetheless, banks will be pressured for new money or reduction of existing claims, perhaps in the context of the 1980 Brady Initiative. The pressure has begun in the case of Poland, even though banks hold less than one-quarter of Poland's \$40bn debt versus the two-thirds owed to Western official creditors. The banks' steering committee and the officials' Paris Club met jointly recently on Poland's needs.

Many banks may lean to debt reduction and the officials to further rescheduling. But the officials will stay wary of cutting back their claims, lest middle-income borrowers elsewhere in the world demand similar relief.

More certain, and in large measure for political reasons, is a major pick-up in the flow of official finance to East Germany and to other Eastern countries making credible efforts to reform their economies. Closer links with Western multilateral institutions should help. Hungary, Poland and Rumania have been members of the IMF and the World Bank for some years. Czechoslovakia now is expected to apply for Fund membership and both Bulgaria and East Germany are considering the possibility.

Given genuine commitment to reform, the

Bretton Woods institutions have much to offer both in advice and in cash, whether from their own resources or by triggering other official credits. Indeed, Fund programmes should be prerequisite to assistance from the EC, Japan and the US.

Hungary has begun reforms with an eye to a Fund package and a \$1bn credit tentatively pledged from Western governments. Poland already has reached an IMF accord intended to provide \$700m in Fund credit over 13 months and later this year may qualify for substantially greater Fund support. Related to its initial IMF accord is an early \$1bn currency stabilisation loan from Western governments and up to \$1.7bn in possible World Bank credits.

As do other eastern European countries, Poland faces a daunting stabilisation challenge. It must secure and maintain wage restraint as it removes subsidies, hikes prices for essential goods and otherwise tackles fiscal imbalance and the inflationary legacy of excess liquidity. Under price controls, incomes and purchasing power normally exceed the value of goods available. If controls come off, prices must rise not only to balance income and goods available, but to mop up excess liquidity accumulated in the past.

The problem is complicated in Poland's case by the estimated \$6.5bn in hard-currency circulating cash and deposits in the banking system, whose purchasing power cannot be eroded by zloty depreciation or normal management. Price liberalisation in Poland already took the 12-month inflation rate above 550% by late 1989 and, in January alone, overall inflation is expected to run at 50%.

Government hopes that under-indexing of wage increases will bring inflation down to 5% monthly by the spring. In the process it anticipates a 2%-3% drop in output this year and a 20% plunge in real incomes from prior (overstated) levels. Up to one million job losses — 6% of the labour force — may come to pass in an economy ill-prepared for open unemployment.

Western governments are groping to come up with constructive ways to increase the changes for successful reforms in the East, aware that the new leaderships there lack experience and may be vulnerable to conservative reaction. Modest official assistance to relieve stabilisation hardships are needed.

There is a danger, however, that large-scale provision of official funds — perhaps through the proposed European Bank for Reconstruction and Development — would wind up underwriting uncompetitive public-



sector showpieces rather than seeding private initiatives. More valuable to the Eastern economies than gifts or loans from Western governments would be increased joint venturing and other direct investments by Western firms.

To realise private investment potential requires that existing deterrents be eliminated. Thus, as East Germany moves to lift its joint venture ban, it would make little sense to install a restrictive successor regime. More generally, foreign investors require credible and predictable legal, regulatory and fiscal arrangements to define property rights and allow profit repatriation at will or within an acceptable time horizon.

An ideal investment environment, from the standpoint of resource allocation, would forego arbitrary export performance requirements of foreign investors, ownership limits, or other discrimination against them. This will not be easy for economies subject to nationalist sensitivities, of which foreign investors in turn must be mindful. Still, non-discrimination is important in investment matters, not least so that the Eastern economies may develop constituencies in the West to improve their trade access to Western markets.

Currently, only East Germany enjoys any degree of free access to the EC, since its trade with West Germany is treated as intra-

EC trade free of tariffs and quotas. Over time, the Eastern countries will need to win trade privileges in the EC comparable to those enjoyed by EFTA members, ultimately leading to their effective integration with the West European economy.

All told, the Eastern countries will need many years to transform themselves into dynamic market economies. Certainly increases in trade and investment vis-a-vis the East will not prove a substantial direct stimulus for the West in the short run. Indirectly, however, the changes in eastern Europe should be a plus for general investor confidence in the West, particularly in western Europe. ■

56A
DEMOCRATIC EAST GERMANY QUALIFIES FOR EC

DUBLIN — A democratic East Germany would be entitled to full EC membership, EC president Jacques Delors said in an interview published in the Irish Times on Saturday.

Delors is in Dublin for talks on the six-month Irish EC presidency.

"The obstacles are the Yalta Agreement (after the Second World War), the Cold War and the communist regime. If we abolish that, the East German

people, because they are German, are potential members of the community." East Germany's first free elections are scheduled for May after last year saw the end of four decades of communist rule.

Delors said when West German leaders ratified the Treaty of Rome which founded the EC, "they made a special declaration that if reunification was possible, we would reconsider

the framework of Europe".

"That means that if East Germany becomes a pluralist democracy with an open economy this country has its place in the present community."

Delors declined to discuss the security implications of such a move.

"I cannot imagine a solid European unity which lacks the capacity to take charge of its own internal security," he said. — Sapa-Reuter.

56A

Hurd puts sanctions on the agenda of next EC meeting

LONDON — British Prime Minister Margaret Thatcher has ruled out an immediate visit to SA although her last condition for the trip was met yesterday with the release of Nelson Mandela.

Speaking to reporters at the Young Conservatives conference in Torquay, she said a "huge task" in preparing the way for negotiations now lay ahead.

It is expected Thatcher will visit SA later this year.

Meanwhile, Canada, the Netherlands, France, Australia and Italy joined in welcoming the release.

UK Foreign Secretary Douglas Hurd, speaking at a Press confer-

ence, said there was a "surge of hope" all over the world.

Echoing Thatcher's statement on immediately lifting some of the sanctions against SA, Hurd said the EC agreed that measures, particularly the ban on new investment, "are no longer logical".

He would be raising the matter with his EC counterparts at their next meeting in Dublin, on February 20, he said.

The UK Labour Party welcomed the release but said it believed international pressure had to be maintained.

The party would consider reviewing its stance on sanctions and boycotts only once Nelson Mandela and

the ANC called for these to be lifted, it said in a statement.

From Ottawa, Canadian Prime Minister Brian Mulroney welcomed Mandela's release.

Influence

He commended President F W de Klerk and said Canada stood ready to help in negotiations.

"We will continue to try to find the most effective means of exerting our influence on the situation," he said.

Australian Prime Minister Bob Hawke said in Canberra the release was the most positive sign the world had had that "the walls of the abhorrent apartheid system may soon be

breached".

He called on SA urgently to build on the goodwill flowing from the move, with the goal of extending equal rights and democracy to the nation's black majority.

Foreign Affairs Minister Gareth Evans also welcomed the move, but said more reforms were needed before Australia would consider relaxing sanctions.

In Paris, French President Francois Mitterrand welcomed the release but urged SA to press on towards full democracy.

He said it was "an event for human rights".
In Amsterdam, Foreign Affairs spokesman Andre Haspels said: "We

are highly satisfied with the release of Nelson Mandela and hope it is the first step towards greater democracy and the development of a multiracial political system in SA."

Amsterdam anti-apartheid groups hung ANC flags from windows, along with a banner hailing Mandela and denouncing apartheid.

Italian Prime Minister Giulio An-

dreotti said in Rome the release would be a great boost to dialogue among all South Africans.

It was "a gesture which could give a fundamental push to dialogue between all South Africans, and which has as its aim the end of all racist discrimination", Andreotti said. — Sapa-Reuters-AP.



A member of the British Anti-Apartheid Movement outside SA's London embassy yesterday. The organisation says the permanent protest in Trafalgar Square will continue until apartheid is abolished. Picture: REUTER

Thatcher moves to end EC's ban

IAN HOBBS

(56A)

LONDON — British Prime Minister Margaret Thatcher is formally asking the 12 EC nations to acknowledge Nelson Mandela's release by immediately lifting sanctions against new investment in SA.

Her insistence that the world's biggest trading bloc must reward President F W de Klerk's reforms is a clear warning to her European partners that Britain is prepared, if necessary, to declare UDI on the sanctions lobby.

Thatcher underlined her strength of feeling that sanctions must be eased by confirming at the weekend she was unilaterally ending the cultural, educational and scientific boycotts.

Spokesmen for the prime minister and for Foreign Secretary Douglas Hurd denied yesterday that Thatcher had already taken an active decision to turn a blind eye to new trade that would breach sanctions agreements with the EC.

But they confirmed that the UK government had already set in motion the political machinery to persuade Britain's partners, particularly France and West Germany, to create trade incentives.

This was to promote the "new sense of hope and optimism" De Klerk had created by delivering his pledges on reform.

Britain hopes the lifting of the ban on new investment — which will undermine any other form of trade sanction — will win an emphatic majority when the EC foreign ministers meet in Dublin later this month. *B/Dam 12/2/90*

Sanctions against SA will be at the top of their agenda.

Hurd is to spearhead Britain's argument in the debate.

It is understood he has already won indications of support from West Germany and Italy, with France prevaricating.

He is expected to press Thatcher's argument that economic stability and growth are vital to peaceful progress in SA and "the steps President de Klerk has taken merit a positive, practical response".

Thatcher's government rejected out of hand Labour Party leader Neil Kinnock's argument at the weekend that nothing should be done to ease sanctions until Mandela and the black majority in SA said so.

Hurd is expected to visit SA next month, before or after he attends Namibian independence celebrations in Windhoek.

He will also set the scene for De Klerk to visit Britain and for Thatcher to make her long-promised visit to SA later this year.

Hurd will also urge Mandela to accept Thatcher's invitation for him to visit Brit-

To Page 2

EC ban

B/Dam 12/2/90
ain as soon as he can.

ANC spokesman Freney Ginwalla, who reflected the thinking of the movement's president Oliver Tambo, said yesterday it would be damaging to the progress in ending apartheid if the EC backed Thatcher's determined drive against sanctions.

Ginwalla said sanctions were the pillar of peaceful resistance to apartheid, which remained along with government's "determination to proceed with separate group

56A
policies".

She said the world needed to realise it was sanctions which had "forced Mr de Klerk to his knees" — but he had not yet even started to remove the pillars of apartheid.

The ANC felt he had timed the release of Mandela to try to impress the EC foreign ministers' meeting — but the ANC would have representatives present to warn against the sanctions pressure being eased, Ginwalla said.

From Page 1

Thatcher lone dissenter in community

Sanctions to stay until apartheid is scrapped — EC

STAR 13/2/90

(56A)

BRUSSELS — A European Community (EC) commissioner said yesterday economic sanctions against South Africa should be maintained until apartheid was demolished.

"I am completely in favour of maintaining sanctions," development commissioner Mr Manuel Marin said following a nine-day tour of Zambia, Mozambique, South Africa and Namibia.

The 12 EC member-states welcomed the lifting of the ban on the African National Congress and the release of ANC leader Nelson Mandela after 27 years in prison, he said.

Easing pressure

But, with the exception of Britain, they remained wary about easing pressure on South Africa to continue its reforms while apartheid was still in existence, he added.

Mr Marin said sanctions imposed by the United States had been decisive in bringing South Africa to the negotiating table. He added that EC embargoes on new investment and imports of gold, coins, iron and steel had been less effective.

"The community has not been the top of the class in this respect," he said.

British Prime Minister Mrs Margaret Thatcher, often a lone voice in the community, said yesterday she would be pressing for some EC sanctions to be lifted.

"I shall be approaching the European Community and suggesting that ... Since we got Mr Mandela released that we do consider lifting some of the sanctions," Mrs Thatcher said.

"I think a little incentive and a little encouragement goes a long way in these circumstances," she said.

EC imports from South Africa declined after sanctions were imposed in 1986, but rose from \$6.8 billion (about R15.4 billion) in 1987 to \$15.4 billion (about R38.1 billion) in 1988.

Most imports went to Britain.

Mr Marin, who met Zambia's President, Mr Kenneth Kaunda, Mozambique's President, Mr Joaquim Chissano, and Namibia's black nationalist leader Mr Sam Nujoma during his tour, said southern African states were ready to co-operate with a multi-racial South Africa.

With the growing prospect of peace in Angola and Mozambique after years of civil war, community aid previously spent helping countries resist South African destabilisation could be used to develop the region's rich natural resources, he said.

Mr Marin said the EC aid would aim to be flexible and would focus on repairing and improving communications in the region. — Sapa-Reuters.



All roads lead to Soccer City ... yesterday, as far as the eye could see, streets were filled with crowds dancing their way towards welcoming their leader. © Picture by Ken Oosterbroek.

What it means for SA

F/M 16/2/90
(56A)



Brian M Hawksworth
is a partner of Ernst
& Young

Awareness of what is happening in Europe on December 31 1992 is limited. We are not alone in this: even in Britain most businesses are doing nothing in anticipation.

It is the deadline for the creation of a single market throughout the 12 countries of the EC. This will mean a united market of more than 320m people in which the free movement of goods, people, services, capital and, I hope, ideas is ensured.

Every company in the EC will be affected by the greatest deregulation in economic history and the resulting consolidation and expansion of European business. Half of world trade is conducted in the EC where GDP should increase by 5% as a result of 1992.

These developments affect us because more than 57% of our foreign trade is with the EC.

To illustrate one possibility: exhaust emission control legislation will apply to all new cars in the EC from 1993. This will have a

major impact on our platinum mines.

It will be important for our business community to bear in mind that SA needs the EC more than it needs SA and our future, to a large extent, depends on ourselves.

The Code of Conduct for EC members doing business with SA was revised in 1985 to introduce economic measures — as well as an arms embargo — against us. In 1986 a voluntary ban on investment in SA was urged. These measures, and the fact that unlike the Southern African Development Co-ordination Conference (SADCC), we do not have a preferential trade agreement, are a great challenge to both business and government.

The European Parliament is under socialist and Green control with most EC countries under socialist control. This does not augur well for relaxation of restrictive economic measures against SA despite recent political developments.

We need to create 1,5m jobs a year but our productivity is lower than that of all 12 EC members and we do not have an export mentality.

To benefit from 1992, companies need to target specific markets and establish bases in an EC country. From there manufactured goods may be exported across borders in the group.

Timely corporate planning is important. A European identity should be acquired inside

the EC. Recommended procedures are to:

- Understand the workings of the European Commission and related bodies;
- Keep abreast of EC developments;
- Select a professional team of chartered accountants, legal advisors and so on; and
- Prepare a corporate strategy, including a timetable.

The business community should prepare a code of conduct for its own regulation and to ensure that the outside world knows where it stands on matters in the code.

Ministerial level

Government must continue dismantling apartheid and keep the EC informed at ministerial level of what is happening. Once it has progressed a long way down that road, and mutual respect and trust have been established, it should encourage neighbouring states to use the single-market EC as a model for southern Africa.

African countries can no longer rely on the consistent support of the USSR and Europe. They are steadily being forced back on their own resources and, therefore, need each other. Already more than 60% of our foreign investments are in Africa and we manufacture more than 40% of the continent's exports.

In time, SA should become a member of SADCC to develop links with the rest of the world through Africa.

Growing growth (S6A)

Economic performances of the 12 EEC countries converged in 1989, says the latest *IMF Survey*. All had strong growth in GDP and employment but "these favourable trends

FINANCIAL MAIL FEBRUARY 16 1990

FM 16/2/90 (S6A)

can be sustained only if inflationary expectations are controlled and the external and internal imbalances within and between the member states are reduced."

These are the main conclusions of the *Annual Economic Report for 1989-1990*, adopted by the European Commission late last year, it says.

The report estimates real EEC GDP growth in 1989 was marginally lower than 1988's 3,8% but still "significantly higher than the average yearly rates of 1,6% recorded in 1982-1984 and 2,6% in 1985-1987."

Employment expanded by 1,5% in 1989 — about the same rate as in 1988 and almost twice the yearly average increase in 1985-1987. "The report observes that economic growth has in general created more employment than in the past: in the Sixties an annual GDP growth of 4,8% barely created 0,3% of new employment."

GDP growth in 1989 was led by investment and exports, both of which expanded by about 7%.

The "impressive" investment performance in the second half of the Eighties is attributed to "the steady recovery of the profitability of the capital stock. This has taken place because of moderate real wage increases, declining energy prices and improved capital productivity. A rise in savings ratios — largely due to a reduction in government dissaving — also encouraged higher investment. The report projects that in 1990, real output will grow by about 3%, investment by about 5% and exports by more than 6%." ■

UK will defy EC on some sanctions

Star
19/2/90

(10)(20)(56A)

The Star Bureau

London

Britain will defy its European Community partners this week and lift investment and tourism sanctions against South Africa.

Although Prime Minister Mrs Margaret Thatcher will formally consult Common Market leaders at the summit in Dublin, she is determined to press ahead with her own plans immediately, say Whitehall sources.

She believes, they say, that the state of emergency will be lifted by President de Klerk within three weeks — and then she expects other European Community countries to follow Britain's stance.

She is keen to take a strong lead in encouraging the South African Government to find a negotiated solution.

The executive director of the United Kingdom South Africa Trade Association (UKSATA), Mr Nick Mitchell said in Johannesburg today that businessmen were generally very optimistic that a move to lift sanctions could have numerous positive spin-offs in the form of new trade links, although immediate investments were not expected.

"While the EC won't shift its position, the UK is at least making a start. It would create more impact if she could convince the entire Community rather than Britain going it alone."

'Some encouragement'

He added: "But even if the investment channels are freed, there is no great bank of money waiting to pour down into this part of the world."

Two of South Africa's most powerful industrialists have hit out in newspaper interviews against sanctions.

Anglo American chief Mr Gavin Relly and Mr Julian Ogilvie-Thompson, chairman of De Beers, both said more sanctions would inhibit the chances of peaceful change.

Mr Relly, who was interviewed by *The Observer*, said the worst aspect of the international community's attitude is that South Africa's international banking relationships are constricted.

"And the sooner that stops the better, because it is inhibiting growth, and we all know; as night follows day, that unless we have a reasonably vital and growing economy we are not going to be able to pick up the costs of change and the costs of establishing a more equitable constitutional system."

Mr Ogilvie Thompson, speaking to the *Sunday Times*, said the white minority needed "some encouragement" after the release of Mr Mandela.

Mrs Thatcher has ruled out removing other voluntary bans for now. Chief among these is the discouragement of sporting contacts.

Cricket tour

A senior British government source quoted in *The Observer* newspaper yesterday revealed that the Prime Minister was not unhappy about the curtailment of Mike Gatting's cricket tour, which she thought had endangered the early release of Mr Nelson Mandela by provoking protests and social disorder.

Mrs Thatcher believes she has hastened the progress towards democracy in South Africa by her conversations with President de Klerk when he visited London in June.

It is thought she proposed that if he were to release Mr Mandela she would lead international moves to dismantle sanctions. Reports here suggest that Downing Street began preparing, as early as the middle of last year, Britain's reaction to Mr Mandela's release.

The political developments in South Africa over the past week were given extensive coverage in London by all the major newspapers.

Most commentators welcome Mr Mandela's statesmanlike performance, but some reflected concern at his stance on nationalisation and the armed struggle. There is also concern here over a right-wing backlash.

The Independent wrote: "It has become evident in the past week that, indeed, South Africa has two presidents. Any pronouncement by Mr Mandela carries at least as much weight as anything Mr de Klerk has to say."

The Sunday Correspondent reported from Johannesburg that the ANC's announcement that it would seek an early meeting with the Government "is being seen here as a sign that real negotiations on the future of South Africa could begin within a year".

KIN BENTLEY

LONDON — The ANC will be keeping a close watch on today's meeting in Dublin of the 12 EC foreign ministers, who will discuss sanctions against SA.

But by last night a dramatic telephone call which Nelson Mandela was expected to make to British Prime Minister Margaret Thatcher on her sanctions policy had not been made, according to a Downing Street spokesman. *BIDAY 20/2/90*

It was clear yesterday that while a token gesture of encouragement could be made by the EC today, the other foreign ministers were unlikely to support Thatcher's intention to relax sanctions.

On Britain's independent television breakfast news yesterday Mandela indi-

(56A)
ANC scrutiny
of EC meeting

icated his wish to talk sanctions with her.

"I have got a suggestion to make and if I get a clearance from the national executive, I will do that immediately," he said.

□ The key sanction likely to be lifted unilaterally by Britain following today's meeting is the voluntary ban on new investment, adopted in September 1986.

□ CHARLENE SMITH reports that Mandela is expected to travel to Lusaka to meet the ANC national executive committee on February 26 or 27, according to informed sources.

EC to retain SA sanctions

DUBLIN — The European Community (EC) agreed yesterday to send a fact-finding mission to SA but rejected calls from Britain for some sanctions to be lifted.

Diplomats said EC foreign ministers agreed that ministers from Ireland, Italy and France would visit SA to assess the pace of reform following the release of Nelson Mandela.

There was no immediate indication whether Britain would unilaterally lift its ban on new investment in SA.

"There was no consensus for the lifting of sanctions," said a spokesman for the Irish government, currently heading the EC. *Monday 2/1/90*

He told reporters EC sanctions would be reviewed again when all political prisoners had been released and the state of emergency had been lifted completely.

No date has been fixed for the ministeri-

al visit but diplomats said it could be in the second half of March.

The spokesman said its aim was to gather information and make contact with all parties. *(S6A) (2/1)*

While the EC ministers were meeting in Dublin, British Prime Minister Margaret Thatcher told parliament in London that President F W de Klerk deserved encouragement from the EC for having embarked on courageous reforms.

In addition to a ban on new investment, EC sanctions bar imports of gold coins and iron and steel. Arms sales and oil exports to SA and military and nuclear energy co-operation are also banned.

Britain, with support from Portugal, argued that lifting the investment ban was a suitable first step in response to the legalisation of the ANC and freeing Mandela. — Sapa-Reuter.

Sanctions: 'EC mission to SA a cop-out'

56A
1986
21/2/90

By PETER FABRICIUS
Political Staff

THE European Community's decision to send a fact-finding mission to South Africa was a "cop-out", according to senior government sources.

But Britain's decision to lift the ban on investments in South Africa would have a "powerful positive psychological effect on private British investors".

The sources were reacting to developments at the Dublin meeting of the 12 European Community foreign ministers yesterday.

The community agreed to send a fact-finding mission to South Africa but rejected calls from Britain and Portugal for

sanctions to be lifted.

The fact-finding mission was rejected by the sources as a "cop-out". They said it was obvious that the EC had resorted to it because it did not know what to do.

Possibly the idea had been to win time until President De Klerk did something which would make it easier for them to make a real decision.

They said the mission would have none of the clout of the Commonwealth Eminent Persons Group which visited South Africa in 1986. It was unlikely to produce anything substantive.

Meanwhile, the Independent News Service reports from London that Britain provoked dismay among its European Community partners by mak-

ing plain its intention to lift unilaterally part of the community's package of sanctions against South Africa.

Foreign Secretary Douglas Hurd announced that Britain would quickly waive the ban on new investment in South Africa, after a tense session of EC foreign ministers, where the majority argued that it would be premature to ease sanctions while the main elements of apartheid remained. Only Portugal came to Britain's aid.

A clearly bruised Mr Hurd said afterwards, however, that Mrs Margaret Thatcher had received a message from President George Bush indicating his firm support for her point of view and saying that only legal difficulties were preventing him from following suit.

The Foreign Secretary was accused by his colleagues of jeopardising the community's solidarity on co-ordinating foreign policy.

The 1986 investment ban forms part of a wider package of EC trade measures, but was agreed on only as part of the foreign policy process and not as an EC initiative enshrined in law. Mr Hurd argued that Britain was therefore free to lift it, with or without the approval of its partners.

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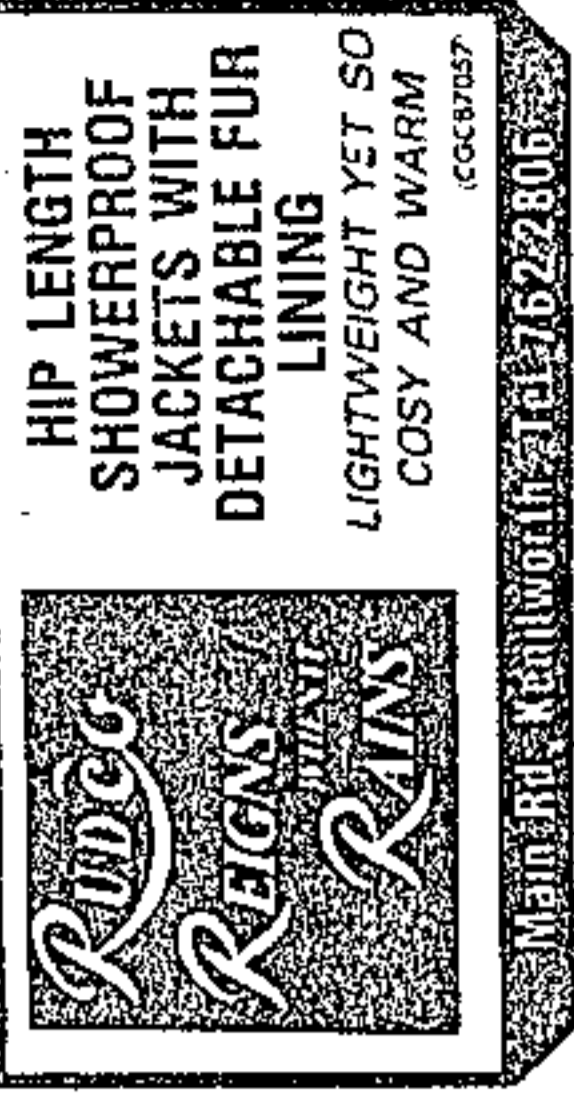
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MISSIOM to SA

Europe sends envoys, but keeps sanctions

CAM.
 Tom's
 3/12/90
 56A

DUBLIN. — The European Community agreed yesterday to send a high-level fact-finding mission to South Africa but rejected calls from Britain and Portugal for some sanctions to be lifted.

Diplomats said 12 EC foreign ministers, in a compromise agreement, decided that ministers from Ireland, Italy and France would visit South Africa — possibly within weeks — to assess the pace of reform following the release of ANC leader Mr Nelson Mandela.

But a disappointed British Foreign Secretary, Mr Douglas Hurd, said Britain would lift unilaterally its ban on new investment in South Africa as soon as parliamentary formalities could be completed.

It was supported in this by Portugal.

The EC Ministers' Council said the measures taken by President F W de Klerk were welcome, but did not go far enough and the 1986 sanctions package against South Africa was to remain until the state of emergency was fully lifted and all political prisoners released.

In a gesture of "reward" to Mr De Klerk, the EC ministers however agreed to lift the ban on cultural, academic and scientific links with South Africa, something British Prime Minister Mrs Margaret Thatcher did on Britain's behalf on February 2.

The meeting also rejected a compromise suggestion put forward by Mr Hurd that Britain would delay lifting the ban on new investment until the state of emergency had been ended, whereupon the entire European Community would drop sanctions.

Mr Hurd's failed proposal went further by urging EC members to then drop the other 1986 measures — including the ban on buying SA Kruger rands,

iron and steel — when negotiations to end apartheid got under way.

In announcing the outcome of the final session of the meeting, Mr Hurd also said Mrs Thatcher had been told by US President George Bush that he supported her call for the phased lifting of sanctions.

However, Mr Bush told Mrs Thatcher, he was legally unable to take similar steps.

Concerning the other 1986 sanctions measures, Mr Hurd said the UK could not act unilaterally because they were legally binding and their repeal required EC co-operation.

Mr Hurd said Britain supported the troika decision and that the visit would go ahead once the French Foreign Minister, Mr Roland Dumas, had been consulted. Mr Dumas was not present at the meeting as he was in Pakistan.

Joining Mr Dumas in the troika will be the foreign

ministers of the next president of the EC Commission (Italy) and the current president (Ireland). They are respectively Mr Jannine Michelis and Mr Gerry Collins.

Mr Hurd said that since 1987 British investment in South Africa had dropped while that of West Germany and Japan had increased. He said the British decision to lift the voluntary ban on investment as well as those on promoting cultural and scientific contact and tourism, would be formalised soon in the House of Commons.

In London earlier, Mrs Thatcher strongly defended her government's sanctions standpoint during question time in the House of Commons.

She said President De Klerk had taken "fundamental decisions which have gone further in the direction of ending apartheid than any other previous government" and he was determined to end it

But in a statement released from Lusaka, the ANC urged European governments before the meeting to ignore British calls to ease economic sanctions.

"We asked them to keep sanctions and reject Margaret Thatcher's view," ANC international affairs chief Mr Thabo Mbeki told reporters in Lusaka.

Mr Mbeki said the ANC reminded European governments of an agreement in Strasbourg last December by their leaders, including Mrs Thatcher, that sanctions would be reviewed only after there was "profound and irreversible change" to end the apartheid system of racial separation in South Africa.

Mr Mbeki also said the ANC condemned the proposed meeting between Mr De Klerk and African leaders because apartheid had not been eradicated.

— Sapa-AP-Reuters, UPI and Own Correspondent
 ● Kaurda, Mugabe not invited to 'summit' — Page 2

SA will have to make itself an acceptable trade partner

B/D 23/7/90



56A



TO BECOME an economic success story, SA must deprive its neighbours of an enemy. Only then can formal economic co-operation or even closer ties be discussed openly.

Once SA is in principle acceptable as a partner, the process must be taken still further — we must be able to convince our potential partners that any structure for regional co-operation or economic integration will not lead to undue domination by the largest and most developed economy in the region.

The argument often raised by academics, as well as politicians concerned with narrow local interests, is the so-called "polarisation effect" of economic development.

The argument advanced is that industrial and investment resources tend to be attracted by the most developed country, leading to an ever growing imbalance in development and trading patterns.

This fear is real, and the view is held by many, but it is a poor argument against greater economic co-operation between SA and its neighbours, or against the creation of a fairly comprehensive southern African economic community.

Create

Natural polarisation is desirable for the sake of efficiency. If it is overdone the laws of economics will make sure it is reversed.

Europe and the US provide many examples for that. Moreover, it is quite possible to create structures within economic communities to level the advantages and disadvantages of various regions.

I have great hope for our region of the continent. Co-operation may have been stymied by antagonism and suspicion, but strong infrastructural links remain, and trade between SA and its neighbours has been growing rapidly on the basis of pragmatism.

Durable organisational structures already exist in the region which could provide the vehicles for growing co-operation and economic integration of southern Africa.

The Southern African Development Co-ordination Conference (SADCC) is a potential vehicle for broadened regional co-operation or even integration.

Economic communities ought to

HENRI DE VILLIERS

grow organically, bit by bit. In the short-term it would probably be a mistake to aim for a complex, EC type, association for southern Africa, even if SA were to join as a driving force.

Full integration is a stage of development which the EC is only now aiming at, after more than 30 years of hard effort. This does not mean, however, that SADCC cannot be developed beyond its existing objectives and structures.

A possible vehicle for greater regional development co-operation and for furthering progress towards a southern African economic community is the Development Bank of Southern Africa. It could clearly become a regional development bank serving not only SA and the states contained in it, but the region as a whole.

At this stage the Development Bank is involved in only a few projects outside greater SA, and its role as a development financing and co-ordination agency for the whole region awaits a change in SA's acceptability to its neighbours.

In the medium to long term I see its role as supporting a body like SADCC, or even a more developed community structure.

A fair amount of integration of the economies of southern Africa is not only desirable but absolutely necessary. I also believe it is possible, quite obviously not in the short-term, but gradually over time.

The EC had to overcome many obstacles to reach the position it has today.

The idea of a common market and the de-emphasis of narrow national interests has not always been popular, nor was the path of the EC free of spectacular failures. But by now all members believe they are benefiting, and a crowd of outsiders is knocking at the EC's door eager to be allowed in.

The position the EC expects to reach in 1992 is a manifestation of a new wave of economic/political philosophies: It reflects the acceptance of growing inter-dependence amongst nations.

Protectionist sentiments are still alive, even in the EC, but not for the reasons that were used primarily to

justify it in the past.

National self-sufficiency is now regarded as neither desirable nor feasible. This makes a mockery of much of SA's past economic philosophies, as much as those of SADCC.

These new world trends will eventually force us in southern Africa to think beyond present ideological barriers and national frontiers.

It is a fact that black southern Africa's and SA's policies have led to both areas losing out dramatically in terms of their share in world trade and investment, and therefore growth.

This represents both a challenge and an opportunity, initially mainly for SA as the major regional economic and political power as well as the main obstacle. We must:

- push internal reform so that we can live in peace with our neighbours and become an acceptable partner.
- be instrumental in establishing a new order in southern Africa, free from fear of either military or economic domination.

Obviously this cannot take place overnight — it will have to be an evolutionary process. Most obstacles can be overcome, even past enmities.

Conflicts

Europe's communal differences, which found expression in two World Wars and many earlier conflicts, were far greater than southern Africa's differences.

Without the help of SA, no association which goes beyond that currently provided for by SADCC would be viable in the region. With unreserved and positive backing from SA, however, the process could be taken further.

The next decade promises to be critical for the prosperity of southern Africa. We must now attempt to build a new era of peace and economic prosperity.

I can only hope that the solution of the next decade will flow from southern Africa being able to reconcile differences, leading to the gradual emergence of a new economic power block that can serve as a catalyst for the improvement in the economic fortunes of other countries in sub-equatorial Africa.

This is an edited excerpt from an address by De Villiers to the Frankel Kruger Vanderine investment conference in Johannesburg this week.

ECC opens 'release campaign'

By Monica Nicolson

27/2/90
Clacey and Mr Mike Graff. (56A)

The End Conscription Campaign (ECC) will launch a "Release Objectors Campaign" tonight with a march through Johannesburg.

The march begins at 7.30 pm from the City Hall and will proceed past the Wits Command to the Jack Mincer Park in Twist Street.

The ECC, as well as other sympathetic organisations, are calling for the immediate release of jailed conscientious objectors Charles Bester and David Bruce who were both sentenced to six years' jail for refusing to do military service.

MORATORIUM

A spokesman for the ECC, Mr Chris de Villiers, said the organisation also wanted a moratorium on the upcoming trials of eight conscientious objectors, among them the Rev Doug Torr, Mr Brendan Moran, Mr Andre Crowkamp, Mr Gary Rathbone, Mr Richard

He said there were still 771 men who refused to do military service last year waiting to be called up and charged.

"We propose that the Government accepts the principle of a system of alternative service as part of military service.

"The definition of community service should be extended to include work within community based organisations and churches, not only work in official government departments," he said.

The march coincides with the appeals of David Bruce and the first jailed objector, Ivan Toms, which were due to be heard in the Appellate Division today.

The two are appealing against the wording of the Defence Act (1983) which says that men refusing to do military service are liable to 1½ times longer duty than men who go to the army.

Owner fined over dog bite

By Celeste Louw

The owner of a bull terrier was fined R800 (or 180 days' jail) by a Johannesburg magistrate yesterday after the dog had attacked and seriously injured an 11-year-old girl.

The magistrate, Mr T van der Watt found that Roy Carr (38) of Mulbarton was negligent in not taking sufficient steps to keep the dog on his premises.

Mr van der Watt suspended R500 or 120 days' for five years on condition that the dog did not return to the townhouse complex where Carr lives.

In previous evidence the court heard that the dog attacked Sharon Hodskin in the communal yard of the complex on September 6 last year.

She had to undergo two operations on her legs following the attack.

The dog had previously attacked people and Carr should have foreseen the possibility of another attack, Mr van der Watt found.

300 in march for release of objectors

28/12/90
S6A By Helen Grange

About 300 people joined a candlelight march through central Johannesburg last night in support of the "Release Objectors Campaign" by the End Conscription Campaign (ECC).

The crowd, bearing placards and ANC flags, walked from the city hall to Jack Mincer Park in Twist Street.

There they heard calls for conscientious objectors Charles Bester and David Bruce to be recognised as political prisoners and released immediately in line with President de Klerk's new reforms.

Conscientious objector Mr Saul Batzofin, who was released recently, said it was a "disgrace" that Mr Bester and Mr Bruce had not been released, in view of the fact that they had been "vindicated" by the recent Government recognition that the apartheid system was wrong.

The "death squad" revelations were also a vindication for their refusal to serve.

Mrs Judy Bestersaid her son's six-year jail sentence for refusing to do military service had been an unpleasant and "heart-breaking" experience for his family.



Italians will 'urge Europe to help FW'

Political Staff

AP/6 US 1/3/90 56A
 A MULTIPARTY delegation of visiting Italian parliamentarians is to press for President F W de Klerk to pay state visits to all the capitals of Europe.

Ms Martherita Boniver, senior MP of the Italian Socialist Party, said this in the city yesterday at the close of the visit.

The delegation included a member of the Italian Communist Party — believed to be the first communist public representative to visit here for many years.

FW "must visit Europe"

Ms Boniver said: "We will certainly go back to our country with one simple message, that Mr De Klerk must be helped by the European Community to continue on his way."

She said it was important that Mr De Klerk visited the European capitals to inform heads of state of what he was doing. She would press the Italian government to receive him.

However she said that further decisions on European sanctions would probably only be made once the three-nation fact-finding mission — appointed at the recent meeting of EC foreign ministers — had been here.

She was sure if Mr De Klerk lifted the state of emergency and released political prisoners there would at least be a partial lifting of sanctions.

The Italian delegation met African National Congress leader Mr Nelson Mandela, Foreign Minister Mr Pik Botha, Anglican Archbishop Desmond Tutu and Deputy Constitutional Development Minister Mr Roelf Meyer.

"There is a positive feeling in the delegation that change has started, that it is sincere and that it is going in the right direction."

On the future of communism in South Africa, Ms Boniver said: "I hope it is zero."

The Italian Socialist Party was democratic and had abandoned the policy of nationalisation decades ago.

The delegation's communist representative also believed communism had no future in this country.

Equal rights for all

Mr Antonio Rubbi, head of the Italian Communist Party's foreign relations committee, said he believed the future of South Africa lay in democracy and equal rights for all, not in communism.

He said Archbishop Tutu had summed up the feelings of the delegation when he said that if anyone had told him in September last year the ANC, PAC and SA Communist Party would be unbanned and Mr Mandela released by February "he would have told him to see a psychiatrist."

56A

Businessmen 'need to fit in with EC'

SA businessmen need to prepare for the integration of Europe in 1992 by increasing the competitiveness of their products, says Senbank economist Andries Van Niekerk.

The EC market's importance to SA is seen in the fact that SA's 1988 exports to EC countries amounted to \$6,7bn.

This represented about 26% of total exports compared with the figure of 21,6% (\$3,8bn) in 1982.

In 1988, SA imports from the EC formed 42% (\$7,3bn) of total imports compared with 38,2% (\$6,5bn) in 1982.

EC member countries are also SA's largest creditors.

Van Niekerk believes that while EC guidelines on future trade policy em-

LINDA ENSOR

phasise there will not be protectionism after 1992, measures will be brought in to protect the internal market.

"Apparently the present commission of the EC, as well as the majority of member countries, realise the dangers inherent in a total protectionist attitude and it is unlikely that this will be the road a united Europe will follow."

He says SA politicians have a vital role to play in determining a united Europe's attitude towards SA.

"An important duty rests on the SA authorities during this period to create a healthy domestic economic climate."

561F

ECC members followed, Frank Chikane poisoned in US last year

Activists knew of plot against them

By Helen Grange

The Civil Co-operation Bureau (CCB) plots against two leading activists were well known to them long before being finally exposed in the Harms Commission of Inquiry this week.

And evidence to the commission that the CCB plotted to tamper with the luggage of the General Secretary of the SA Council of Churches (SACC), Dr Frank Chikane, was long suspected, the SACC said yesterday.

Activists Mr Gavin Evans and Mr Roland Bruce White — both of whom were being monitored with the aim of assassination, according to evidence — told The Star they were long aware of the fact that they were "marked men".

Mr Evans, a leading figure in the End Conscription Campaign (ECC) and Five Freedoms Forum (FFF), said he was tipped off about four months ago that his name was on a military intelligence list.

He had been harassed by security police since 1983 and 18 months ago was threatened while in brief detention to "watch my back". "My motorbike tyres were slashed on occasion and a teargas canister was thrown into my home once," he said.

Campaign against ECC

"I believe it was part of an SA Defence Force campaign against the ECC and was justified by the attitude that it was a 'state of war'," he said.

Mr Evans said that when he had been given "informal confirmation" of the plot against him, he had felt angry because his political involvement was always in the spirit of non-violence. "I wasn't expecting to be marked as a target," he said.

He disbelieved General Malan's statement that he knew of the CCB's existence only late last November.

Mr White, a key figure in the launch of the United Democratic Front in the eastern Cape and a member of the ECC at its inception, said he became aware of the fact that his place of work was "under surveillance" in May last year. He said Mr Ferdi Barnard and Mr Calla Botha were both involved.

"I reported my suspicions to the police, but the significance of my being followed was not clear at that point. I was subsequently contacted by the Brixton Murder and Robbery unit which revealed to me that it was part of a CCB operation under investigation," he said.

'Continue this work'

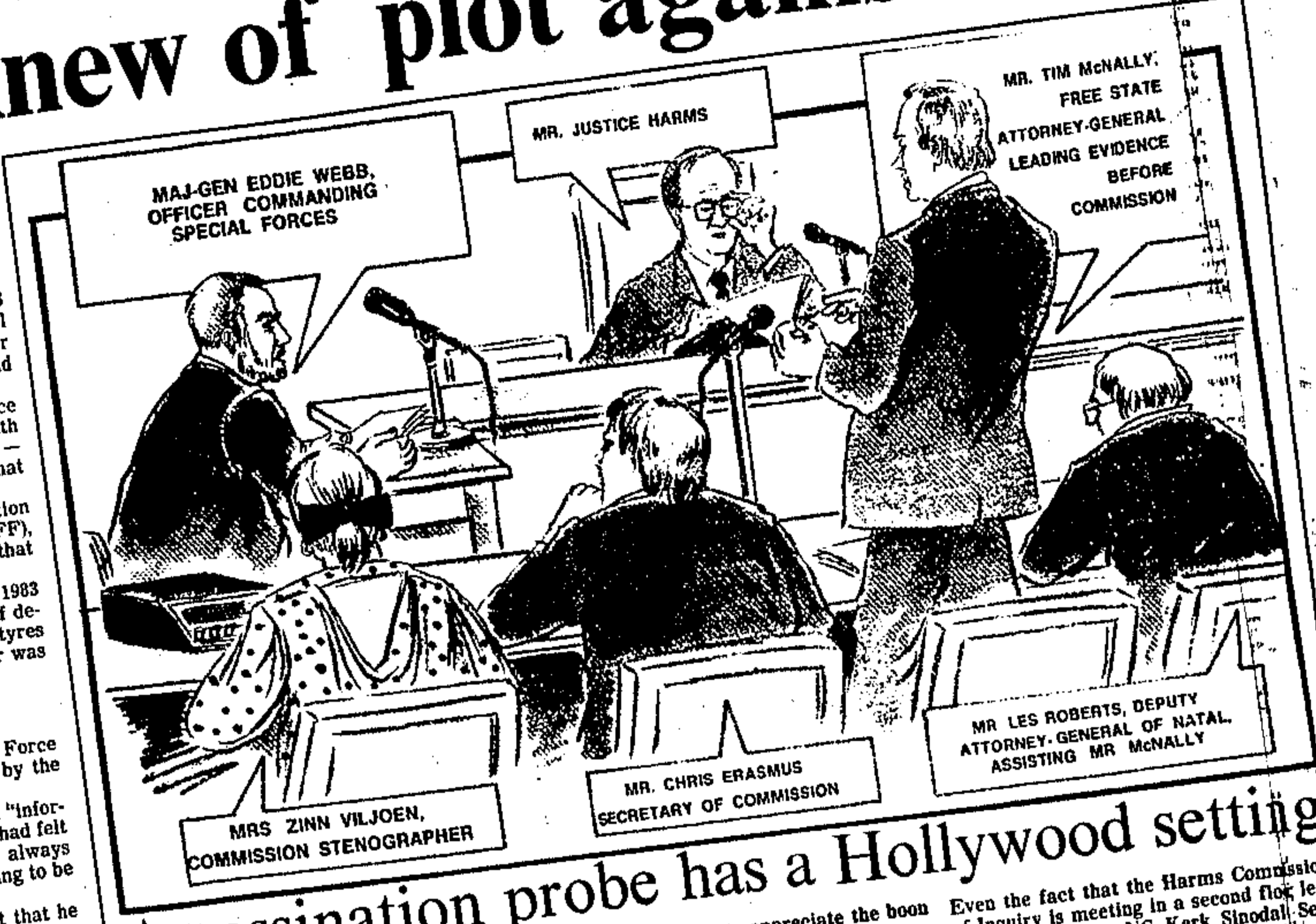
Mr White said he had since been co-operating with the unit's investigation team. Reference had been made to Mr White in a court affidavit opposing the release of Mr Barnard and Mr Botha.

"I can't speculate on why I was marked, but it is quite possible that my links with the ECC were part of it," he said.

Both Mr Evans and Mr White said they were sceptical that such operations would stop with the exposure of the CCB. There would be other right-wing parties within the state apparatus who would continue this work, they said.

The SACC said evidence in the commission regarding Dr Chikane had confirmed their suspicions. "The Reverend was poisoned in May 1989 and investigations pointed to the placement of an organo-phosphate compound on his clothing."

"We call upon the Harms Commission to go deep into this matter because the attack against the Reverend Chikane was not only plotted. It was executed. We want to know who did it and how because such disclosures may spare many lives," an SACC statement said.



Assassination probe has a Hollywood setting

By Michael Shafto

No one here can avoid being in Harms' way.

From the desk at which he sits on an oversized chair, Mr Justice Louis Harms has only to move his head slightly to either side for his gaze to encompass all there is to see in the long, gloomy room.

Facing him at a curved row of tables is the rest of the legal machinery investigating the activities of the Civil Co-Operation Bureau, with Mr Tim McNally, the leading State attorney, its centre piece.

Overhead is modern, strangely shadowy lighting, and beyond the legal tables sit the press in two rows. Everything about the setting comes from the movies — except, unlike judicial investigations in Hollywood

films, no one seems to appreciate the boon of the modern microphone.

If you're in the second row with the ocean drone of the air conditioning immediately behind you, the chances of hearing the proceedings are practically nil. There are no Oliviers here, or Charlton Hestons.

OUTWHISPERED

Mumbling Marions there are aplenty. Mr McNally himself has the quietest of voices, but at yesterday's second day of the hearing even he was outwhispered.

"You'll have to speak a little louder," he told the brown-suited Brigadier Hein Pfell, retired SADF auditor.

In the cloak and dagger world of the John Le Carre spy thrillers, nothing is as it seems.

Even the fact that the Harms Commission of Inquiry is meeting in a second floor lecture room of the NG Kerk Synodale Sentrum in Pretoria makes perfect sense.

That's how Le Carre would have it. The author would be hard-pressed, he, to find more twists than have surfaced in just the first two days of the inquiry. In the tradition of the spy story, people are "eliminated". Pills to sustain the life of a man with a weak heart are swapped for pills to induce a heart attack.

Code names ... before it was mired the CCB, the shadowy organisation allegedly responsible for politically inspired assassinations, was called D 40, then "Barnacle". It would all be vaguely amusing, if it weren't so deadly serious.

I will not be intimidated, says advocate

Own Correspondent

CAPE TOWN — No attempt on his life would cause him to abandon the struggle for liberation, Cape Town advocate Mr Dullah Omar said yesterday.

Mr Omar, regional vice-president of the United Democratic Front, was one of the targets of the Civil Co-operation Bureau, according to Free State Attorney-General Mr Tim McNally, who questioned the head of the SA Defence Force Special Forces, Major-General Eddie Webb, before the Harms Commission yesterday.

"I have no intention of being intimidated or silenced and neither will I allow this to interfere with my contributions to the liberation struggle," he said.

Mr Omar said he had been aware at times that he was being followed.

"I took no notice of it for the simple reason that we live only once and we must make a contribution for as long as we live."

He would have been useless to the community had he become paranoid about threats to kill him, he added.

"I suppose I'm lucky, that I don't plan to kill me did not materialise. What alarms me is that this may just be the tip of the iceberg."



The Harms Commission

Sowetan 13/3/90

C'mwealth door may be reopened for SA

56A

LONDON - A message from the Queen is at the centre of speculation that a reformed South Africa could rejoin the Commonwealth.

Several senior statesmen believe that is the prize on offer if President FW de Klerk abolishes apartheid and negotiates a settlement with Nelson Mandela.

The return of a truly democratic South Africa, with a multi-racial government, would heal the breach of May 1961 when Pretoria declared a republic and withdrew from the Commonwealth.

The speculation has been aroused by an intriguing reference in the Queen's message for Commonwealth Day yesterday.

She speaks of dif-

ferences in the Commonwealth family causing estrangement and highlights the way such differences could escalate: "Now and then a member may even feel constrained to go off on his own."

Although she illustrates her point by citing the case of Pakistan, some senior Commonwealth diplomats saw a clear parallel with South Africa.



De Klerk... could rejoin Commonwealth

56A

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B/day 26/3/90

Economics centre to study SA's prospects

KIN BENTLEY.

LONDON — A Commonwealth-funded centre is to undertake a three-week fact-finding mission next month on SA's economy and prospects.

Centre for the Study of the SA Economy and International Finance director Jonathan Leape, conducting the study, believes this will provide essential information to potential investors in, and lenders to, a post-apartheid SA.

Leape, a lecturer at the London School of Economics, said last week he had applied for a visa to visit SA, and hoped to start his trip on April 1.

The research, he said, would seek to document all aspects of the economy, including sanctions. It would look at economic prospects for a post-apartheid SA.

"The emphasis is very much on providing information and an analysis of the situation and not on drawing policy conclusions," Leape said.

He hoped to meet members of the parliamentary political parties, as well as non-parliamentary groups, including the MDM, the UDF and the ANC. He also planned to meet Finance and Reserve Bank officials, banking representatives, commerce and industry leaders, trade unionists and university officials.

The centre will bring out two types of report: an update of the SA situation published quarterly and reports on specific issues.

Leape will work full time on the project from July until the end of December next year. The Australian government has given £140 000 to fund the centre, at the London School of Economics.

EDUCATION — TECH. & VOCATIONAL SCHOOL

1990

JANUARY — JUNE

School figures bode ill for skills supply

S/Times



53

THE annual report on education of the Research Institute for Education Planning (Riep) highlights the skills shortage facing SA.

The graph shows that in 1988 slightly more than 9-million pupils were enrolled in SA schools — including the homelands. About 7-million were black, 935 000 white, 832 000 coloured and 233 000 Asian.

Three disturbing statistics concerning black educa-

tion emerge from the report.

First, of the total number of pupils, only 2,7% of blacks were in matric compared with 7,7% in white, 2,7% in coloured and 5,8% in Asian schools.

A total of 16,2% black pupils left after Grade 1 and did not return to school, 8,2% after Std 3, 10,3% after Std 6, 10,4% after Std 8 and 12,4% after Std 9.

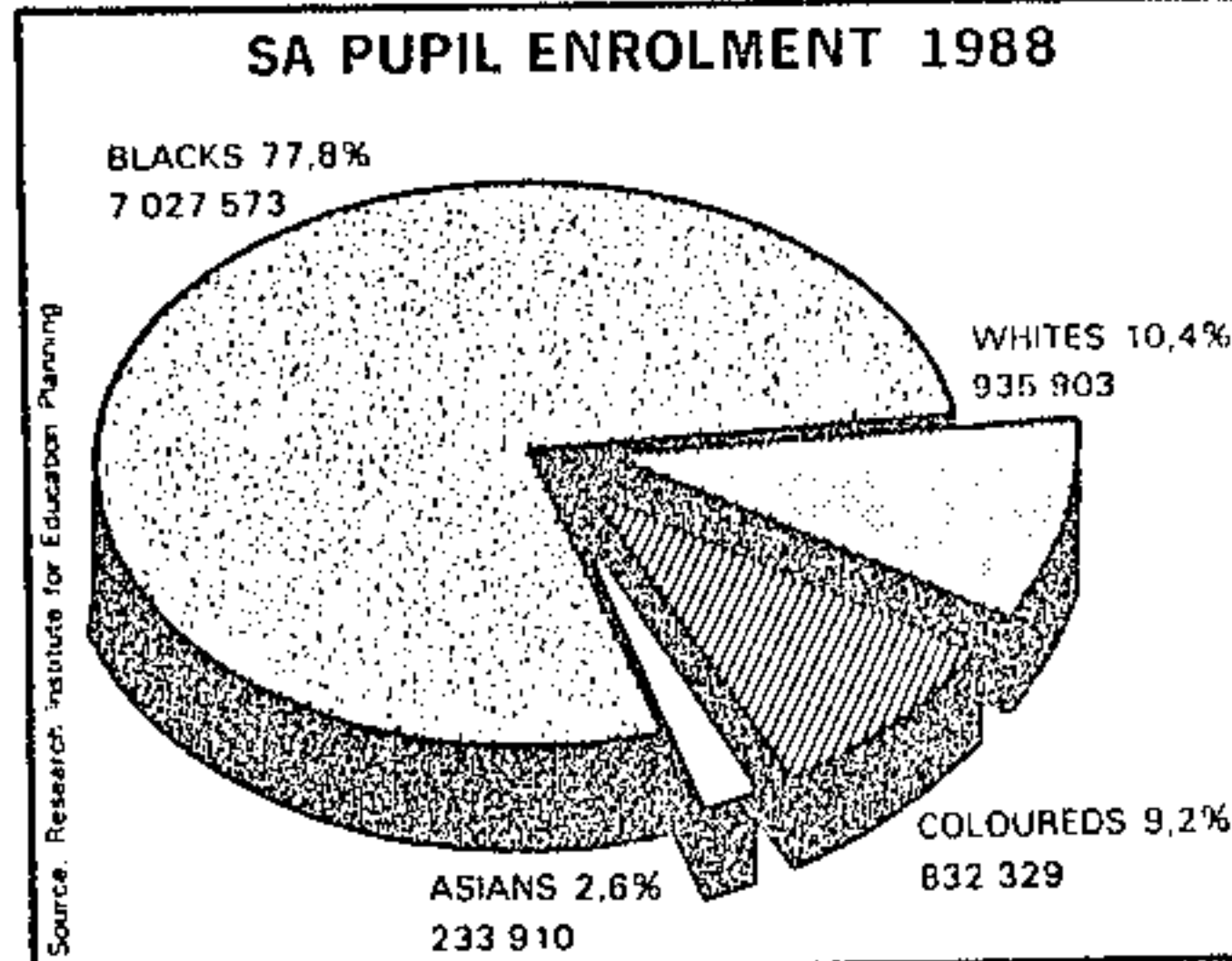
Second is the pupil-teacher ratio. For blacks, the number of pupils per teacher was almost 40, for coloureds 23,3 and for Asians 20,7. No figure is

given for whites.

Almost 100% of teachers at white schools were professionally qualified in 1988 — they had at least Std 10 and higher qualifications.

At black schools, more than 20% of teachers at primary level and almost 15% at secondary level were professionally unqualified. In coloured schools, the figures were about 6% and 20% respectively.

The third cause for concern was the percentage of black Std 10 pupils enrolled in various subjects in 1988. A total of 88,1% took biology, 35,1% geog-



raphy and 41,3% history. In comparison, a mere 0,4% enrolled in technical subjects, 30,2% in mathematics, 17,1% in physical science, 8,6% in accountancy, 15,4% in business economics and 8,9% in economics.

In light of the fact that numerous experts have stressed the need for more emphasis to be given to technical and scientific subjects, these statistics are disturbing. There is also a huge shortage of skills in business.

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Sign-on ⁵³ date for Star 9/11/90 Triangle students

By Melody McDougall
Vereeniging Bureau

Prospective students at the Vaal Triangle technikon in Vanderbijlpark can register for studies from January 16.

The technikon, which starts its academic year on January 22, is expecting a growth rate of 15 percent this year.

However, the earlier passing out date for national servicemen, as well as upgraded entrance requirements at universities, could lead to a higher growth rate, a spokesman for the technikon said yesterday.

The spokesman said the technikon presently offers seven fields of study. They are electrical engineering, computer technology, mechanical engineering, applied science, management, art and design, and food and clothing technology.

SANDWICH

Students can attend classes full-time, part-time or enrol for sandwich courses. Prospective students can register for the following study fields on the following days:

● January 16 between 7.30 am and 7 pm: all first year students in computer technology and management.

● January 17 between 7.30 am and 7 pm: all first year students in art and technology (mechanical engineering, electrical engineering and applied science).

● January 18 between 7.30 am and 7 pm: all senior students in technology and art.

● January 19 between 7.30 am and 4 pm: all senior students in management and computer technology.

Prospective students who are interested in attending part-time classes at the technikon's branch in Secunda can register at the Sasol Recreation Club on January 11 between 10 am and 7 pm.

Students' urgent plea to sit exams

Sowetan 12/1/90

53

By MONK NKOMO

THREE students at the Technikon Northern Transvaal High School in Soshanguve, who were allegedly not allowed to write final examinations last year, brought an urgent application in the Pretoria Supreme Court yesterday seeking an order allowing them to sit for these examinations early this year.

Mr Colin Makutu, Mr Floyd Ngobeni and Mr Raymond Mohoto, all members of the student representative council, brought the application before Mr Justice Van Dyk. They were represented by Mr Modise Khoza and Mr Post Moloto.

The Minister of Education and Training, Mr Stoffel Van der Merwe, and the rector of the Technikon, Dr Danie Van den Berg, were cited as respondents. The judge postponed the matter to January 23 to allow respondents to file answering affidavits.

Makutu challenged the rector's wrongful conduct which followed a class boycott that started on September 1 last year and ended on October 24. The boycott, according to Makutu, was sparked off by the registration of a white student and a lecturer who occasionally made racist remarks to students and complaints about the chief campus control officer.

The applicant submitted that students were denied a chance to write final examinations following a notice to all students on November 8 by Van den Berg who instructed them to vacate the campus by November 9 1989. Makutu said most of the students, like him-

self, were funded by bursary schemes which would only continue to support if they made good progress at the end of the year.

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16 pass Safia futures exam

ROBERT GENTLE 53

SIXTEEN candidates out of a batch of 21 last week passed the official examinations required by the Financial Markets Control Act which will govern the operation of the formalised SA futures industry.

The SA Futures Industry Association (Safia), which is administering the exams, said eight passed with distinction, having obtained 80% or more.

Safia hopes the exams will set minimum standards and encourage professionalism, but they have been criticised by some established players who say it is time-consuming, costly and unnecessary to impose tests on people who have been operating successfully for years.

Safia's argument is that if the tests are trivial, as claimed, then people should have no trouble passing.

All would-be futures operators are expected to have passed the required exams by the time the SA Futures Exchange (Safex) opens later this year. 3/Dec 12/1/90

Another 200 candidates were booked to write, said Safia education director Michelle McNeil.

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have to be stressed very strongly. I think it is a tremendous chal-
He said: "If one listens to politi- lence," he said.

Thousands turned away

Mar 15/190
PIETERSBURG — Sev-
eral thousand applicants
at the 12 colleges in Le-
bowa could not be consid-
ered for admission as
their matriculation sym-
bols were too low.

53

The rector of the new
Bochum College of Edu-
cation, Mr M W Masek-
wameng, said the other
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4 500 hopefuls turned away by Technikon

SAW 16/11/90 Pretoria Correspondent (53)

More than half the prospective first-year students who applied at the Pretoria Technikon have been turned away.

The rector of the Pretoria Technikon, Dr Denis van Rensburg, said at the technikon's official opening at Loftus Versfeld yesterday that more than 9 000 first-year applications had been received and only 4 500 have been accepted.

One of the main reasons for this was the small Government subsidy which the technikon received, said a spokesman for the technikon, Mrs Carina Rabie.

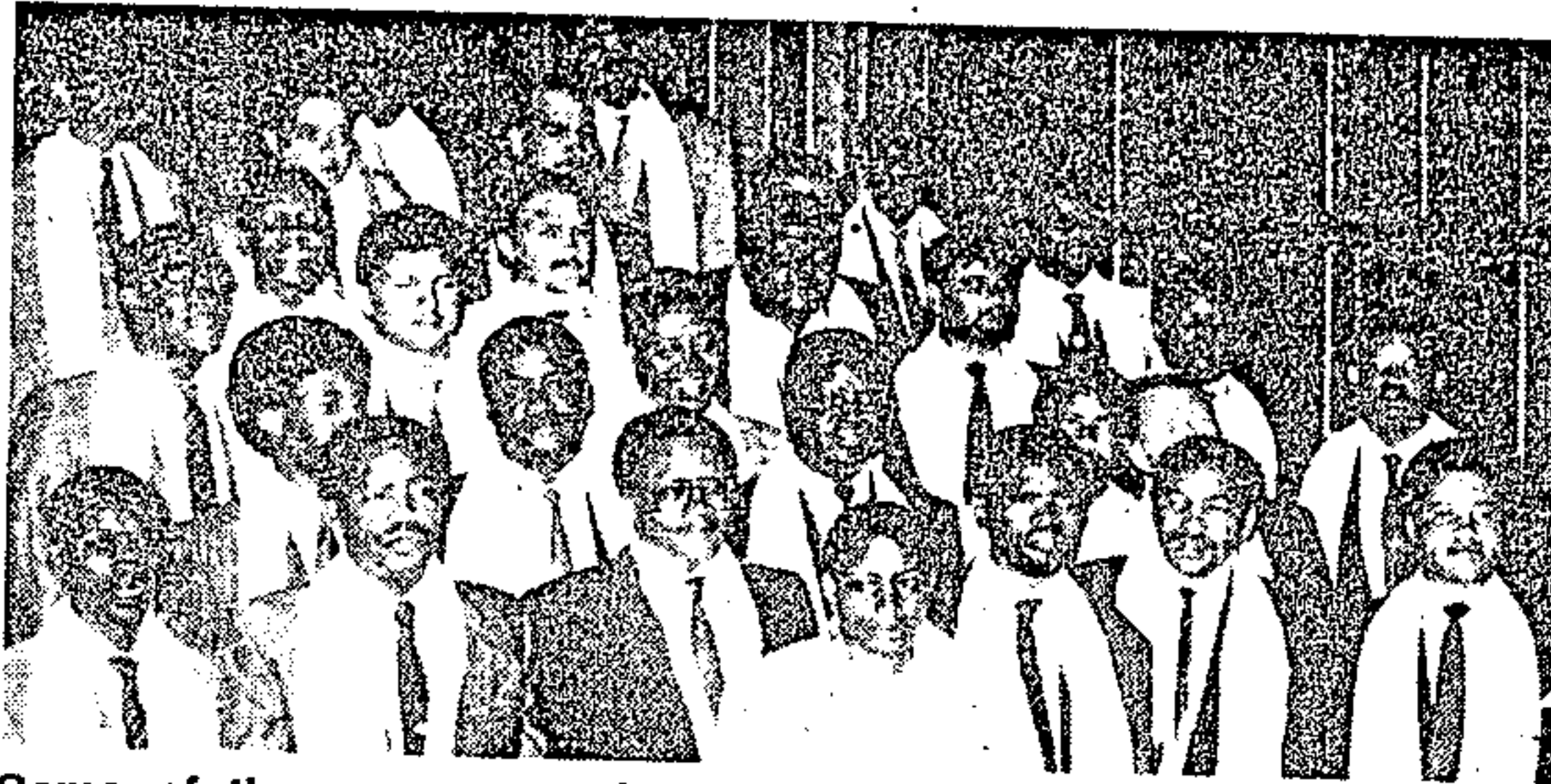
The subsidy was insufficient to meet the technikon's needs last year and there could be more cut-backs this year she said.

Although many students were turned away because they did not fare well in the selection tests, the majority were denied access to the technikon because they could not be accommodated, said Mrs Rabie.

Dr van Rensburg emphasised the need for skilled manpower in South Africa during his opening speech. The critical shortage of manpower could lead to a crisis in the future, he said.

SOWETAN

Building the Nation



Some of the managers who graduated at the Joint Management Development Programme in Johannesburg this week.

Business roles will expand in future

Sowetan 18/1/90

S3

[Handwritten scribbles]

MANAGERS have important roles to play in political change, economic problems, demographic trends and education constraints in South Africa, Professor K B Hofmeyer of Unisa, told newly qualified managers in Johannesburg yesterday.

"The business world will not be able to isolate itself from the political environment and increasingly individuals, companies and organisations will need to consider the implications of political developments. They also have to decide what their role should be in the change process," Hofmeyer said.

He was speaking at a graduation ceremony where 29 people - black and white - qualified as managers in a Joint Management Development Programme sponsored by the joint venture of the Urban Foundation, the Black Management forum, Nafcoc, the Paris Chamber of Commerce and Industry and 40 South African-based companies.

The programme, a unique non-racial accelerated training and development, is aimed at producing competent middle managers. They underwent eight weeks of intensive off-the-job training, with the balance of their development being structured through job-related assignments within their individual companies.

"During the nineties there is likely to be a shortfall of at least 100 000 people in the top management category and a shortage of 400 000 professional and technical people," he said.

He said the informal sector was growing at approximately 15 percent a year and has to be recognised as an increasingly important component of the economy, especially as a provider of entrepreneurial opportunities and employment.

"Eighty six percent of the people joining the labour force during the nineties will be black, coloured, and Asian. By 2000 black will outnumber whites in cities by three to one; employment generated by black taxis is as much as is provided by 10 gold mines; R7 out of every R10 spend downtown in Johannesburg is spent by blacks and 2000 blacks will account for 57 percent of disposable income.

He said the education statistics painted a gloomy picture. 51 percent of our adult population is illiterate which makes us the most illiterate adult population of the industrialised nations.

"Since 1976 many black schools have been in turmoil with frequent boycotts, violence and in some cases almost total breakdown of any meaningful education," he said.

Futures exam programme under way

THE SA Futures Industry Association (Safia) said yesterday its examination programme was well under way, with 62 out of 74 candidates having passed the first leg, the Junior Certificate Examination.

The examinations, a requirement of the Financial Markets Control Act, will become mandatory for all would-be futures operators by the time the SA Futures Exchange (Safex) starts operating later this year.

Safia said 37 candidates had obtained a distinction — 80% or more. A few of the failures had written the exam as a “trial run” and had not read any of the course material. 310 cm 18 1190

ROBERT GENTLE

Certain well-established players have argued it is time-consuming, expensive and unnecessary to impose examinations on people who have been trading successfully in futures and options for many years.

Safia's response has been that experienced players should have no trouble passing.

A member of the examinations board and co-author of the course material, Hans Falkena, will be giving a detailed lecture on the Ordinary Certificate Examination on January 23 at the JSE.

Class boycott by students

By SELLO SERIPE 53

STUDENT teachers at the Soweto College of Education boycotted classes on Friday demanding the readmission of first year students who failed their examinations last year. (1/11/90)

Students interim committee spokesman Chris Pholwane said about 50 students have been refused readmission, but no official figures were available at the time of going to press.

Among the 50 is undefeated boxer Dingaan Thobela. This was confirmed by college rector Morake Morapeli.

IPM calls for faster training

5/10 am 23/11/90
COMPANIES in SA needed to increase the number and step up the pace of advancement programmes for workers, Institute of Personnel Management president Theo Pegel said in a statement yesterday.

The private sector and particularly human resources managers could play a major role in combating the severe skills shortage in SA.

Pegel outlined a policy for such a programme, reminding IPM members that even if the present education system was reconstructed tomorrow, it would take 10 to 15 years before the results of such a restructuring would be realised.

"In the meantime, the private sector must make do with the present pool of people in the country," he said.

"It is up to each and every one of us as human resources managers to create a culture of education and training in our own organisations," he said.

"This attitude will ensure education and training is stressed at all times on all levels within our organisations," he added.

More black personnel needed to be brought into supervisory levels and into technical positions to assist in the implementation of these programmes.

Training strategies should concentrate on responsibility for self-development by managerial and executive staff, with more direct training being aimed at the lower levels.

EDWARD WEST

Companies should become involved with the education of their future employees in the geographical areas in which they are located.

Pegel stressed that support to schools in the neighbourhood could have a major positive implication.

"Don't try to do it on your own. Form an alliance with similar minded businesses in your locality. As a group you can achieve so much more than trying to do everything alone," he said.

Pegel emphasised the need to focus on vocational training. SA should take a good look at introducing a system similar to the Vocational Education Training system which is used in West Germany.

In Germany, everyone who left school to enter the job market needed to undergo an apprenticeship which applied to more than 400 different trades.

By adopting a similar system, SA could ensure its workforce was far better equipped vocationally.

The IPM has taken the issue of the skills shortage and education system in SA as part of its theme for the 1990's and intended bringing practical ways and means of handling the problem to its 8 000 members during the coming months, said Pegel.

Workforce

Judge dismisses application for late examination

S23
Sowetan 25/11/90

A PRETORIA Supreme Court judge yesterday dismissed an urgent application by three students to be allowed to write their 1989 final examinations early this year.

Mr Colin Makutu, Mr Raymond Mohoto and Mr Floyd Ngubeni, all members of the Student Representative Council at the Technikon Northern Transvaal in Soshanguve, were barred from writing their final examinations last year by the rector Dr Dannie van den Berg, cited as a respondent.

Makutu, in his affidavit, challenged the rector's "wrongful conduct" of refusing them permission to write exams following a class boycott that started on September 1 last year.

Boycott

The boycott, according to Makutu, was sparked off by a lecturer who occasionally used racist remarks to students, the registration of a white student and complaints about the chief campus control officer. The boycott ended on October 24 when an agreement was reached between the ex-

By MONK NKOMO

ecutive committee of the technikon and a delegation of parents that tests would be rescheduled.

In his answering affidavit, Van den Berg denied allegations that the academic year had been extended after October 30.

Mr Justice Hartzenberg dismissed the application with costs and said the order, if granted, would prejudice students presently at the college.

The judge said the 1990 academic year started on January 8 and present students would be deprived of proper tuition if lecturers left their classes, finished the previous year's work and prepared examinations for students who did not write last year.

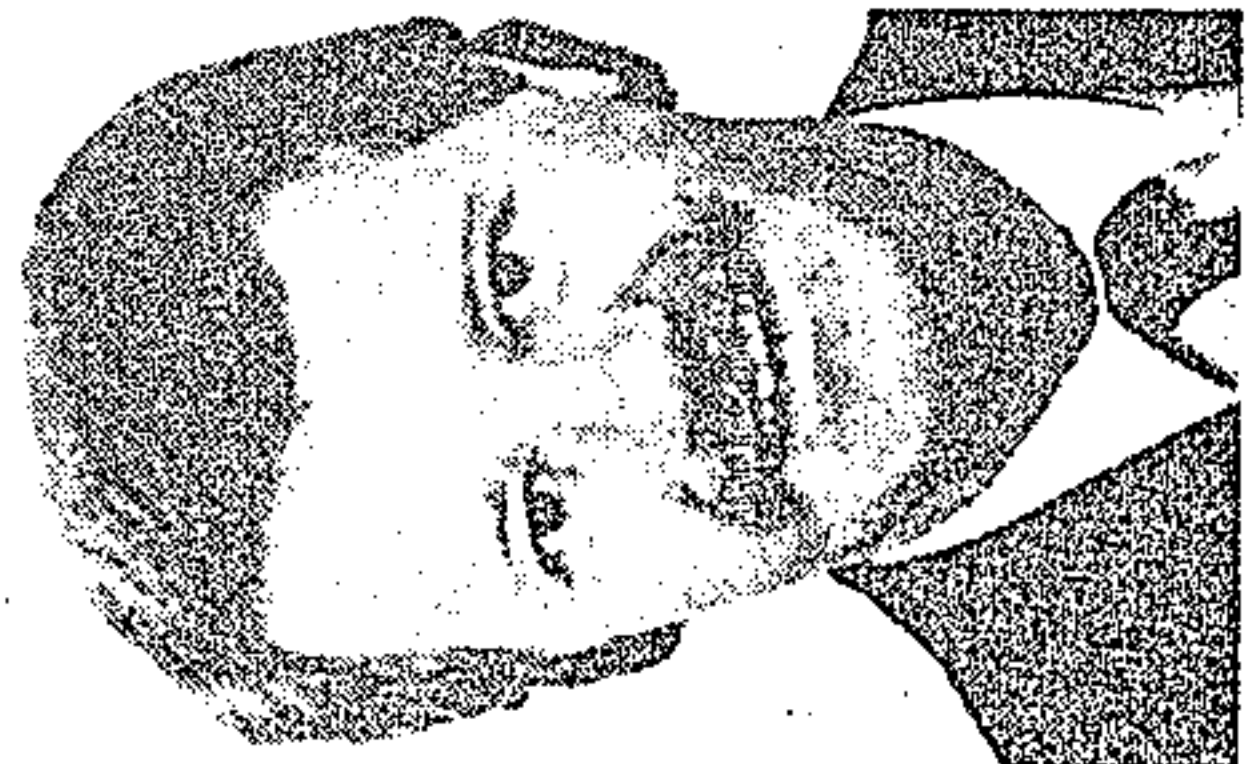
He said no indication had been given as to how the exams should be rescheduled, and the application was vague.

... have discussed the LRAA for ... part ...

Tax plea for students

28/11/90

53



REX DREW ... tax benefits needed for individuals

THE nascent Association of Private Colleges promises to be another force dealing with SA's ailing education system.

The association intends putting a proposal to the Government for tax benefits to be given to individuals attending private colleges. Mr Drew says such tax concessions would help the colleges and help to ease the shortage of skilled workers.

Private colleges attract mainly individuals who finance themselves.

Mr Drew says a developing trend in SA which could help to ease the skills shortage is

again.

“We believe that individuals attending colleges, paying for themselves and enrolling for courses which are directly connected with their occupation and will further their careers, should receive some form of tax relief.”

“At present, companies sending employees to colleges can claim tax benefits. Individuals furthering their education out of their own pockets receive no such tax relief.”

Mr Drew says the association will promote this trend. It will stress the importance of both external and in-house company training. Organisations traditionally reduce spending on external training in bad times.

Founder member and Executive Education College

“Women are exposed to a great deal of marketing in their daily lives, and some have gone into marketing management. The view that a woman's place is at home and in the kitchen is changing slowly in SA. Women have a vital role to play in filling skilled jobs.”

the re-education of older people, particularly women. This is already happening in the UK.

He says one of the reasons for this trend in the UK is the highly competitive schooling system, which means young graduates are not keen to fill secretarial and clerical jobs.

love fast

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We have been retained by a leading manufacturer of built-in cupboards, kitchen units & modular furniture, which is a major force in its niche markets. Our client, which has enjoyed an exceptional growth...

Tax

S/Times

THE nascent Association of Private Colleges promises to be another force dealing with SA's ailing education system.

The association, which should come into existence in April, has among its objectives the maintenance of high standards at private colleges. It hopes to present a united front in lobbying the authorities on educational issues.

Founder member and Executive Education College



REX DREW... tax benefits needed for individuals

Move fast
**TRAINEE
DREMEN**
at an exciting career
in construction industry

BERTS CIVILS has been
one, and has a reputation
for excellence. We're
our team of Foremen,
10 young men, who
and 3 years learning
by one of our sites
in Northern Africa.
Receive on-site

plea for students

25/1/90

managing director Rex Drew says the dual problems of a skilled manpower shortage and high unemployment will be on the top of the association's agenda.

The association intends putting a proposal to the Government for tax benefits to be given to individuals attending private colleges. Mr Drew says such tax concessions would help the colleges and help to ease the shortage of skilled workers.

Private colleges attract mainly individuals who finance themselves.

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Mr Drew says a developing trend in SA which could help to ease the skills shortage is

the re-education of older people, particularly women. This is already happening in the UK.

He says one of the reasons for this trend in the UK is the highly competitive schooling system, which means young graduates are not keen to fill secretarial and clerical jobs.

"Women who have reared their families are looking for something to do. It is important that they get out of the mindset whereby they were secretaries before they married, and will become so again.

the re-education of older people, particularly women. This is already happening in the UK.

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28/1/90

Production Manager (Furniture Industry)

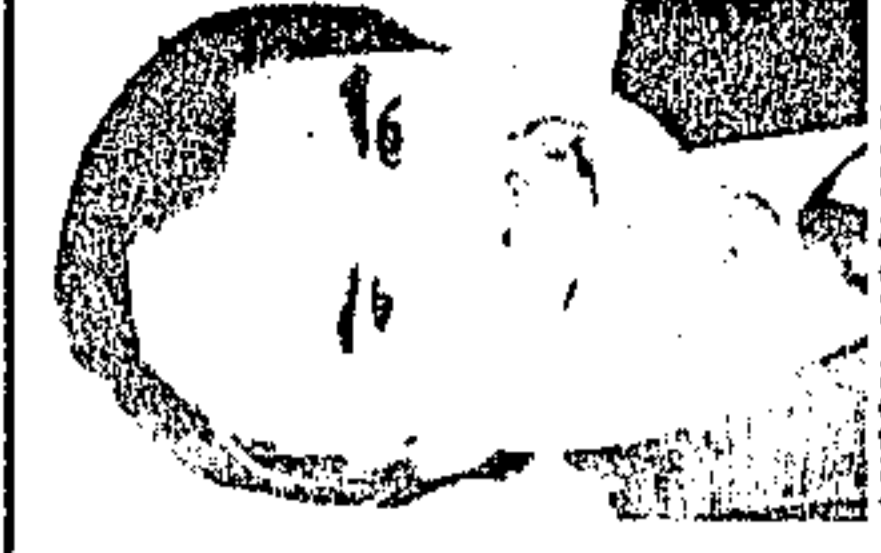
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Freighting, forwarding and warehousing

A Business Times Survey January 28, 1990

Daunting challenges for managers



ANTON MOOLMAN
managers must adapt

THE critical skills shortage being experienced in SA extends to all corners of commerce and industry, including warehousing and distribution.

The lack of qualified people in the industry has caused SA to lag behind its counterparts in the US, Japan and Europe.

The problem is compounded by the fact that sanctions have prevented personnel from keeping abreast of technological advances in other parts of the world.

In addition, major changes are occurring in every aspect of the warehousing and transport industry, on the social, political, technological, physical and economic fronts.

These changes have meant that managers have had to adapt their thinking and methods of operation. But many have either not recognised the new environment,

or have refused to change their ways.

SA Transport Services (Sats) managing director Anton Moolman says it is of utmost importance that a manager understands the forces that can be unleashed in a process of change. If he does not, the firm or organisation concerned could be harmed.

Dr Moolman says: "The challenge to the manager, therefore, is to find in a maze of theories an approach that might be applicable to his organisation and then to act accordingly."

Ultimately, what is needed is a leader possessing a combination of vision, an ability to communicate and self-confidence.

Dr Moolman says if managers are too short-sighted and fight only for their own interests in the shorter term, the industry will bear the detrimental effects in the longer term.

The skills shortage has been partially alleviated by the development of various courses and degrees which deal specifically with materials handling.

One such innovation was the introduction of materials handling degrees up to master's level by the University of Pretoria two years ago. Prospective students with a BSc can expect to complete the degree within two years, and the maximum period of study is set at four years.

A lecturer says the rationale behind the introduction

of the degree was the rapidly increasing need for top-notch specialists in the field, especially because the materials handling industry accounts for upwards of 40% of SA's gross national product.

Subjects studied in the honours course include warehousing and distribution, road-transport operations, long-distance transport options, factory automation and personnel management.

Another organisation helping to fill the personnel gap is the Materials Handling Institute (MHI).

The MHI runs correspondence courses which students of all ages can under-

take without possessing a matriculation certificate.

Courses offered by MHI include a certificate in storemanship which takes a year to complete, a three-year study of materials handling and a one-year diploma in warehousing for managers.

Companies in the industry have begun to deal with the problem of severe management shortages by introducing training programmes.

Renfreight, for example, has a comprehensive training and culture programme, staff relations being a top priority.

Renfreight Forwarding SA divisional general manager Eddie Stead says staff members are a company's most important asset and are developed as much as possible. The organisation imple-

mented a three-year "culture programme" 10 months ago, and Mr Stead says the results are already evident.

"We have a decentralised management structure, which means each manager looks after his own divisional unit. Renfreight is made up of many small business units and each manager knows his particular area inside out. Managers can respond quickly to a changing envi-

ronment because there is no overriding dictatorial policy. The line of communication between top, middle and lower management is short and decisions are made quickly."

One of the results of the mergers that have taken place in the material handling industry has been in-

creased volumes. This has worsened the manpower shortage.

One of the solutions has been increased automation, but it has often caused staff resistance to change and a fear that jobs will be lost.

Mr Stead says computerisation has helped his company considerably, but that there was some resistance to it in the beginning.

"Historically, the invoic-

ing of suppliers has been a paper shuffling business. It was all done manually, wasting a lot of time and causing lower productivity.

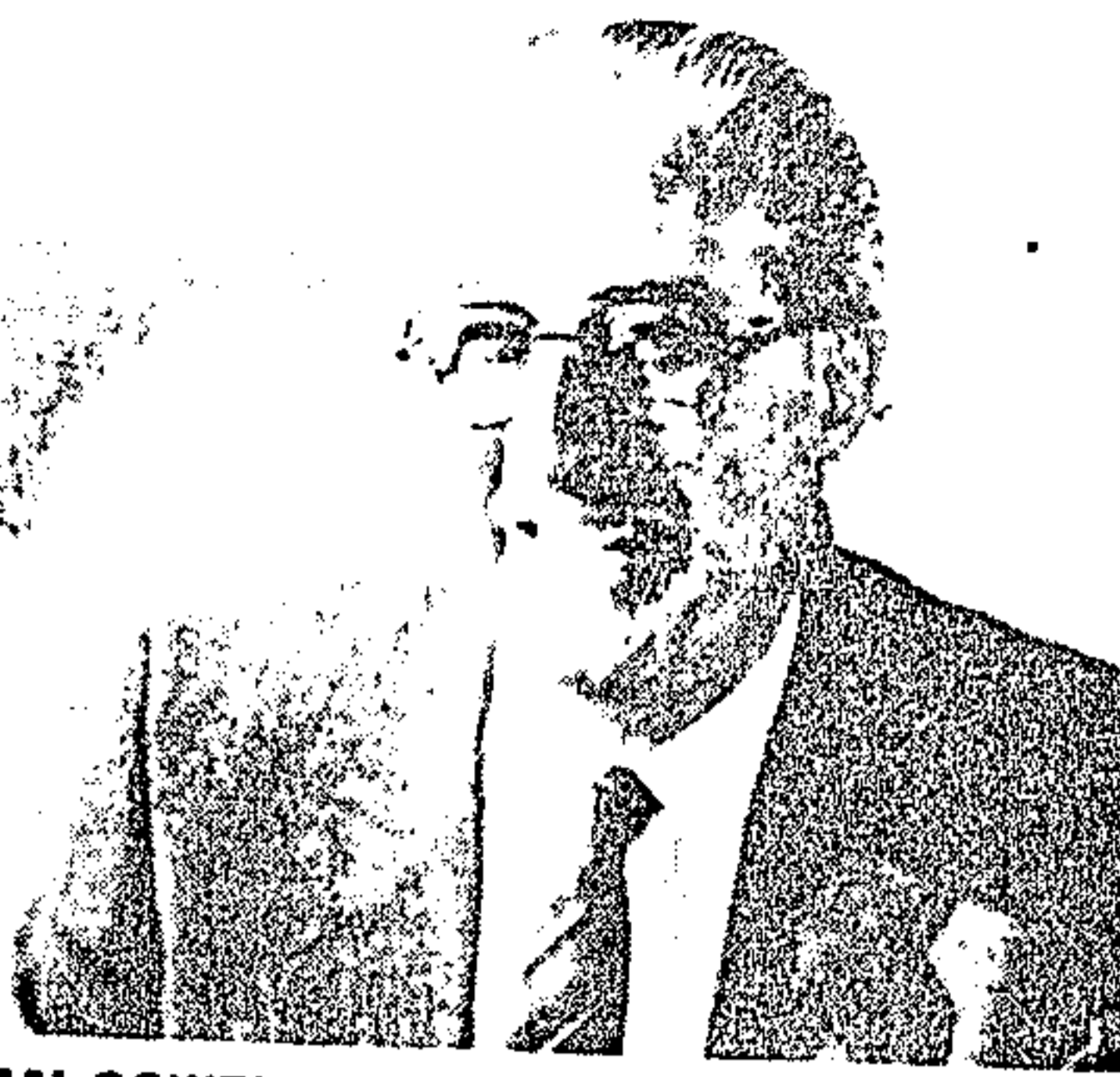
"When we introduced computers into this department, the clerks were nervous that they would lose their jobs. However, when they realised that the computer would make their job easier and that their expertise was still vital, it went down well."

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ALAN COWELL ... only half expected to pass

Students tackle customs course

51 Times 28/11/90

53) By Ireen Spicer

THE freight forwarding industry has tackled the problem of its acute shortage of trained personnel.

Alan Cowell, executive director of the SA Association of Freight Forwarders (SAAFF), completed writing a 10-month curriculum about customs rules and regulations in time for 321 students to enrol last year.

Mr Cowell, who was given the mandate to compile an in-service training course, has designed the syllabus to form the first year of study. A diploma will be awarded after three years.

Mr Cowell has still to write the second- and third-year courses, but intends to cover all aspects of forwarding management.

"It is a tough, complex course to give existing staff the chance to enhance their career opportunities," says Mr Cowell. He expects only half of the candidates to pass the first year.

"The intention is to discover management potential."

The course has been well received and candidates who complete all three years successfully will be certificated by SAAFF.

ANC plans training programmes for youths

LUSAKA

The ANC and Mass Democratic Movement will establish training programmes in and outside SA to upgrade skills and provide alternative futures for unemployed young people, say senior ANC sources here.

The sources expressed concern about the education crisis and the large number of unemployed youths, which they estimated at about two-million.

They said the ANC conducted a skills survey in SA some time ago.

The survey found there was a dearth of skills in areas such as engineering, mining engineering, hi-tech, management and administration.

The programmes would attempt to redress some of those skills imbalances.

Details of the planned programmes were not available.

CHARLENE SMITH

The sources said business should be a microcosm of the kind of society the ANC wanted.

A senior ANC economics official said the ANC envisaged a mixed economy. However, there were different types of mixed economies.

He said the organisation was opposed to privatisation as it eroded the ability to upgrade services and to implement effective wealth redistribution.

Privatisation served those who could afford to buy shares and those who already controlled a substantial chunk of the economy.

"We are taking away one part of a monopoly to serve another monopoly."

"We are talking about huge wealth in the hands of a few, and massive poverty, particu-

larly in rural areas."

The ANC, which met Anglo American executives last weekend, said it was compiling an action programme for businessmen.

Areas identified, of agreement and disagreement, included business communities' leverage with government and the fact that they were involved in arms manufacture and the supply of essentials to the police and military.

Whenever there were disagreements with the labour force, the business community called in the police, the senior sources said.

Business paid huge taxes to the government and had taken no position on conscription.

The ANC was also disturbed that businessmen travelled to Lusaka to hold talks with the ANC, but had not done the same with the MDM or Cosatu, the sources said.

Technikon education 'must grow'

(53)
2/2/90
5/1/92

Vereeniging Bureau

Technikon education will have to expand if the serious problem of wasted human resources is to be addressed, Dr Leon Knoll, chairman of the Vaal Triangle Technikon board, said in Vanderbijlpark this week.

He stated this was to a great extent the result of an educational system which directed young people towards attaining qualifications the employment market does not need.

Dr Knoll was speaking at the official opening of the technikon's academic year. Referring to the De Lange report on education, Dr Knoll remarked that to date little had been done about changing the system and steering students towards career-orientated education.

WEAKNESSES

"The weaknesses in our educational system are having serious consequences for industry and the South African economy. The system is producing too many unskilled and semi-skilled rather than skilled workers, and too many university graduates with general degrees while more technologically trained people are needed."

According to Dr Knoll the proportion of university to technikon students in South Africa during 1989 was approximately four to one, whereas the norm in industrialised and first world countries is nearly the reverse.

Walk-out in support of failed teachers

By THAMI MKHWANAZI

FREEDOM songs praising ANC leader Oliver Tambo echoed through Soshanguve on Tuesday as students at the Pretoria township's Teachers' College of Education began a boycott in support of failed students who had been refused readmission.

Lecturers drove home after the entire student population resolved at a meeting last Sunday to boycott lectures in protest against the administration's refusal to re-admit first- and second-year students who failed last year's examinations.

On Monday students assembled at 7am in a campus square called Lover's Park, where they chanted revolutionary slogans and sang freedom songs and discussed their boycott strategies with the seven-member SRC.

Unlike last year, when rector I J Bingle called in police who allegedly used sjamboks to break up a peaceful demonstration, there were no incidents this time. However, army vehicles were seen patrolling the area outside the campus.

The students have given the authorities 14 days to re-admit not only last year's failed students, but also those who failed the previous year.

About 50 first-year students and a number of second-year students have been affected by what students believe was an "unfair" decision by rector Bingle.

An SRC member said rector Bingle had misinterpreted the Department of Education and Training's rule on the re-admission of failed students. Student leaders argue that "bad behaviour" should be the key reason to disqualify a student from re-admission.

But DET's chief regional director, Job Schoeman, the chairman of the college's governing council, said it was not only the rector's right to deny failures re-admission, but DET policy.

He said the rule was flexible in that on the one hand it refused re-admission to "outright" first-year failures — those who failed three and more courses.

But on the other, he said, "it gives a chance to those who were to write supplementary exams at the beginning of the next academic year. It gives them a second chance and that's fair enough."

"We must have the best teachers. If a person is academically weak, we must pass on the chance to the best student. If we don't do that we shall run at a loss. It costs the department R6 000 to keep one student at the college for a year."

Wide range of courses at various levels

LEARNING about futures and options is no longer the problem it once was.

This is thanks to a proliferation of courses, lectures, workshops and seminars aimed at all levels, from the professional to the man in the street.

The first stop for the prospective student has, and is likely to remain for some time, the industry's representative body SAFIA.

Full-time educational director Michelle McNeil handles the numerous courses, workshops and seminars that SAFIA is running at any one time.

Its present series of one-day workshops — Getting Started in Futures, presented by well-known futures expert Heather McLeod — is drawing good response in Johannesburg

and Cape Town, says McNeil.

Outside SAFIA's orbit lie the first of all the futures broking houses — Holcom, Greenwich, Bailey's — which run tailor-made seminars of their own to suit prospective clients.

Holcom is particularly active in this field and from time to time invites international figures to address local audiences.

One such figure presently in the country to lecture on sugar futures is CE of the prestigious firm of sugar statisticians FO Licht, Dr Helmut Ahlheid.

Next in line are JSE stockbroking firms which have started releasing educational brochures to interested parties in anticipation of the formalisation of the market, at which time

they will also be allowed to trade the derivatives markets on behalf of clients (at the time of going to Press, JSE regulations forbid this).

Davis Borkum Hare recently put out such a pamphlet, while Johannesburg Options Market MD Dave Bullard had a hand in a recent leaflet on do's and don'ts of speculating in the derivative game.

Laconic

His laconic statement: "Futures markets are not like fruit machines — they bear some study" is pregnant with meaning and underlines the vital importance of learning the basics in order to avoid the loss of that proverbial item — one's shirt.

But perhaps the most innovative form of learning to have come onto the market recently is the Futures and Options Home Study Programme.

It is the handiwork of Johannesburg-based Progressive Systems College, better known for its computerised Compushare share investment training programme.

Endorsed by SAFIA and designed to lead up to the official examination of the Financial Markets Board, the home study programme covers all aspects of futures and options starting from the most basic concepts.

It goes on to deal with pricing models, complex trading strategies, arbitrage and other more advanced topics.

At the heart of the course is a real-time market simulation programme that allows the student to put theory into practise by trading futures and options on real market data.

A weekly progress report details all transactions as well as a portfolio summary showing overall profit/loss, open positions and margin account balance.

Says Progressive Systems marketing director Dave Jackson: "We think it is the best way to gain experience without burning one's fingers."

The broad spread of courses described above will feed the education machine that will eventually turn out graduates in the different levels of examinations required by the Financial Markets Control Act.

Training college closed

By RUSSEL MOLEFE

THE Tivumbeni College of Education, near Tzaneen, has been closed indefinitely following a class boycott.

The boycott started after boarding fees were increased.

The rector of the college, Mr LC Hager, said the increase was necessary because of the economic situation. The fees were increased from R130 to R250 per quarter.

Hager said Government bursaries could not be increased, as demanded by students, because they only covered tuition and books.

A deputy public relations officer for the Student Representative Council, Mr Elvis Mavuso, said students were informed about the increase of fees only on the day of registration.

"If a public college cannot cope financially in the present economic situation, how can our parents be expected to?" Mavuso asked.

The students' other demands include:

- * an increase in Government bursaries.
- * old dining halls to be used as hostels to alleviate accommodation problems.
- * the readmission of pregnant students expelled last year, and
- * the immediate resignation of the rector.

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Upgrade for engineers

SI Times 18/2/90
SUCCESSFUL countries are those that can compete industrially and technologically in an international free-trade area.

University of the Witwatersrand faculty of engineering dean Alan Kemp believes that if society does not begin to recognise the importance of engineering as a career, SA's ability to compete internationally and to generate wealth will continue to decline.

Professor Kemp says: "SA society does not appreciate the contribution of engineering to its well-being, largely because of the low priority technology receives at Government level.

"In rich countries engineering is recognised as being a prime mover in wealth and job creation and engineer-

ing education is treated as a national priority."

Enrolment figures in many SA engineering faculties have not improved significantly in the past 10 years. If this trend persists, SA will continue to drift from First to Third World status.

Looking at his faculty's objectives, Professor Kemp says the development of active long-term working relationships with the engineering industry and profession will continue.

Whether or not the Government changes its priorities, the future success of engineering education depends on continued support from the private sector.

Improvements in the scope of engineering education are also high on the faculty's agenda. Professor Kemp says one move in this direction is the development of an optional M Eng qualifi-

53 50
cation after the four-year degree.

"This should be a one-year full-time or two-year part-time course focusing on engineering management or technical specialisation. It should provide a broader education linked to the need for the engineer to play a stronger leadership role in industry.

"Because of his ability to interpret technical information, the engineer of the future will lead other professions in reaching key decisions in society."

The additional year of study, recently pioneered in the UK, will require close collaboration with industry and the Wits Business School to achieve its aims.

Also based on international trends, Professor Kemp hopes to institute a system enabling top science graduates to obtain engineering degrees with an additional two years of study.

Sowetan 20/2/90

An oasis in the desert

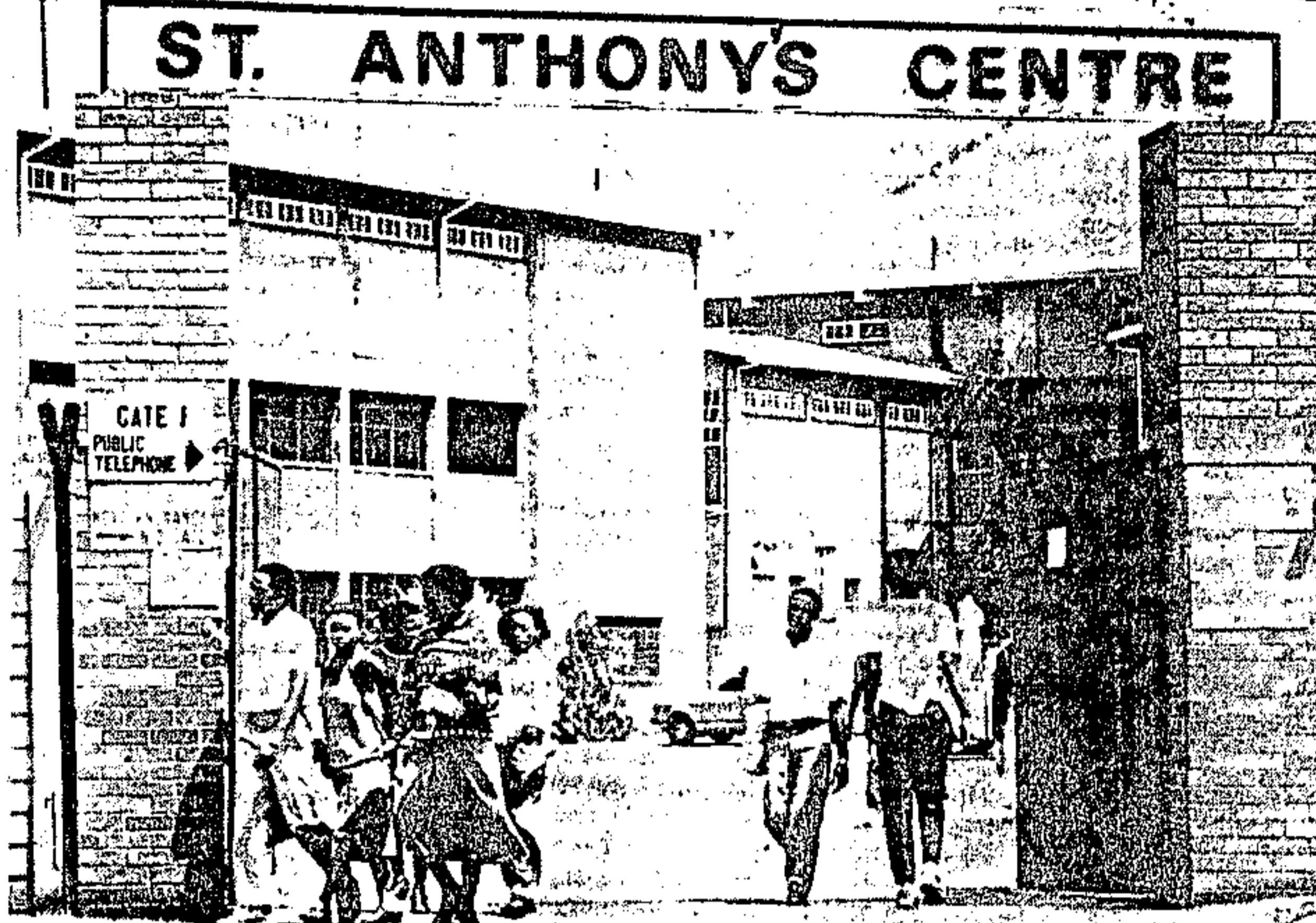
By NKOPANE
MAKOBANE

THE name St Anthony's Adult Education and Training Centre in Reiger Park, Boksburg, is known to many people on the East Rand and most of them look to it to solve the education crisis in the area.

The centre, which can aptly be described as an oasis in the education desert in that part of the Reef, is in Elsburg Road on the boundary of Reiger Park, a Boksburg township for "coloured" people.

It is close to the East Rand railway station and the arterial freeway system, making it accessible from all directions.

From a simple school building erected in the 1930s, the centre today has a total capital investment on site which exceeds R2 million. The facilities include: comprehensively equipped workshops in the areas of basic engineering, welding and motor vehicle work; language, science and com-



Students going home after attending lessons at St Anthony's Centre.

mercial laboratories; a library which includes films, academic and technical reference works; classrooms; a modern restaurant and a full range of training aids including close circuit television.

Starting with 14 students for adult education in June 1966, the centre today provides an education and training service to more than 5 000 people each year and at the same time provides valuable

cultural and social activities for the 20 000 people of Reiger Park.

The *Sowetan* last week visited the centre and spoke to Sister Magdalen Greene, head of the adult education section. She said for this year's academic programme, the centre re-opened on January 3 and since that date it has been a hive of activity.

According to Sister Magdalen, about 3 000 students who failed matric in local townships, as well as Soweto, flocked to the centre between January 8 and 12 to write an aptitude test set by the National Institute of Personnel Research. Of this figure, 550 who were successful in the test now form 16 full-time matric classes at the centre.

Passes

As for those who could not make it in the aptitude test, the centre's adult education section has organised afternoon classes. Sister Magdalen said many of these students passed three subjects in last year's exam and are now keen to write the remaining three in May/June this year.

"About 300 students were enrolled in a similar afternoon learning project last year and many obtained excellent results as private candidates. This project is run privately and does not get any aid from the Government to pay teachers.

"We have had many

part-time students coming to the centre to register for evening classes. A wide range of subjects are offered throughout the week at Standard 8 and 10 level. They include: English and Afrikaans, vernacular languages, mathematics, physical science, biology, accounting, business economics, typing and economics," she said.

Sister Magdalen also said they were offering classes in English literacy and primary school subjects. Furthermore, they had received 100 applications from post matriculants for the full-time commercial course.

Upgrading

The centre also has courses for underqualified teachers. Classes are offered an opportunity for them to upgrade their certificates at matric level. There is also support tuition offered to teachers studying through correspondence with Vista University. Last year, 1 700 teachers attended classes regularly and 150 graduated.

"Yes! indeed, the centre is a beacon, a haven, for so many people who are keen to improve their quality of life and take their rightful place in a new South Africa," she said.

She appealed to local industry and those concerned with promoting education to donate to the centre. Money was needed to help pay staff, she said.

Boycott after poisonings

S3

Sowetans 21/2/90

MORE than 2 000 students at the Mokopane Training College in Mahwelereng yesterday started a four-day class boycott after a spate of food poisoning cases.

A senior administration officer at the college said many students were

By MATHATHA TSEDU

taken to Mokopane Hospital.

He said the food poisoning was still being investigated. Students said the problem started last week when boarders com-

plained of stomach aches and diarrhoea after eating food at the dining hall.

Hospital

This happened again on Sunday and some of them were taken to hospital. Ten students were ad-

mitted with severe stomach cramps on Monday. After several loads of students were taken to hospital a medical team was sent to the college to ease the workload.

Students held a meet-

● To page 2

Food poisoning: Call for probe

S3

Sowetans 21/2/90
● From page 1

2/2/90

ing yesterday where they decided to boycott classes until Friday. They have called on the authorities to investigate the cause of the food poisoning.

The SRC vice chairman, Joseph Baloyi, said students were also de-

manding that the education department, which recently increased boarding fees from R600 to R800, should improve hostel conditions and the quality of food. The students are to return to campus on Monday when a decision of future action will be taken, said Baloyi.

Rondebosch's non-racial students' res in trouble

Cape Times 2/2/80

By JILYAN PITMAN

THE Rouwkoop/Albion Road area of Rondebosch has complained about the existence of the 250-place male student residence, Rouwkoop House, which will be taken over by the Leadership Education and Advancement Foundation (Leaf) from the Cape Technikon at the end of the year.

Leaf intends to use the site and buildings as a non-racial residence for students studying science and mathematics.

Residents have complained not only to their local councillor, Mr Arthur Wienburg, but also to Mr Richard Todd, the national director of Leaf, about excessive noise, parking problems, vandalism, inadequate sporting facilities and the fate of four "statutory tenants" on the 1,9 ha property whose occupancy is protected by law.

Legitimate

One resident says that "enough is enough ... there have been too many problems for too long, and the area doesn't need another batch of students."

"The area should keep its

WE WILL IMPROVE, STUDENTS PROMISE

'village' atmosphere and be upgraded by either demolishing the buildings or converting them into an old-age home."

Mr Wienburg says that while Leaf's concept is good, "the site is wrong" because "kids need the right place to let off steam and enjoy themselves. Residents have a legitimate set of complaints."

Mrs Micky Munro, a long-standing resident of the area, says that the noise from the students is "too much".

"We feel strongly that we don't want any more students here. This is a sedate area, and these students have been a source of friction for years."

On February 9, according to Mrs Munro, a group of residents in the area lodged a petition with the town planner, making clear their objections to the proposal, but there has been no response.

"In the meantime some of the residents have received a form requesting their consent to Myrtle Manor being converted into classrooms.

"A reply is requested within 21 days, but there is no return date on the form except a rather indistinguishable date when the form was sent out, and only some of the residents have received a form. As usual, confusion reigns."

Females

Mrs Munro feels certain other residents will continue to petition. "Why can't Leaf go somewhere else?"

But Leaf's Mr Richard Todd this week vowed: "We will be nicer neighbours."

Mr Todd says the Technikon had occupied the site for about 15 years and had then sold it to a developer, who in turn had sold it to Leaf.

When Leaf takes over the property, Mr Todd says, there

will be "less stress" because it will enrol less than half the number of men students accommodated in the past.

Enrolment will probably consist of about 130 male and 100 female students, and "women students use less recreational facilities than male students; those who want sporting facilities can use the pool and two tennis courts, or will be able to join local clubs.

"As for reports of excessive noise and reports of vandalism in the area, we will do our best to prevent this happening.

"Students will not be allowed to have cars and the three statutory tenants will be able to stay on for as long as they wish."

Mr Todd says that the Board of Executors has carried out a feasibility study on the site, and has found that it would not be feasible to turn the site into a park or convert the buildings into an old-age home.

There are no lifts in the three-storey residence, he says, and large communal bathroom areas are not suitable for elderly people. Demolishing the site for a park would not be viable, either.

supplied on page 2

Rondebosch's non-racial students' res in trouble

CAP Times 2/12/80

53

By JILYAN PITMAN

THE Rouwkoop/Albion Road area of Rondebosch has complained about the existence of the 250-place male student residence, Rouwkoop House, which will be taken over by the Leadership Education and Advancement Foundation (Leaf) from the Cape Technikon at the end of the year.

Leaf intends to use the site and buildings as a non-racial residence for students studying science and mathematics.

Residents have complained not only to their local councillor, Mr Arthur Wienburg, but also to Mr Richard Todd, the national director of Leaf, about excessive noise, parking problems, vandalism, inadequate sporting facilities and the fate of four "statutory tenants" on the 1,9 ha property whose occupancy is protected by law.

Legitimate

One resident says that "enough is enough ... there have been too many problems for too long, and the area doesn't need another batch of students.

"The area should keep its

WE WILL IMPROVE, STUDENTS PROMISE

'village' atmosphere and be upgraded by either demolishing the buildings or converting them into an old-age home."

Mr Wienburg says that while Leaf's concept is good, "the site is wrong" because "kids need the right place to let off steam and enjoy themselves. Residents have a legitimate set of complaints."

Mrs Micky Munro, a long-standing resident of the area, says that the noise from the students is "too much".

"We feel strongly that we don't want any more students here. This is a sedate area, and these students have been a source of friction for years."

On February 9, according to Mrs Munro, a group of residents in the area lodged a petition with the town planner, making clear their objections to the proposal, but there has been no response.

"In the meantime some of the residents have received a form requesting their consent to Myrtle Manor being converted into classrooms.

"A reply is requested within 21 days, but there is no return date on the form except a rather indistinguishable date when the form was sent out, and only some of the residents have received a form. As usual, confusion reigns."

Females

Mrs Munro feels certain other residents will continue to petition. "Why can't Leaf go somewhere else?"

But Leaf's Mr Richard Todd this week vowed: "We will be nicer neighbours."

Mr Todd says the Technikon had occupied the site for about 15 years and had then sold it to a developer, who in turn had sold it to Leaf.

When Leaf takes over the property, Mr Todd says, there

will be "less stress" because it will enrol less than half the number of men students accommodated in the past.

Enrolment will probably consist of about 130 male and 100 female students, and "women students use less recreational facilities than male students; those who want sporting facilities can use the pool and two tennis courts, or will be able to join local clubs.

"As for reports of excessive noise and reports of vandalism in the area, we will do our best to prevent this happening.

"Students will not be allowed to have cars and the three statutory tenants will be able to stay on for as long as they wish."

Mr Todd says that the Board of Executors has carried out a feasibility study on the site, and has found that it would not be feasible to turn the site into a park or convert the buildings into an old-age home.

There are no lifts in the three-storey residence, he says, and large communal bathroom areas are not suitable for elderly people. Demolishing the site for a park would not be viable, either.

... buildings in ... served and no parking ... objective will

Protest against rector

PORT ELIZABETH. — Students at the Dower College of Education boycotted classes this week and called for the rector, Mr Ben Draai, to resign. They claimed he has links with the Labour Party.

Students held a mass meeting at the campus on

Monday, displaying placards saying: "Away with Draai".

Draai denied he was still a Labour Party member, and said he had been appointed to his post of rector on merit.

His appointment raised eyebrows when it was alleged that proper channels

had not been followed.

Discontent at the college also surfaced recently over the appointment of two senior lecturers — senior deputy rector Mr I Booyesen and deputy rector Mr G Napoleon — who are also said to have LP links.

They could not be reached for comment.



EDUCATION FILE

By NKOPANE
MAKOBANE



East Rand college moves 53

THE East Rand College of Education in KwaThema Springs, is to move to new premises, hopefully in June this year.

Mr. Nel Bothma, the college's public relations

officer, said the new R13 million building is almost complete, except for the administration block and library.

He said that, although the college was established eight years ago, not

many people outside KwaThema and adjacent townships knew where it was.

"We are very happy to be moving to bigger and more easily accessible buildings for a tertiary in-

stitution. Our present building will become a secondary school to accommodate pupils of Ifa-Lefa," he said.

Outstanding features of the new building will include a modern library,

an athletic track of international standard, a spacious dining hall and a modern laboratory for chemistry students.

Contribute

"Our mission is to give the East Rand community a better education because we believe that the future of this country rests upon the youth.

"In order to achieve this, we believe the private sector in the area

could contribute generously. This would be a wise investment because, in the long run, it means the country will have quality teachers," he said.

Bothma said registration had closed at 810 this year, but this would increase to about 1 000 once they had moved.

Technical students are already using their section of the building.

The college is the only one of three in the East Rand which offers a

Secondary Teachers' Diploma and technical courses. The other two, in Kallehong and Daveyton, do not. The East Rand College was established eight years ago. It was housed temporarily at St Anthony's Education and Training Centre in Reiger Park, Boksburg, until it moved to its present premises in 1985.

Donors to the college should contact Bothma at (011) 736-3702.

Sowetan 28/2/90

1 000 students sent home from Soshanguve

By ALINAH DUBE

(S3)

SOSHANGUVE's Transvaal College of Education was closed yesterday and more than 1 000 students sent home following a lecture boycott.

Students were served with a notice giving them until 10am to leave the campus. The notice was signed by the rector, Mr I J Bingel.

It read: "All classes at this colleges are suspended until further notice. Hostels have also being closed.

"All students, with their belongings, must vacate the campus not later than 10 hours on Tuesday, February 27 1990.

"Information on the resumption of lectures will be forwarded to you at a later stage." The boycott of lectures at the TCE was sparked off by the authorities' refusal to re-admit 66 first-year students who had failed last year's examinations.

The school's management cited the Department of Education and Training's regulation as the reason for the dismissals.

Meanwhile an application for the reinstatement of the 66 was postponed to March 13 in the Pretoria Supreme Court yesterday. The case was postponed following the closure of the college because it no longer deserved to be treated as urgent.

Hong Kong citizens to ...
Chinese take over the colony in 1997, her spokes-
man said yesterday.

APR 11/13/90 (3)
College shut over boycott

PRETORIA. — The Transvaal College of Educa-
tion in Soshanguve has closed following a lec-
ture boycott by more than 1 000 students, the
Department of Education and Training con-
firmed yesterday.

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Resuscitation for PE cardiac unit

Cape nurses' colleges, residences open to all

CAPE TOWN — All Cape nursing colleges and nursing residences will be opened to all races, the Administrator of the Cape, Mr Kobus Meiring, announced yesterday.

At a Cape Town meeting, Mr Meiring, together with the MEC for hospital and health services, the Cape Provincial Administration director, rectors of Cape Town and Stellenbosch universities and other senior officials, decided in principle to open the colleges and residences to all.

The decision was taken as part of the Administration's drive towards optimum utilisation of personnel and services.

It was also decided to make available under-utilised accommodation at the Karl Bremer Hospital to students of the Tygerberg Technikon and to offer Clarendon House as accommodation to students of the University of Cape Town.

At the meeting, held to discuss the financial circumstances within which hospitals and health services need to operate, it was also stated that

the cardiac unit at the provincial hospital in Port Elizabeth would not be closed.

Services at the unit would continue as at present, a spokesman for the Administrator said. The current problems being experienced by the unit would be overcome by rationalisation of staff.

Financial dilemma

The meeting was unanimous in deciding that reorganisation of services and, in some cases, the cutting-back of services was the only way of overcoming the financial dilemma in which hospital and health services found themselves.

● The nurses' residence at the Johannesburg Hospital was opened to all races on Tuesday.

The TPA has also decided that nurses of all races employed at the hospital will be able to undertake basic and post-registration training at the B G Alexander College of Nursing. — Sapa.

● See Page 6.

Cape nursing colleges open to all races

ALL nursing colleges and nursing residences in the Cape will be opened to all races, the Administrator of the Cape, Mr Kobus Meiring, announced yesterday.

At a meeting in the city, Mr Meiring, together with the MEC for Hospital and Health Services, the director of the Cape Provincial Administration, the directors of the Universities of Cape Town and Stellenbosch and other senior officials, decided in principle to open the colleges and residences to all race groups.

The decision was taken as part of the administration's drive towards optimum use of personnel and services.

It was also decided to make available under-utilised accommodation at Karl Bremer Hospital to students of the Tygerberg Technikon and to offer Clarendon House as accommodation to UCT students.

The meeting, held to discuss the financial circumstances within which hospitals and health services needed to operate, also stated that the cardiac unit at the provincial hospital in Port Elizabeth would not be closed, despite some reports to the contrary.

Services at the unit would continue as at present, according to a spokesman for the administrator. He said, however, the current problems being experienced by the cardiac unit would be overcome by rationalisation of staff. — Sapa

Gov 2/3/90

53

'Language issue a problem'

Nursing is being integrated — Govt

The steadily increasing integration of the country's 25 nurse training facilities had to be seen as a move away from discrimination, the Minister of National Health and Population Development, Dr Rina Venter, said in the House of Delegates yesterday.

Replying to an interpellation debate, she said it was Government policy to create the greatest possible access to health care and to make optimum use of resources.

Language problems

Access to nursing colleges was partly hampered by language problems, as in the case of a college which presented its curriculum in Afrikaans.

Everything was being blamed on the problem of fragmentation, and if this was removed there would be enough money to solve the problems in health care.

The department was looking at structural changes to make it attractive for nurses to move back to the profession.

Dr Venter said it was important for the Government to supply a cost-effective service and ensure optimum use of facilities.

Health care had to be accessible and acceptable to all people and good nursing training standards had to be sustained.

The de-racialisation of the nursing profession was epitomised by the SA Nursing Association which had removed all references to race from

its constitution.

Part of a project by the National Health Advisory Group was to identify areas of racial discrimination and to subject these problems to corrective measures.

There were 20 provincial nursing colleges providing training for the basic and comprehensive diplomas, with five separate campuses falling under the Natal college.

Ten of the colleges trained one racial group, six trained two racial groups, five trained three racial groups and four provided training for all racial groups.

Mr Mahmoud Rajab (DP Springfield) said that knowing of the shortage and mass exodus of nurses from the profession, one would have expected the Department of National Health and Population Development to take as large an intake of nurses as possible.

Applications refused

He said there had been 30 127 applications by blacks for nursing training, but only 2 729 applicants of all race groups were accepted.

Mr Rajab said that it was the fragmentation of health services into own and general affairs which had created the problems in the profession.

He was pleased that the Minister had said the health services should be accessible and acceptable to all people, but the admission by the Minister that this was not the case was an indictment of the Government. — Sapa.

shortcomings which have been highlighted, so that the children can be looked after in a better environment and live under better control.

We are also going to implement the findings of the De Beer Committee of Inquiry into certain aspects of child care in 1982. We will bring them in line with the same level that we have had at Greenfield as far as staff components are concerned. All in all, I can assure this House that the money will be well spent. In answer to the question that was asked by the hon member for Havenside, it cost us some R15 000 with qualified people. I believe that this administration benefited from this.

We will put this into effect. I have accepted all the findings and we will satisfy everyone. Furthermore, I have taken the liberty of recommending—that was in fact a decision I took a week ago—that in future boards of management which involve the public sector and my department will be responsible for the running of these institutions so that the community will also be aware of what is being done. These appointments will be from among professional people in the community and I think that will satisfy all hon members of this House in the future. I hope we will be able to have a better facility.

As far as the Greenfield Place of Safety is concerned, may I make it very clear that the report indicates that it is not in the right locality, which is not conducive to the functioning of a place of safety. I am considering taking certain decisions and I am awaiting departmental investigations of the aspect that we may have to relocate on a new basis. For that reason places in the Transvaal near to Northern Natal which have no such facilities are being looked at. I think that changing the style from an institution to a more homogeneous type of set-up where homes could be taken over—my department is investigating this—will assist us in trying to resolve this very important problem. May I end off by saying that I am rather concerned about the kind of money we have spent on the Valley View Place of Safety rehabilitation centre when really parental society itself and control are lacking. The time will come when we may have to spend more energy in trying to look at the problem rather than looking at the symptoms of the problem. However, the Act provides for this and we will continue to provide a good service so that these young lads can go back to society and become better men in the future.

Mr M RAJAB: Mr Chairman, arising out of the hon the Minister's reply, whilst I thank him for that statement may I enquire as to the numbers involved for which provision has been made in the new buildings?

The MINISTER: Mr Chairman, it is intended to keep to 100 children at the Valley View Place of Safety. May I just say that the accommodation maximum at Greenfield is 80, but at no given time do we have 100 or 80 at either place. However, the provision has been made. I am prepared to make the plans available to my study group as well as the hon member for Springfield and hon members of the House. I will have them pinned up in my boardroom in a couple of weeks' time once I receive them. I am at liberty to say that it will be the only one of its kind in the country and we hope that we can set an example and raise the standards.

M L Sultan Technikon: memorandum

*2. Mr M RAJAB asked the Minister of Education and Culture:

- (1) Whether his Department has been informed of a memorandum containing certain allegations of discontent amongst the staff of the M L Sultan Technikon that was referred to the council of the said technikon; if not, why not; if so, when was the memorandum so referred;
- (2) whether the council has conducted an investigation into these allegations; if not, why not; if so, (a) when, (b) what were the findings and (c) what action was taken as a result of the findings;
- (3) whether he will make a statement on the matter?

Handled 6/3/90 53 D25E
The MINISTER OF EDUCATION AND CULTURE:

- (1) Yes on 1989-10-20
- (2) No
- (3) No.

At a special Technikon Council Meeting on 1989-12-07 Council resolved to seek legal opinion of Senior Counsel before responding.

Mr M RAJAB: Mr Chairman, arising out of the hon the Minister's reply, could he tell this House

what the specific brief was to senior counsel regarding this memorandum? 53

The MINISTER: Mr Chairman, the technikon council runs the affairs of the technikon and they in their wisdom will decide what information is to be given to counsel and what brief to give counsel. We do not have that as yet. Until they respond to my query as to what type of investigation it was and what the results were, I do not have any other information on that.

Mr M RAJAB: Mr Chairman, further arising out of the hon the Minister's reply, could he give an assurance in this House that should there be a need to appoint a committee of inquiry with regard to the allegations, he will in fact appoint such a committee?

The MINISTER: Mr Chairman, upon receipt of information from the council which runs the technikon, if I am satisfied with my department's counsel that we need to appoint someone to investigate this particular matter that will be decided upon in consultation with all those people in my department.

Department of Housing: public relations officer

*3. Mr A SINGH asked the Minister of the Budget and Auxiliary Services:

- (1) Whether a certain person, whose name has been furnished to the Minister's Department for the purpose of his reply, was appointed as a public relations officer for the Department of Housing; if so, when;
- (2) whether this post was advertised; if not, why not; if so, in what publications;
- (3) whether any Ministers of the House of Delegates recommended this person's appointment; if so, which Ministers;
- (4) whether the person concerned was subsequently relieved of this post; if so, why;
- (5) whether another person has since been appointed to the post in question; if not, why not; if so, on what basis?

Handled 6/3/90 53 D26E
The MINISTER OF THE BUDGET AND AUXILIARY SERVICES:

- (1) Yes
20 November 1989.
- (2) No
These officials are selected by Ministers.

(3) No 53

(4) Yes 53
After the initial five week period of probation, it was decided that the person was best equipped to execute the duties of liaison officer in the Department as such.

(5) Yes 53
On a three year contract basis subject to renewal.

Mr M RAJAB: Mr Chairman, arising out of the hon the Minister's reply, could he please tell us what the normal probation period is that applies in his administration?

The MINISTER: Mr Chairman, I did indicate that there is a probation period of three years.

The CHAIRMAN OF THE MINISTERS' COUNCIL: No, probation period.

The MINISTER: Oh, sorry, the probation period. No particular set period is stipulated. I could just mention that the staff who have come to Cape Town from Durban will be here until the end of March, until just before the Easter recess. They will be judged on their work capability and so forth. Basically, therefore, in this particular case a five-week period of probation will apply, but there is no stipulated period. I would say it should be not less than four weeks.

Inanda: Indian traders

*4. Mr A SINGH asked the Minister of Housing:

Whether, with reference to information that has been furnished to the Minister's Department for the purpose of his reply, he made any promises in or about March 1989 to a certain traders' association, through its spokesman, to the effect that Indian traders from Inanda would be provided with alternative land to carry on their businesses elsewhere; if so, (a) what promises and (b) what are the names of the traders' association and spokesman concerned?

Handled 6/3/90 53 D27E
The MINISTER OF HOUSING:

- (a) No.
- (b) Falls away.

Mr M RAJAB: Mr Chairman, arising out of the hon the Minister's reply, I appreciate the reply. However, I am aware that a certain aspirant

(2)

(a)

(b)

Direct Requests:

Glenwood High School	Durban
South African College Boys' High School (SACS)	Cape Town
Rodebosch Boys' High School	Cape Town
Westerford High School	Cape Town
Johannesburg High School for Girls	Johannesburg
Pretoria Boys' High School	Pretoria
Rustenburg High School for Girls	Cape Town
South African College Boys' Primary School (SACS)	Cape Town
Rodebosch Preparatory School	Cape Town
Rustenburg Junior School for Girls	Cape Town
Grove Primary School	Cape Town

Indirect Requests

Kaffrarian High School for Girls	King William's Town
Dale College Boys' High School	King William's Town
York High School	George
Brebnar High School	Bloemfontein
Pretoria High School for Girls	Pretoria
Cape Town High School	Cape Town
Dale College Boys' Junior School	King William's Town
Queen's College Boys' Primary School	Queenstown
Rhenish Primary School	Stellenbosch
Maidstone Primary School	Tongat

Mr K M ANDREW: Mr Speaker, arising from the hon the Minister's reply, may I ask him whether he can inform the House what progress is being made in the investigation into admission policies which he advised us about a couple of weeks ago?

†The MINISTER: Mr Speaker, very good progress has been made. I am still in a hurry. It will possibly be announced shortly.

†Mr C D DE JAGER: Mr Speaker, can the hon the Minister, arising out of his reply, tell us whether Menlo Park High School has applied to be an open school?

†The MINISTER: No, I did not mention Melo Park in my reply. So they did not apply directly or indirectly. [Interjections.]

Mr R M BURROWS: Mr Speaker, arising from the reply of the hon the Minister, I wonder if he could give us the assurance that he will not move to merge any schools in his department or close them down until the issue of admission has in fact been finalised.

†The MINISTER: Mr Speaker, it is a difficult assurance to give, because it may be that there are some schools where the numbers have decreased as such, for example in the rural areas, that the issue of the possible admission of children of other race groups is by no means under discussion. In such a case I cannot give the assurance that we won't move because it is in the interests of that community and of the children to possibly close the school in such a case.

The point of departure is in every case that when we close down a school it is in the best interests of the children. When it is a matter such as this where it could possibly have an effect, we will deal with it carefully.

Primary schools: African language

*2. Mr K M ANDREW asked the Minister of Education and Culture:

- (1) How many primary schools are there in his Department;
- (2) in how many of these primary schools is an African language being taught as a compulsory subject?

Howard 6/3/90

B350E

The MINISTER OF EDUCATION AND CULTURE:

- (1) 1 351;
- (2) 1 037*.

* An African language is a compulsory subject in all primary schools with a senior primary phase.

Mr K M ANDREW: Mr Speaker, arising from the hon the Minister's reply, may I ask him what is being done in respect of the 300 odd schools that are not offering this subject which is supposed to be compulsory?

†The MINISTER: Mr Speaker, in further explanation, may I just say that in the Cape and in Natal there are so-called junior primary schools. The subject is not offered at the junior primary schools. I can give the hon member the separate figures for the Cape. In the Cape there are 369

primary schools in total. There are only 87 where it is offered. This is so because there is such a large number of junior primary schools where it is not offered. In Natal itself there are a number of remedial schools and at these an African language is also not offered. In the Transvaal it is offered at 691 out of the 691 schools. Similarly in the Free State there are 106 primary schools and it is offered at all 106.

Business interrupted in accordance with Rule 180C (3) of the Standing Rules of Parliament.

Technikons: restrictions

*3. Mr R M BURROWS asked the Minister of Education and Culture:

- (1) Whether restrictions, either in absolute numbers or percentage, in regard to the admission of students to courses and/or faculties have been introduced in any or all of the technikons falling under his control; if so, (a) what restrictions and (b) when;
- (2) whether he has made provision for the co-ordination of student admissions in particular faculties among technikons falling under his control; if not, why not; if so, what provision;
- (3) whether he will make a statement on the matter?

Howard 6/3/90

B353E

The MINISTER OF EDUCATION AND CULTURE:

- (1) and (2) No, not by the Minister. Every technikon as an autonomous tertiary institution itself decides on the admission of students to courses and/or schools of the technikon concerned;
- (3) no.

Colleges of Education: places filled

*4. Mr R M BURROWS asked the Minister of Education and Culture:

- (1) Whether all student places in colleges of education falling under the control of his Department are filled; if so, how many such places are there; if not, (a) how

Howard 6/3/90

many places are vacant and (b) why are they vacant; (53)

- (2) whether any arrangements have been made with any other departments of education for the utilization of any colleges of education, or parts thereof, falling under the control of his Department; if so, what arrangements;
- (3) whether any colleges of education, or parts thereof, have been disposed of in any way to any other Government Department or organization; if so, (a) which colleges and (b) to which Government Department or organization in each case?

Howard 6/3/90

B354E

The MINISTER OF EDUCATION AND CULTURE:

- (1) No,

(a)	Cape	679
	Natal	1 181
	OFS	146
	Transvaal	1 559
	Total	3 565
- (2) no, but there is an agreement with the Department of Education and Culture: House of Representatives and the Kwa Zulu Education Department that a number of their teachers can undergo further training at the distance teaching college, the Natal College of Education;

- (3) yes,

(a)	(b)
Cape	SA Police
Paarl College of Education	SA Defence Force
Oudtshoorn College of Education	SA Defence Force
OFS	
Bloemfontein College of Education	Technikon OFS College
Transvaal	
Onderwyskollege Pretoria (part of old campus)	SA Defence Force

(2)

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Answered 6/3/90

B350E

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primary schools in total. There are only 87 where it is offered. This is so because there is such a large number of junior primary schools where it is not offered. In Natal itself there are a number of remedial schools and at these an African language is also not offered. In the Transvaal it is offered at 691 out of the 691 schools. Similarly in the Free State there are 106 primary schools and it is offered at all 106.

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- (2) whether he has made provision for the co-ordination of student admissions in particular faculties among technikons falling under his control; if not, why not; if so, what provision;
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Answered 6/3/90

B353E

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Answered 6/3/90

many places are vacant and (b) why are they vacant; *(53)*

- (2) whether any arrangements have been made with any other departments of education for the utilization of any colleges of education, or parts thereof, falling under the control of his Department; if so, what arrangements;
- (3) whether any colleges of education, or parts thereof, have been disposed of in any way to any other Government Department or organization; if so, (a) which colleges and (b) to which Government Department or organization in each case?

Answered 6/3/90

B354E

THE MINISTER OF EDUCATION AND CULTURE:

- (1) No,

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Natal	1 181
OFS	146
Transvaal	1 559
Total	3 565
- (b) student quotas at each college of education have been reduced;
- (2) no, but there is an agreement with the Department of Education and Culture: House of Representatives and the Kwa Zulu Education Department that a number of their teachers can undergo further training at the distance teaching college, the Natal College of Education;
- (3) yes,

(a)	(b)
Cape	SA Police
Paarl College of Education	SA Defence Force
Oudsthoorn College of Education	SA Defence Force
OFS	
Bloemfontein College of Education	Technikon OFS College
Transvaal	SA Defence Force
Onderwyskollege Pretoria (part of old campus)	

shortcomings which have been highlighted, so that the children can be looked after in a better environment and live under better control.

We are also going to implement the findings of the De Beer Committee of Inquiry into certain aspects of child care in 1982. We will bring them in line with the same level that we have had at Greenfield as far as staff components are concerned. All in all, I can assure this House that the money will be well spent. In answer to the question that was asked by the hon member for Havenside, it cost us some R15 000 with qualified people. I believe that this administration benefited from this.

We will put this into effect. I have accepted all the findings and we will satisfy everyone. Furthermore, I have taken the liberty of recommending—that was in fact a decision I took a week ago—that in future boards of management which involve the public sector and my department will be responsible for the running of these institutions so that the community will also be aware of what is being done. These appointments will be from among professional people in the community and I think that will satisfy all hon members of this House in the future. I hope we will be able to have a better facility.

As far as the Greenfield Place of Safety is concerned, may I make it very clear that the report indicates that it is not in the right locality, which is not conducive to the functioning of a place of safety. I am considering taking certain decisions and I am awaiting departmental investigations of the aspect that we may have to relocate on a new basis. For that reason places in the Transvaal near to Northern Natal which have no such facilities are being looked at. I think that changing the style from an institution to a more homogeneous type of set-up where homes could be taken over—my department is investigating this—will assist us in trying to resolve this very important problem. May I end off by saying that I am rather concerned about the kind of money we have spent on the Valley View Place of Safety rehabilitation centre when really parental society itself and control are lacking. The time will come when we may have to spend more energy in trying to look at the problem rather than looking at the symptoms of the problem. However, the Act provides for this and we will continue to provide a good service so that these young lads can go back to society and become better men in the future.

what the specific brief was to senior counsel regarding this memorandum? **53**

The MINISTER: Mr Chairman, the technician council runs the affairs of the technician and they in their wisdom will decide what information is to be given to counsel and what brief to give counsel. We do not have that as yet. Until they respond to my query as to what type of investigation it was and what the results were, I do not have any other information on that.

Mr M RAJAB: Mr Chairman, further arising out of the hon the Minister's reply, could he give an assurance in this House that should there be a need to appoint a committee of inquiry with regard to the allegations, he will in fact appoint such a committee?

The MINISTER: Mr Chairman, upon receipt of information from the council which runs the technician, if I am satisfied with my department's counsel that we need to appoint someone to investigate this particular matter then that will be decided upon in consultation with all those people in my department.

Department of Housing: public relations officer

*3. Mr A SINGH asked the Minister of the Budget and Auxiliary Services:

- (1) Whether a certain person, whose name has been furnished to the Minister's Department for the purpose of his reply, was appointed as a public relations officer for the Department of Housing; if so, when;
 - (2) whether this post was advertised; if not, why not; if so, in what publications;
 - (3) whether any Ministers of the House of Delegates recommended this person's appointment; if so, which Ministers;
 - (4) whether the person concerned was subsequently relieved of this post; if so, why;
 - (5) whether another person has since been appointed to the post in question; if not, why not; if so, on what basis?
- Answered 6/3/90* D26E
- The MINISTER OF THE BUDGET AND AUXILIARY SERVICES:
- (1) Yes **20 November 1989.**
 - (2) No These officials are selected by Ministers.

(3) No **Answered 6/3/90**

(4) Yes After the initial five week period of probation, it was decided that the person was best equipped to execute the duties of liaison officer in the Department as such.

(5) Yes On a three year contract basis subject to renewal.

Mr M RAJAB: Mr Chairman, arising out of the hon the Minister's reply, could he please tell us what the normal probation period is that applies in his administration?

The MINISTER: Mr Chairman, I did indicate that there is a probation period of three years.

The CHAIRMAN OF THE MINISTERS' COUNCIL: No, probation period.

The MINISTER: Oh, sorry, the probation period. No particular set period is stipulated. I could just mention that the staff who have come to Cape Town from Durban will be here until the end of March, until just before the Easter recess. They will be judged on their work capability and so forth. Basically, therefore, in this particular case a five-week period of probation will apply, but there is no stipulated period. I would say it should be not less than four weeks.

Inanda: Indian traders

*4. Mr A SINGH asked the Minister of Housing: Whether, with reference to information that has been furnished to the Minister's Department for the purpose of his reply, he made any promises in or about March 1989 to a certain traders' association, through its spokesman, to the effect that Indian traders from Inanda would be provided with alternative land to carry on their businesses elsewhere; if so, (a) what promises and (b) what are the names of the traders' association and spokesman concerned? **Answered 6/3/90** D27E

The MINISTER OF HOUSING:

- (a) No.
- (b) Falls away.

Mr M RAJAB: Mr Chairman, arising out of the hon the Minister's reply, I appreciate the reply. However, I am aware that a certain aspirant

The MINISTER OF NATIONAL HEALTH
AND POPULATION DEVELOPMENT:

(1) Places of safety in terms of the Child
Care Act, 1983

	(a)	(b)(i)	(ii)
	White	7	491
* Coloured	8	700	506
** Indian	2	140	102
*** Black	11	1 435	709

* One place of safety *inter alia* with a deten-
tion section for ten youths in which ten
youths awaiting trial are being held in terms
of the Criminal Procedure Act, 1977.

** One place of safety *inter alia* with a deten-
tion section for ninety youths in which one
youth awaiting trial is being held in terms of
the Criminal Procedure Act, 1977.

*** Four places of safety with accommodation
for seven hundred and fifty youths of which
two hundred and four youths are being held
in terms of the Criminal Procedure Act,
1977.

this information is furnished as at 16 Febru-
ary 1990;

(2) no.
(a) and (b) fall away.

Universities: persons studying

140. Mr A GERBER asked the Minister of
Education:†

(1) How many (a) Whites, (b) Indians and (c)
Coloureds are at present studying at each
university under his control;

(2) in respect of what date is this information
furnished? B315E

The MINISTER OF EDUCATION:

(1)	(a)	(b)	(c)
University of Zululand	32	14	1
University of the North	36	3	3
Medical University of Southern Africa	213	105	17
Vista University	58	33	233

(2) 6 June 1989.

HOUSE OF ASSEMBLY

Technikon: persons studying S3

141. Mr A GERBER asked the Minister of
Education:†

(1) How many (a) Whites, (b) Indians and (c)
Coloureds are at present studying at each
technikon under his control;

(2) in respect of what date is this information
furnished? B316E

The MINISTER OF EDUCATION:

(1)	(a)	(b)	(c)
Technikon North- ern Transvaal	17	0	1

Own Affairs:

Hillbrow constituency: rent-controlled premises

1. Mr L FUCHS asked the Minister of Health
Services, Welfare and Housing:

(1) How many rent-controlled premises were
there in the Hillbrow constituency as at 31
December 1989;

(2) how many such premises were decon-
trolled in 1989;

(3) whether he will furnish the House with
the (a) address and (b) description of each
of the premises so decontrolled; if not,
why not; if so, what are the relevant
details? B31E

The MINISTER OF HEALTH SERVICES,
WELFARE AND HOUSING:

(1) Due to the fact that all buildings erected
before or on 21 October 1949 automati-
cally became subject to rent control, only
such premises over which queries arose,
were kept on record. Periodic demolitions
of and structural changes to buildings
further contributed to the fact that statis-
tics concerning rent controlled premises
became totally unreliable. It can therefor
not be determined exactly how many
premises were subject to rent control in
the Hillbrow constituency on 31 Decem-
ber 1989;

(2) 1 121 units were conditionally exempted
from rent control during 1989;

(3) Yes.

Address

Flats 1-12, 14-37, Roseneath Mansions, corner
of Quartz- and Goldreich Streets, Hillbrow,
Johannesburg.

Flats 1-6, 101-106, 201-206, 301-306, 401-406,
and 501-506, Margate Court, corner of Kaptein-
and Banket Streets, Hillbrow, Johannesburg.

Flats 1-8, 29, 31-39, 41-49, Emberton Court, 10
Bruce Street, Hillbrow.

Flats 1-4, 6, 11, 12, 14, 17, 21-23, and 26, Soldon
Court, 16 Olivia Road, Berea, Johannesburg.

73 Olivia Road, Berea, Johannesburg.

74 Joel Road, Berea, Johannesburg.

64 Joel Road, Berea, Johannesburg.

60 Joel Road, Berea, Johannesburg.

62 Joel Road, Berea, Johannesburg.

Flats 1-12, 14 and 15, Sandhurst, 57-63 Olivia
Road, Berea, Johannesburg.

Flats 1-4, 11, 12, 14, 15, 21-24, 31-34, 41-44,
51-54, 61-64 and 71-74, Kenwood Court, 86
Edith Cavelle Street, Hillbrow, Johannesburg.

42 York Street, Berea, Johannesburg.

38 Dorris Street, Berea, Johannesburg.

Flats 10-12, 20-22, 30-32, 40-42, 50-52, 60-62,
and 70-72, Hillsborough Mansions, corner of
Pretoria and Klein Streets, Hillbrow,
Johannesburg.

Flats 1-12, 14, 15, 21-24, 31-34, 41-44, 51-56 and
61-63, Duchess Court, 20 O'Reilly Street, Be-
rea, Johannesburg.

31 Johnston Street, Berea, Johannesburg.

Flats 1, 3, 101-112, 112A, 114, 115, 201-216 and
301-316, Rosabel Place 62 Quartz Street, Hill-
brow, Johannesburg.

Flats 1-2, 14-17, 21-26, 31-36, 41-46, 51-56,
61-66, 71-76 and 81-86, Raynor Court, 87 Claim
Street, Hillbrow, Johannesburg.

Property description

Erven 3869 and 3870, Johannesburg at Hill-
brow.

Erf 1321, Johannesburg at Hillbrow.

Erf 4007, Johannesburg at Hillbrow.

Erf 219, Johannesburg at Berea.

Erf 297, Johannesburg at Berea.

Erven 383 and 384, Johannesburg at Berea.

Portion A of Erf 379 and 380, Johannesburg
at Berea.

Erf 377, Johannesburg at Berea.

Erf 378 and Remainder of Erf 379, Johan-
nesburg at Berea.

Erven 301, 302, 303, 304, 305 and 306,
Johannesburg at Berea.

Erf 5183, Johannesburg at Hillbrow.

Erf 679, Johannesburg at Berea.

Erven 653 and 655, Johannesburg at Berea.

Erf 4681, Johannesburg at Hillbrow.

Erven 55, 56 and 57, Johannesburg at Berea.

Erf 1248, Johannesburg at Berea.

Erf 2637, Johannesburg at Hillbrow.

Erf 4534, Johannesburg at Hillbrow.

HOUSE OF ASSEMBLY

HOUSE OF ASSEMBLY

Act were (i) granted and (ii) refused by the Industrial Court in 1989?

B271E

QUESTIONS

Indicates translated version.

For written reply:

General Affairs:

Strikes/work stoppages

109. Mr P H P GASTROW asked the Minister of Manpower:

- (a) How many workers in each race group were involved in (i) strikes and (ii) work stoppages in 1989 and (b) what was the total number of man-hours lost in respect of workers in each race group as a result of such (i) strikes and (ii) work stoppages?

B270E

The MINISTER OF MANPOWER:

	Whites	Coloureds	Asians	Blacks
(a) (i)	1 245	19 103	5 437	135 714
(ii)	9	1 399	877	13 928
(b) (i)	4 886	142 929	22 492	1 018 955
(ii)	15	2 558	6 061	40 790

The figures are for the period 1 November 1988 until 31 October 1989.

Strikes/discontinuances of work

110. Mr P H P GASTROW asked the Minister of Manpower:

- (1) How many (a) strikes as defined in section 65 of the Labour Relations Act, No 28 of 1956, and (b) discontinuances of work reportable in terms of section 65A of the said Act took place in 1989;

- (2) how many (a) (i) recognition and (ii) other agreements have been filed with his Department in terms of section 31A of this Act since 1 September 1984 and (b) *status quo* orders in terms of section 43 of the

the control of his Department in the Port Elizabeth/Ibhayi area?

B296E

The MINISTER OF EDUCATION:

- (a) Recreational facilities in the form of playgrounds exist at all schools in the area.
(b) (i) Soccer/Rugby facilities exist at the following 44 schools:

B J Manyanda	Loyiso
Daniels	Mzontsundu
Ebongweni	Garrett
Ensengeni	Inkqubela
Iitha	Jarvis Goamlana
Funumfundo	Kama
J K Zondi	Kwa Ford
Kayser Nxwana	Matodlana
K K Ncwana	Philip Nikiwe
Ndzondelelo	Stephen Mazungula
Cowan	Johnson Marwanga
Newell	Aaron Gqadu
Ithembelihle	Arthur Nyobo
Masangwana	Ben Sinuka
Molefe	Charles Duma
Mngophiso	Estinyeni
Nkuthalo	Mvisiswano
W B Tshume	Myezo
Zamukukhanye	Pendla
Tansanga	Sihembile
Khwezi Lomso (2)	Enkwenkwezini
Kwazakhele	Siyaphambili

- (ii) A netball facility exists at the following two schools:

Loyiso
Garrett

- (iii) Tennis facilities exist at the following seven schools:

Tansanga (2)
Loyiso (2)
Mzontsundu
Ndzondelelo
Cowan (2)
Newell (2)
Garrett

Note: Where more than one facility exists at a school, it is indicated in brackets.

- (iv) The following 29 schools have no sports facilities at their disposal:

Ben Nyati	Henri Nginza
Emzomncane	Isaac Booi
Kleinskool	Lamami
Masakhane	Samuel Nongongo
Mzimbhlophe	Enkuselweni
Phakama	Douglas Mbopa
Seyisi	Kwamagxaki
Masibambane	John Masiza
Phakamisa	Ikhwezelihle
Ilungelo Intermediate	Mboniselo
Ernest Skosana	Sivuyiseni
New Brighton	Spencer Mabija
David Yuku	Walmer
Emfundweni	Mzomntsha
Ezikweni	

Soweto College of Education: educational services

132. Mr K M ANDREW asked the Minister of Education: *Howard* 8/3/90

- (1) What is the nature of the educational services provided by the Soweto College of Education;
(2) how many (a) students were enrolled and (b) teaching staff were employed at this college in each of the latest specified five years for which information is available;
(3) whether there was a reduction in teaching staff over the past five years; if so, why?

B297E

The MINISTER OF EDUCATION:

- (1) The training of teachers for the following diplomas:

PTD (Junior Primary)
PTD (Senior Primary)
STD

The Primary Teachers' Diploma (Senior and Junior Primary) is also offered at the College on a part-time basis for on duty teachers with the view to improving their qualifications.

(2) (a)	Full-time	Part-time
1985	: 216	1985 : None
1986	: 1 063	1986 : None
1987	: 951	1987 : None
1988	: 940	1988 : 120
1989	: 864	1989 : 222

HOUSE OF ASSEMBLY

Act were (i) granted and (ii) refused by the Industrial Court in 1989?

B271E

QUESTIONS

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For written reply:

General Affairs:

Strikes/work stoppages

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(a) How many workers in each race group were involved in (i) strikes and (ii) work stoppages in 1989 and (b) what was the total number of man-hours lost in respect of workers in each race group as a result of such (i) strikes and (ii) work stoppages?

B270E

The MINISTER OF MANPOWER:

	Whites	Coloureds	Asians	Blacks
(a) (i)	1 245	19 103	5 437	135 714
(ii)	9	1 399	877	13 928
(b) (i)	4 886	142 929	22 492	1 018 955
(ii)	15	2 558	6 061	40 790

The figures are for the period 1 November 1988 until 31 October 1989.

110. Mr P H P GASTROW asked the Minister of Manpower:

Strikes/discontinuances of work

- (1) How many (a) strikes as defined in section 65 of the Labour Relations Act, No 28 of 1956, and (b) discontinuances of work reportable in terms of section 65A of the said Act took place in 1989;
- (2) how many (a) (i) recognition and (ii) other agreements have been filed with his Department in terms of section 31A of this Act since 1 September 1984 and (b) *status quo* orders in terms of section 43 of the

the control of his Department in the Port Elizabeth/Bhayi area?

B296E

The MINISTER OF EDUCATION:

- (a) Recreational facilities in the form of playgrounds exist at all schools in the area.
- (b) (i) Soccer/Rugby facilities exist at the following 44 schools:

B J Manyanda	Loyiso
Daniels	Mzontsundu
Ebongweni	Garrett
Ensengeni	Inkqubela
Iitha	Jarvis Goamlana
Funtifundo	Kama
J K Zondi	Kwa Ford
Kayser Nxwana	Matodiana
K K Newana	Philip Nikiwe
Ndzondelelo	Stephen Mazungula
Cowan	Johnson Marwanga
Newell	Aaron Gqadu
Ithembellile	Arthur Nyobo
Masangwana	Ben Sinuka
Molefe	Charles Duma
Mngophiso	Esitinyeni
Nkruthalo	Mwiswano
W B Tshame	Myezo
Zamukukhanye	Pendla
Tamsanga	Sithembile
Khwezi Lomso (2)	Enkwenkwezini
Kwazakhele	Siyaphambili

- (ii) A netball facility exists at the following two schools:

Loyiso	Garrett
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- (iii) Tennis facilities exist at the following seven schools:

Tamsanga (2)	Loyiso (2)
Mzontsundu	Ndzondelelo
Cowan (2)	Newell (2)
Garrett	

Note: Where more than one facility exists at a school, it is indicated in brackets.

- (iv) The following 29 schools have no sports facilities at their disposal:

Ben Nyati	Henri Nginza
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Kleinskool	Lamani
Masakhane	Samuel Nongongo
Mzimhlophe	Enkuselweni
Phakama	Douglas Mbopa
Seyisi	Kwamagxaki
Masibambane	John Masiza
Phakamisa	Ikhwezelihle
Dungelo Intermediate	Mboniselo
Ernest Skosana	Sivuyiseni
New Brighton	Spencer Mabija
David Vuku	Walmer
Emfundweni	Mzomtsha
Ezikweni	

Soweto College of Education: educational services

132. Mr K M ANDREW asked the Minister of Education: *Hansard* 813190.

- (1) What is the nature of the educational services provided by the Soweto College of Education;
- (2) how many (a) students were enrolled and (b) teaching staff were employed at this college in each of the latest specified five years for which information is available;
- (3) whether there was a reduction in teaching staff over the past five years; if so, why?

B297E

The MINISTER OF EDUCATION:

- (1) The training of teachers for the following diplomas:

PTD (Junior Primary)	S3
PTD (Senior Primary)	
STD	

The Primary Teachers' Diploma (Senior and Junior Primary) is also offered at the College on a part-time basis for on duty teachers with the view to improving their qualifications.

(2) (a)	Full-time	Part-time
1985 :	216	1985 : None
1986 :	1 063	1986 : None
1987 :	951	1987 : None
1988 :	940	1988 : 120
1989 :	864	1989 : 222

Hansford

PRIMARY SCHOOLS (Contd.):	1	2	3	4	5	6	7	8
Summerwood.....	1	2	3	4	5	6	7	8
Sunridge.....	5	—	6	—	—	3	—	1
Sydenham.....	3	1	5	—	*2	2	1	1
Tjaart van der Walt.....	2	—	3	3	—	2	—	1
Verkenner.....	2	—	2	6	1	1	—	—
Victoria Park Grey.....	2	1	2	4	2	2	1	—
Walmer.....	3	1	4	5	2	3	1	1
Walmer West.....	2	—	2	2	2	2	1	—
Westering.....	1	1	*2	3	*2	—	—	—
Youngpark.....	3	1	4	4	—	4	1	—
Youngpark.....	1	1	2	2	3	3	—	—

* Combined.

HIGH SCHOOLS:

Alexander Road.....	5	1	6	—	—	6	1	—
Andrew Rabie.....	4	1	4	—	4	3	1	—
Chinese.....	3	1	3	7	2	3	1	1
Cillie.....	2	1	6	—	6	4	1	—
Collegiate Girls'.....	3	—	8	—	4	—	2	1
DF Malherbe.....	2	—	6	—	4	2	1	—
Framesby.....	5	1	6	—	4	2	1	—
Grey Boys'.....	5	1	7	—	—	15	1	1
PE Commercial.....	3	1	6	—	6	4	—	—
Lawson Brown.....	4	—	7	—	3	4	1	—
Otto de Beer.....	2	—	3	—	3	2	1	—
Pearson.....	4	1	8	—	2	5	1	—
Victoria Park.....	6	1	8	—	3	6	1	—
Westering.....	4	1	6	—	2	6	1	—
Westview Special.....	2	—	2	—	2	2	1	1
PE Technical.....	—	—	4	—	—	—	—	—

- 1 Grassfield (Rugby/Soccer/Hockey/Cricket).
- 2 Athletic Track.
- 3 Tennis Court.
- 4 Tennisette Court.

- 5 Netball Court.
- 6 Cricket Nets.
- 7 Tennis Wall.
- 8 Swimming Pool.

PE area: teachers' qualifications

36. Mr E W TRENT asked the Minister of Education and Culture:

How many teachers at each specified school falling under the control of his Department in the Port Elizabeth area have a (a) university degree, (b) three-year diploma, (c) matriculation certificate plus a diploma, (d) qualification

lower than a matriculation certificate plus a diploma and (e) qualification lower than a matriculation certificate?
Hansford 12/3/90
 B308E
 THE MINISTER OF EDUCATION AND CULTURE:
 (a), (b), (c), (d) and (e) Not available.

HOUSE OF ASSEMBLY

Student teachers: financial assistance
 37. Mr K M ANDREW asked the Minister of Education and Culture:

Whether any student teachers received financial assistance from his Department during the latest specified period of five years for which information is available; if so, in respect of each year, (a) how many students, (b) how much money was involved and (c) how many students receiving assistance (i) passed and (ii) failed?
Hansford 12/3/90
 B308E

The MINISTER OF EDUCATION AND CULTURE:

Yes,

	(a)	(b)	(i)	(ii)	(c)* Ω
1985	19 133	R56 545 400	5 907	148	
1986	17 389	R51 916 800	5 468	116	
1987	15 930	R52 647 200	6 118	152	
1988	13 895	R45 751 800	5 182	124	
1989	10 986	R36 434 145	3 842	157	

* Information for Natal and Orange Free State Education Departments not available.

Ω Final year students only.

Students qualifying as teachers

38. Mr K M ANDREW asked the Minister of Education and Culture: *Hansford 12/3/90*

(1) How many students who received financial assistance from the State because they were studying to become teachers qualified as teachers during the past 10 years;

The MINISTER OF EDUCATION AND CULTURE:

(1)	(a)	(b)	(c)	(d)
OFS.....	2 588	27	1	52
Natal.....	4 562	88	210	246
Witwatersrand.....	6 520	97	159	601
Cape Town.....	5 771	578	37	80
Port Elizabeth.....	2 829	341	83	216
Pretoria.....	8 793	39	22	66
Vaal Triangle.....	3 622	21	108	257
RSA.....	12 681	1 076	1 149	4 167;

(2) 31 March 1989.

HOUSE OF ASSEMBLY

(2) how many of these teachers are still employed by his Department?
Hansford 12/3/90
 B309E

The MINISTER OF EDUCATION AND CULTURE:

(1) and (2) Statistics are not available.

Universities: persons studying

39. Mr A GERBER asked the Minister of Education and Culture:

(1) How many (a) Whites, (b) Coloureds, (c) Indians and (d) Blacks are currently studying at each university under his control; *Hansford 12/3/90*

(2) in respect of what date is this information furnished?
 B311E

The MINISTER OF EDUCATION AND CULTURE:

A similar question was asked by Mr R M Burrows as question 2. The honourable member is therefore referred to the answer given on 1990-02-22.

Technikon: persons studying

42. Mr A GERBER asked the Minister of Education and Culture: *Hansford 12/3/90*

(1) How many (a) Whites, (b) Coloureds, (c) Indians and (d) Blacks are at present studying at each technikon under his control; *Hansford 12/3/90*

(2) in respect of what date is this information furnished?
 B313A

Hansard

Transvaal	:	48 nurses
Black	:	56 nurses
Coloured	:	0 nurses
Indian	:	0 nurses
Orange Free State	:	0 nurses
Black	:	0 nurses
Coloured	:	0 nurses
Indian	:	0 nurses
Cape Province	:	58 nurses
Black	:	211 nurses
Coloured	:	1 nurse
Indian	:	1 nurse
Natal	:	100 nurses
Black	:	1 nurse
Coloured	:	2 nurses
Indian	:	2 nurses

The MINISTER OF EDUCATION AND CULTURE:
CAPE EDUCATION DEPARTMENT

Misgund East Primary School (i) Misgund East (ii)

Kei Mouth Primary School
Tainton Village Primary School
Viljoenshof Primary School
Woodlands Primary School
Ulco Primary School

Kei Mouth
Mooiplas
Bredasdorp District
The Crags
Ulco

50 Possible leasing under investigation.
40 In process of alienation.
100 In process of alienation.
60 In process of alienation.
100 Leased building: will be handed over to owner.

Orania Primary School

Orania

200 Leased building: will be handed over to owner.

Addo Primary School
Watsonia Primary School

Addo
Kommadagga

50 In process of alienation.
40 Leased building: will be handed over to owner.

Dwarskersbos Primary School
Schoemanshoek Primary School

Dwarskersbos
Schoemanshoek

100 In process of alienation.
40 Leased building: will be handed over to owner.

Langlaagte Primary School

Vryburg District

50 Leased building: will be handed over to owner.

NATAL EDUCATION DEPARTMENT

Weza Primary School

Weza

160 In process of alienation.

ORANGE FREE STATE EDUCATION DEPARTMENT

Kaffertvievier Primary School

Bloemfontein District 140

In process of alienation.

TRANSVAAL EDUCATION DEPARTMENT

Laerskool Suurbekom

Randfontein

399 In process of alienation.

Laerskool Rynoord

Benoni

199 In process of alienation.

Laerskool Perdekop

Ermelo

124 Possible leasing under investigation.

Westgate Primary School

Rooodepoort West

689 Accommodates the state subsidised Lantern School for pupils with serious specific learning disabilities.

HOUSE OF ASSEMBLY

Hansard

TRANSVAAL EDUCATION DEPARTMENT (Continued)

Laerskool Doornbult	(i)	Lichtenburg	(ii)	Pretoria North	(iii)	Possible leasing under investigation.	(iv)
Laerskool Mayfair Goedehoop		Johannesburg West		Waterberg		In process of alienation.	
Laerskool Peacehaven		Vereeniging		Brakpan		Accommodates the state subsidised Peacehaven School for pupils with serious specific learning disabilities.	
Laerskool Pienarstrivier						Possible leasing is being considered.	
Laerskool Lehau						Partial leasing is being considered.	
Laerskool Denneoord						after which the remaining prefabricated class rooms will be moved.	
						In process of alienation.	

Technikons: non-Whites in residences

29. Mr A GERBER asked the Minister of Education and Culture:†

53

(1) How many (a) Black, (b) Coloured and (c) Indian students are currently boarding in hostels of each technikon under his control;

(2) in respect of what date is this information furnished?

Hansard 12/3/90

B268E

The MINISTER OF EDUCATION AND CULTURE:

(1) (a) only Port Elizabeth Technikon : 3,
(b) none;
(c) none;

(2) 31 December 1989.

Universities: non-Whites in residences

30. Mr A GERBER asked the Minister of Education and Culture:†

(1) How many (a) Black, (b) Coloured and (c) Indian students are currently boarding in hostels of each university under his control:†

Hansard 12/3/90

(2) in respect of what date is this information furnished?

B369E

The MINISTER OF EDUCATION AND CULTURE:

(1) University	(a)	(b)	(c)
Orange Free State	—	—	—
Natal	1 049	38	118
Rhodes	287	67	113
Rand Afrikaans	—	—	—
Witwatersrand	1 259	62	196

Port Elizabeth	—	—	—
Potchefstroom	—	17	—
Pretoria	—	—	—
Cape Town	875	180	110
Stellenbosch	10	130	3
(2) 31 December 1989.			

Hansard 12/3/90

Pupils: numbers/subjects

32. Mr R M BURROWS asked the Minister of Education and Culture:

(1) What was the total number of pupils in Standards 8 to 10 in 1989?

(2) how many pupils in each standard were taking (a) Mathematics, (b) Physical Science and (c) Biology in that year?

Hansard 12/3/90

B291E

The MINISTER OF EDUCATION AND CULTURE:

* Standard 8	Standard 9	Standard 10
(1) 74 775	71 171	66 566
(2) (a) 50 088	47 100	43 905
(b) 34 795	32 951	30 252
(c) 41 272	40 235	37 867

* public ordinary schools only.

PE area: teachers of specialist subjects

34. Mr E W TRENT asked the Minister of Education and Culture:†
How many suitably qualified teachers of (a) Accountancy, (b) Physical Science, (c) Biology, (d) Mathematics, (e) Computer Science, (f) Music and (g) other specified specialist subjects are there at each school falling under the control of his Department in the Port Elizabeth area?†

Hansard 12/3/90

B304E

HOUSE OF ASSEMBLY

<i>Transvaal</i>	Black	48 nurses
	Coloured	56 nurses
	Indian	0 nurses
<i>Orange Free State</i>	Black	0 nurses
	Coloured	0 nurses
	Indian	0 nurses
<i>Cape Province</i>	Black	58 nurses
	Coloured	211 nurses
	Indian	1 nurse
<i>Natal</i>	Black	100 nurses
	Coloured	1 nurse
	Indian	2 nurses

(2) No, consideration has not been given for the withdrawal of non-White nurses from these hospitals because, White nurses are not readily available and are difficult to recruit.

White State schools: closure

24. Mr K M ANDREW asked the Minister of Education and Culture:

Whether any White State (a) primary and (b) secondary schools closed during or at the end of 1989, if so, (i) which schools, (ii) where were they situated, (iii) what was their pupil capacity, and (iv) what steps have been taken in respect of the school buildings concerned, in each case?

B234E

THE MINISTER OF EDUCATION AND CULTURE:

CAPE EDUCATION DEPARTMENT

	(i)	(ii)	(iii)	(iv)
Misgund East Primary School	Misgund East	100	Leased building: will be handed over to owner.	
Kei Mouth Primary School	Kei Mouth	50	Possible leasing under investigation.	
Tanton Village Primary School	Mooiplaas	40	In process of alienation.	
Viljoenshof Primary School	Bredasdorp District	100	In process of alienation.	
Woodlands Primary School	The Crags	60	In process of alienation.	
Uleo Primary School	Uleo	100	Leased building: will be handed over to owner.	
Orania Primary School	Orania	200	Leased building: will be handed over to owner.	
Addo Primary School	Addo	50	In process of alienation.	
Watsonia Primary School	Kommadagga	40	Leased building: will be handed over to owner.	
Dwarskersbos Primary School	Dwarskersbos	100	In process of alienation.	
Schoemanshoek Primary School	Schoemanshoek	40	Leased building: will be handed over to owner.	
Langlaagte Primary School	Vryburg District	50	Leased building: will be handed over to owner.	

NATAL EDUCATION DEPARTMENT

Weza Primary School

Weza

160

In process of alienation.

ORANGE FREE STATE EDUCATION DEPARTMENT

Kaifernivier Primary School

Bioemfontein District

140

In process of alienation.

TRANSVAAL EDUCATION DEPARTMENT

Laerskool Suurbekom
Laerskool Rynoord
Laerskool Perdekop
Westgate Primary School

Randfontein

399

In process of alienation.

Laerskool Rynoord

Benoni

199

In process of alienation.

Laerskool Perdekop

Emmelo

124

Possible leasing under investigation.

Westgate Primary School

Rooodepoort West

689

Accommodates the state subsidised Lantern School for pupils with serious specific learning disabilities.

HOUSE OF ASSEMBLY

TRANSVAAL EDUCATION DEPARTMENT (Continued)

	(i)	(ii)	(iii)	(iv)
Laerskool Doornbult	Lichtenburg	46	Possible leasing under investigation.	
Laerskool Mayfair Goedehoop	Johannesburg West	549	In process of alienation.	
Laerskool Peacehaven	Vereeniging	429	Accommodates the state subsidised Peacehaven School for pupils with serious specific learning disabilities.	
Laerskool Piensaarsrivier	Pretoria North	46	Possible leasing under investigation.	
Laerskool Lehau	Waterberg	69	Partial leasing is being considered, after which the remaining prefabricated class rooms will be moved.	
Laerskool Denneoord	Brakpan	324	In process of alienation.	

Technikons: non-Whites in residences

29. Mr A GERBER asked the Minister of Education and Culture:

(1) How many (a) Black, (b) Coloured and (c) Indian students are currently boarding in hostels of each technikon under his control?

(2) in respect of what date is this information furnished?

B268E

THE MINISTER OF EDUCATION AND CULTURE:

(1) (a) only Port Elizabeth Technikon : 3.
(b) none;
(c) none;

(2) 31 December 1989.

Universities: non-Whites in residences

30. Mr A GERBER asked the Minister of Education and Culture:

(1) How many (a) Black, (b) Coloured and (c) Indian students are currently boarding in hostels of each university under his control?

(2) in respect of what date is this information furnished?

B269E

THE MINISTER OF EDUCATION AND CULTURE:

(1) University (a) (b) (c)
Orange Free State — — —
Natal 1 049 38 118
Rhodes 287 67 113
Rand Afrikaans — — —
Witwatersrand 1 259 62 196

(ii) Possible leasing under investigation.
(iii) In process of alienation.
(iv) Accommodates the state subsidised Peacehaven School for pupils with serious specific learning disabilities.
Possible leasing is being considered, after which the remaining prefabricated class rooms will be moved.

Port Elizabeth	—	—	—
Potchefstroom	—	17	—
Pretoria	—	—	—
Cape Town	875	180	110
Stellenbosch	10	130	3

(2) 31 December 1989.

Pupils: numbers/subjects

32. Mr R M BURROWS asked the Minister of Education and Culture:

(1) What was the total number of pupils in Standards 8 to 10 in 1989?

(2) how many pupils in each standard were taking (a) Mathematics, (b) Physical Science and (c) Biology in that year?

B291E

THE MINISTER OF EDUCATION AND CULTURE:

	Standard 8	Standard 9	Standard 10
(1)	74 775	71 171	66 566
(2) (a)	50 088	47 100	43 905
(b)	34 795	32 951	30 252
(c)	41 272	40 235	37 867

* public ordinary schools only.

PE area: teachers of specialist subjects

34. Mr E W TRENT asked the Minister of Education and Culture:

How many: suitably qualified teachers of (a) Accountancy, (b) Physical Science, (c) Biology, (d) Mathematics, (e) Computer Science, (f) Music and (g) other specified specialist subjects are there at each school falling under the control of his Department in the Port Elizabeth area?

B304E

HOUSE OF ASSEMBLY

PRIMARY SCHOOLS (Contd.):	1	2	3	4	5	6	7	8
Summerwood.....	5	—	6	—	—	3	—	1
Sunnidge.....	3	1	5	*4	*2	2	1	1
Sydenham.....	2	—	3	3	—	2	—	1
Tjaart van der Walt.....	2	—	2	6	1	1	—	—
Verkenner.....	2	1	2	4	2	2	1	—
Victoria Park Grey.....	3	1	4	5	2	3	1	1
Walmer.....	2	—	2	2	2	2	1	—
Walmer West.....	1	1	*2	3	*2	—	—	—
Westering.....	3	1	4	4	—	4	1	—
Youngpark.....	1	1	2	2	3	3	—	—

* Combined.

HIGH SCHOOLS:

Alexander Road	5	1	6	—	—	6	1	—
Andrew Rabie	4	1	4	—	4	3	1	—
Chinese	3	1	3	7	2	3	1	1
Cillie	2	1	6	—	6	4	1	—
Collegiate Girls'	3	—	8	—	4	—	2	1
DF Malherbe	2	—	6	—	4	2	1	—
Framesby	5	1	6	—	4	2	1	—
Grey Boys'	5	1	7	—	—	15	1	1
PE Commercial	3	1	6	—	6	4	—	—
Lawson Brown	4	—	7	—	3	4	1	—
Otto de Beer	2	—	3	—	3	2	1	—
Pearson	4	1	8	—	2	5	1	—
Victoria Park	6	1	8	—	3	6	1	—
Westering	4	1	6	—	2	6	1	—
Westview Special	2	—	2	—	2	2	1	1
PE Technical	—	—	4	—	—	—	—	—

PE area: teachers' qualifications

- 1 Grassfield (Rugby/Soccer/Hockey/Cricket).
- 2 Athletic Track.
- 3 Tennis Court.
- 4 Tennisette Court.
- 5 Netball Court.
- 6 Cricket Nets.
- 7 Tennis Wall.
- 8 Swimming Pool.

36. Mr E W TRENT asked the Minister of Education and Culture:

How many teachers at each specified school falling under the control of his Department in the Port Elizabeth area have a (a) university degree, (b) three-year diploma, (c) matriculation certificate plus a diploma, (d) qualifica-

tion lower than a matriculation certificate plus a diploma and (e) qualification lower than a matriculation certificate? *Item saved 12/3/90* B306E

The MINISTER OF EDUCATION AND CULTURE:

(a), (b), (c), (d) and (e) Not available.

HOUSE OF ASSEMBLY

Student teachers: financial assistance

37. Mr K M ANDREW asked the Minister of Education and Culture:

Whether any student teachers received financial assistance from his Department during the latest specified period of five years for which information is available; if so, in respect of each year, (a) how many students, (b) how much money was involved and (c) how many students receiving assistance (i) passed and (ii) failed? *Item saved 12/3/90* B308E

The MINISTER OF EDUCATION AND CULTURE:

Yes.

	(a)	(b)	(i)	(ii)	(c)*Ω
1985	19 133	R56 545 400	5 907	148	
1986	17 389	R51 916 800	5 468	116	
1987	15 930	R52 647 200	6 118	152	
1988	13 895	R45 751 800	5 182	124	
1989	10 986	R36 434 145	3 842	157	

* Information for Natal and Orange Free State Education Departments not available.

Ω Final year students only.

Students qualifying as teachers

38. Mr K M ANDREW asked the Minister of Education and Culture: *Item saved 12/3/90*

(1) How many students who received financial assistance from the State because they were studying to become teachers qualified as teachers during the past 10 years?

B313A

(2) how many of these teachers are still employed by his Department? *Item saved 12/3/90* B309E

The MINISTER OF EDUCATION AND CULTURE:

(1) and (2) Statistics are not available.

Universities: persons studying

39. Mr A GERBER asked the Minister of Education and Culture:

(1) How many (a) Whites, (b) Coloureds, (c) Indians and (d) Blacks are currently studying at each university under his control? *Item saved 12/3/90*

(2) in respect of what date is this information furnished? *Item saved 12/3/90* B311E

The MINISTER OF EDUCATION AND CULTURE:

A similar question was asked by Mr R M Barrows as question 2. The honourable member is therefore referred to the answer given on 1990-02-22.

Technikon: persons studying

42. Mr A GERBER asked the Minister of Education and Culture: *Item saved 12/3/90* S3

(1) How many (a) Whites, (b) Coloureds, (c) Indians and (d) Blacks are at present studying at each technikon under his control? *Item saved 12/3/90*

(2) in respect of what date is this information furnished?

The MINISTER OF EDUCATION AND CULTURE:

(1)	(a)	(b)	(c)	(d)
OFS.....	2 588	27	1	52
Natal.....	4 562	88	210	246
Witwatersrand.....	6 520	97	159	601
Cape Town.....	5 771	578	37	80
Port Elizabeth.....	2 829	341	83	216
Pretoria.....	8 793	39	22	66
Vaal Triangle.....	3 622	21	108	257
RSA.....	12 681	1 076	1 149	4 167

(2) 31 March 1989.

HOUSE OF ASSEMBLY

Hawwood
13/3/90

would geographically speaking be part of Lesotho should the normal contour of the mountain border as proposed by Lesotho. In terms of the above-mentioned agreement the triangle has always been RSA territory.

(b) The difference of opinion will again receive attention as soon as talks can be held with the new Minister of Foreign Affairs of Lesotho to discuss the matter.

(c) The following steps have already been taken or are now envisaged:

(i) On 30 June 1989 a Joint Commission of Enquiry visited the area. After completion of the enquiry the officials involved in the Commission came to the conclusion that the matter would have to be resolved at Government level. Lesotho consequently requested that the matter be referred to me and Colonel Thabae Letsie of the Military Council of Lesotho for consideration.

(ii) The Department of Foreign Affairs has on various occasions since then tried to further the discussions.

(iii) At the beginning of 1990 it was once again suggested that a meeting be arranged in Lesotho as soon as possible after the opening of the RSA parliament. In February it was proposed to Lesotho that the Deputy Minister of Foreign Affairs visit Lesotho for this purpose on 26 or 28 March 1990. Because of the changes in the Military and Ministers' Councils of Lesotho soon afterwards and specifically the retirement of Colonel Thabae Letsie as Minister of Foreign Affairs, Lesotho's reaction is at present being awaited as to when a meeting with the

HOUSE OF ASSEMBLY

new Minister of Foreign Affairs can take place.

(2) Falls away.

Compulsory transferable pension scheme

*11. Mrs C H CHARLEWOOD asked the Minister of National Health and Population Development:

Hawwood 13/3/90

Whether any consideration has been given to the establishment of a compulsory transferable pension scheme: if so, (a) what consideration, (b) when and (c) with what result; if not, why not?

The MINISTER OF NATIONAL HEALTH AND POPULATION DEVELOPMENT:

Yes,

(a) the matter was investigated by various committees over a number of years,

(b) over the period as from December 1964 to February 1987,

(c) no positive results could be achieved because of opposition to such a scheme from various bodies and/or organisations.

Distribution of free condoms

*12. Mrs C H CHARLEWOOD asked the Minister of National Health and Population Development:

(1) Whether funds are allocated by the State for the distribution of free condoms; if not, why not; if so, what funds;

(2) whether there are any (a) surcharges and/or (b) duties on imported condoms; if so, what surcharges and/or duties;

(3) whether, in view of the increasing number of cases of Aids, she will take steps to have such surcharges and/or duties withdrawn; if so, (a) what steps and (b) when; if not, why not?

Hawwood 13/3/90 B423E

The MINISTER OF NATIONAL HEALTH AND POPULATION DEVELOPMENT:

(1) Yes, for the purchase of 21 000 000 condoms.

(2) (a) and (b) yes.
— surcharge: 20%
— import duties: 25%

— general sales tax: 13%
— provincial handling fee: 8%

(3) (a) and (b) yes, the matter has already been discussed with the State Tender Board and with Customs and Excise of the Department of Finance, but is to be placed on the agenda for discussion again.

Robben Island: prisoners on hunger strike

*13. Mr A J LEON asked the Minister of Justice:

Whether any prisoners held on Robben Island have been on a hunger strike since 1 January 1990; if so, (a) how many prisoners are involved, (b) when did they (i) start and (ii) end their hunger strike, (c) what were the stated reasons for the hunger strike and (d) what action was taken by the authorities to end it?

Hawwood 13/3/90 B424E

The MINISTER OF JUSTICE:

Yes.

(a) The numbers varied from 303 to 344.

(b) (i) 26 February 1990.

(ii) 8 March 1990.

(c) The prisoners offered a large number of complaints and demands as reasons for the hunger strike. These varied from complaints about privileges and classification to demands for release.

(d) The authorities acted consistently in terms of internationally accepted practices. These varied from the application of the Declaration of Tokyo to discussions and my request to the acting Judge-President of the Supreme Court of the Cape of Good Hope. The Honourable Judge M R de Kock, to deal with the complaints of the concerned prisoners. Judge De Kock's report has now been received and is presently being studied. I also refer the honourable member to a press statement issued by my office last night.

Black pupils: technical education

*14. Mr K M ANDREW asked the Minister of Education:

Hawwood 13/3/90 B425E

Whether his Department provides technical education for Black pupils at secondary school level; if not, why not; if so, (a) what technical education, (b) where, (c) how many pupils can be catered for and (d) how many pupils are enrolled for technical education at secondary school level?

Hawwood 13/3/90 B425E

The MINISTER OF EDUCATION:

(a) Education for the technical field of study. Pupils who follow the technical field of study have to take Technical Drawing as well as at least one technical subject (Woodworking, Welding and Metalwork, Electrician work, Electronics, Fitting and Turning, Motor Mechanics, Motor Body Repairing, Plumbing and Sheet Metal-working, Bricklaying and Plastering).

(b) At comprehensive schools countrywide located in the different regions as follows:

Diamond Fields	2
Highveld	15
Johannesburg	12
Cape	7
Natal	2
Northern Transvaal	3
Orange-Vaal	4
Orange Free State	4

(c) Workshops are designed to accommodate 100 pupils per field of study. With the existing facilities technical education can be provided to approximately 22 500 pupils at 49 schools.

(d) 9 313 pupils in Std 6-10.

Registrar of Reporting Organizations

*15. Mr D J DALLING asked the Minister of Justice:

(1) Whether he has appointed a Registrar of Reporting Organizations and Persons in terms of section 2 of the Disclosure of Foreign Funding Act, No 26 of 1989; if so, what (a) is his name and (b) are his qualifications;

(2) whether the Registrar of Reporting Organizations and Persons has submitted a report in terms of section 7(1) of the said Act; if not, (a) why not and (b) when is it anticipated that the report will be completed?

B426E

HOUSE OF ASSEMBLY

The establishment of a police station in Be-zuidenhout Vaaley was approved in principle. However, in view of the drastic cutback in Government expenditure, I am not in a position to indicate when the police station will be erected. The acquisition of a building site will also be determined by the availability of sufficient funds.

Cape Town metropolitan area: Black housing

*20. Mr J J WALSH asked the Minister of Planning and Provincial Affairs:

- (1) Whether he is considering declaring any further land in the Cape Town metropolitan area available for Black housing; if not, why not; if so, (a) what areas are being considered, (b) when will a decision be taken in each case and (c) how many persons will these areas be able to accommodate: ~~Hansford~~ 13/3/90
- (2) whether accommodation in these areas will be of a permanent nature; if not, (a) why not and (b) what will be the nature of the accommodation offered? B433E

THE MINISTER OF PLANNING AND PROVINCIAL AFFAIRS:

- (1) Yes.
 - (a) (i) Land to the South-east of Crossroads, to the east of the Philippi industrial area and to the North-west of the Cape Flats Freeway.
 - (ii) A rounding-off of the Brown's Farm development area.
 - (iii) A rounding-off of Mfuleni.
 - (iv) Land in the Noordhoek-Kommetjie area.
 - (v) The remainder of Khayelitsha Town 4.
- (b) It is not possible to predict exactly when a final decision concerning each of the above areas will be taken, but it is anticipated that finally will be reached with regard to all of them during 1990.
- (c) (i) 42 000
(ii) 1 800
(iii) 1 500

HOUSE OF ASSEMBLY

~~Hansford~~ 13/3/90

(v) 36 000

(2) Yes—the rest of the question falls away.

Aids programmes

*21. Mr A J LEON asked the Minister of National Health and Population Development:

Whether any funds were spent by her Department in the 1989-90 financial year on programmes aimed at preventing the spread of Aids; if not, why not; if so, what are the relevant details? B434E

THE MINISTER OF NATIONAL HEALTH AND POPULATION DEVELOPMENT:

Yes, during the financial year 1989/90 R4,5 million was spent on combating Aids. Funds were mainly spent on: ~~Hansford~~ 13/3/90

- HIV (Human Immunodeficiency Virus) laboratory tests of suspected cases,
- supplying of more condoms,
- running costs of existing Aids Training and Information Centres,
- the establishment of three new Aids Training and Information Centres,
- education by providing brochures in seven different languages to the public,
- education to professional groups by compiling and distributing professional brochures to doctors and nurses.

Charge of rape against sergeant in SAP

*22. Mr J VAN ECK asked the Minister of Law and Order: ~~Hansford~~ 13/3/90

- (1) Whether, with reference to information furnished to the South African Police for the purpose of the Minister's reply, a charge of rape has been laid by a person from Site B, Khayelitsha, against a sergeant in the South African Police; if so, (a) what is the name of the accused and (b) what progress has been made in the investigation of the case; B435E
- (2) whether the accused has been suspended from the Police Force pending the outcome of the case; if not, why not;

- (3) whether any steps have been taken to prevent the accused from contacting the complainant; if so, what steps; if not, why not? ~~Hansford~~ 13/3/90 B436E

THE MINISTER OF LAW AND ORDER:

- (1) Yes.
 - (a) Constable C M Nyam.
 - (b) It is anticipated that the investigation will be completed shortly, whereafter the docket will be handed to the Attorney-General for a decision.
- (2) No, in view of the nature of the available evidence, the decision of the Attorney-General is first being awaited, after which his suspension will be considered.
- (3) Yes, he was warned in writing by his station commander not to interfere with the witnesses.

Black townships: weapons issued

*23. Mr J VAN ECK asked the Minister of Planning and Provincial Affairs: ~~Hansford~~

Whether his Department and/or the provincial administrations issue (a) guns and (b) other weapons to persons living and/or working in Black townships; if so, (i) to what categories of persons and (ii) how many persons in these categories in Old Crossroads at present possess guns issued by his Department and/or the provincial administrations? ~~Hansford~~ 13/3/90 B437E

THE MINISTER OF PLANNING AND PROVINCIAL AFFAIRS:

I do not regard it in the interest of either the country or the public to furnish this information.

Pitendriq report

S3

*24. Mr M J ELLIS asked the Minister of National Education: ~~Hansford~~

- (1) Whether the Pitendriq report on pharmaceutical studies in South Africa has been completed; if so, what recommendations are made in the report regarding the rationalization of pharmacy schools; if not, when is it anticipated that it will be completed? ~~Hansford~~ 13/3/90

- (2) whether the report is to be made public; if not, why not; if so, when? ~~Hansford~~ 13/3/90 B441E

THE MINISTER OF NATIONAL EDUCATION:

- (1) Yes. On request of my predecessor the Universities and Technikon Advisory Council investigated this matter and completed the report. My predecessor considered it in consultation with the Ministers of Departments of State responsible for education. It was then decided to gather further comments regarding the findings of the report from interested parties. Consultations are currently taking place between Departments of State responsible for education with the view to a recommendation to the Education Ministers in respect of the acceptance or otherwise of the recommendations in the light of the said comments.
- (2) The decision to make the report public will be taken after the said consultations.

Teacher bursaries: repayment

*25. Mr K M ANDREW asked the Minister of Education: ~~Hansford~~ 13/3/90

- (1) Whether teachers to whom the Department of Education and Training is unable to offer posts are required to repay bursaries provided by this Department; if so, (a) why, (b) on what terms and (c) how many teachers fell into this category in the past three years; if not.
 - (2) whether the money in question is written off; if so, what total amount of money was written off in the past three years? B442E
- THE MINISTER OF EDUCATION:**
- (1) Yes.
 - (a) According to the bursary agreement, all bursaries are repayable if the required period of teaching service (in any education department, including the Self-governing Territories) is not rendered.
 - (b) The bursary debt can be repaid in one amount or in instalments as agreed to with the bursary holder.
 - (c) None.

HOUSE OF ASSEMBLY

ments have been finalised; if not, why not; if so, (a) when will the new system be implemented and (b) what, on average, is the anticipated additional cost per child?
Hansford 13/3/90 B444E

THE MINISTER OF EDUCATION AND CULTURE:

No, hostels are not being privatised. An economic management system for hostels is under consideration:
(a) and (b) fall away.

Schools: guest speakers/visitors

*2. Mr K M ANDREW asked the Minister of Education and Culture: 13/3/90

- (1) Whether, since the inception of his Department, any circulars, notices or other instructions have been sent to schools in the Cape Peninsula relating to guest speakers and/or visitors; if so, (a) when, (b) why and (c) what was the purpose of these cultures, notices or other instructions;

(2) whether any schools or school principals have been contacted individually in respect of guest speakers or visitors; if so, (a) how many and (b) what were the circumstances?
B445E

THE MINISTER OF EDUCATION AND CULTURE:

- (1) Yes, to all schools in the Cape;

(a) 15 November 1988,

(b) and (c) to give guidelines to ensure that visits of outsiders to schools take place in an orderly way;

- (2) yes.

(a) and (b) not available.

Mr K M ANDREW: Mr Chairman, arising out of the hon the Minister's reply, why are details in respect of paragraph (2) not available, which presumably should be a matter of some importance and not a triviality?

†The MINISTER: Mr Chairman, let us look at it in practice. There are so many schools and

HOUSE OF ASSEMBLY

sometimes there are requests. The school principal uses his discretion to decide whether a person should be allowed or not, and he liaises with the department. Each case is not placed on computer when the liaison takes place. We therefore know there was individual liaison, but no record is kept of who made liaison with them on what date or about what. In the normal practice it is not necessary to do this. Hansford 13/3/90

Mr K M ANDREW: Mr Chairman, further arising out of the hon the Minister's reply, why has this practice become necessary in the Cape Education Department after 150 years? Has his department lost confidence in the principals in this province?

†The MINISTER: Mr Chairman, that is another intentional conclusion. The hon member knows all too well that the Cape Education Department, like any other education department, like myself and I assume the hon member too, have the utmost confidence in all the principals of all the schools. Therefore that is not the point. If one, however, runs a professional body like a school professionally and you want to do it properly, it applies that you review the professional task of the teacher. Then if it is necessary to get someone from the outside, provided that his contribution is of educational value, one is prepared to do it. It is simply the point that management is conducted in an orderly manner. The principal will, when such a request comes along, decide whether it is necessary to grant such a request, or not.

Mr K M ANDREW: Mr Chairman, may I ask the hon the Minister, further arising from his reply, whether the suggestion is that for the previous 150 years the Cape Education Department had been managed in a disorderly manner? [Interjections.]

†The MINISTER: 13/3/90
Teacher-training colleges: African language

*3. Mr K M ANDREW asked the Minister of Education and Culture: S3

Whether any white teacher-training colleges offer an African language as a course subject; if not, (a) why not and (b) what steps are being taken in this regard; if so, (i) which colleges, (ii) what African languages are being offered and (iii) how many student teachers took such language courses in 1989?
B446E

THE MINISTER OF EDUCATION AND CULTURE:

Yes.

	(i)	(ii)	(iii)
Bolandse Onderwyskollege		Xhosa	33
Port Elizabeth College of Education		Xhosa	38
Graaff-Reinet College for Continued Training		Zulu	6
Edgewood College of Education			34
Durbanse Onderwyskollege			15
Bloemfontein Teachers' College		Southern Sotho	14
Onderwyskollege Pretoria		Northern Sotho	183
Onderwyskollege Goudstad		Zulu	17
Onderwyskollege Potchefstroom		Northern Sotho	95
Johannesburg College of Education		Tswana	142
		Zulu	98

†Dr W J SNIYMAN: Mr Chairman, arising out of the reply of the hon the Minister I should like to ask him—he refers to so-called African languages in his reply—whether his department also regards Afrikaans as an African language.

†The MINISTER: Mr Chairman, I really don't know whether it is necessary to owe that clever gentleman a reply. The fact of the matter is that all languages that are taught in Africa, are surely taught in Africa, whether it is Afrikaans, English or German, but normally . . . [Interjections.]

†An HON MEMBER: Answer the question.

†The MINISTER: Give me a chance; then I will gladly answer the question. Would the hon member like to answer the question for me? [Interjections.] The fact of the matter is that in a normal conversation the normal meaning of African language is that they are Black languages.

Business interrupted in accordance with Rule 180C (3) of the Standing Rules of Parliament.

KwaZulu/Natal Advisory Board of Education: representation

*4. Mr R M BURROWS asked the Minister of Education and Culture: Hansford 13/3/90

- (1) Whether he has refused a request of the Director of Education: Natal Education Department for that department to be represented on the KwaZulu/Natal Advisory Board of Education; if so, (a) when did he receive this request and (b) why did he refuse it;

- (2) whether he has been informed that other executive departments in the Natal Kwa-Zulu region are currently represented on the Advisory Board; if so, (a) which executive departments are so represented and (b) when was he so informed;

(3) whether he will make a statement on the matter? Hansford 13/3/90 B448E

THE MINISTER OF EDUCATION AND CULTURE:

- (1) No, the Minister did not receive such a request.

(a) and (b) fall away;

(2) no.

(a) and (b) fall away;

(3) no.

For written reply: Hansford 13/3/90

General Affairs: S3

Occupational diseases: certificates

106. Mr P J PAULUS asked the Minister of National Health and Population Development:†

In respect of how many (a) Whites, (b) Coloureds, (c) Indians and (d) Blacks employed in industries during each specified year from 1 October 1973 up to and including the latest date for which information is available, were certificates issued while they were alive and after death that they suffered (i) (aa)

HOUSE OF ASSEMBLY

Hansard
13/3/90

would geographically speaking be part of Lesotho should the normal contour of the mountain border as proposed by Lesotho. In terms of the above-mentioned agreement the triangle has always been RSA territory.

(b) The difference of opinion will again receive attention as soon as talks can be held with the new Minister of Foreign Affairs of Lesotho to discuss the matter.

(c) The following steps have already been taken or are now envisaged:

(i) On 30 June 1989 a Joint Commission of Enquiry visited the area. After completion of the enquiry the officials involved in the Commission came to the conclusion that the matter would have to be resolved at Government level. Lesotho consequently requested that the matter be referred to me and Colonel Thabae Letsie of the Military Council of Lesotho for consideration.

(ii) The Department of Foreign Affairs has on various occasions since then tried to further the discussions.

(iii) At the beginning of 1990 it was once again suggested that a meeting be arranged in Lesotho as soon as possible after the opening of the RSA parliament. In February it was proposed to Lesotho that the Deputy Minister of Foreign Affairs visit Lesotho for this purpose on 26 or 28 March 1990. Because of the changes in the Military and Ministers' Councils of Lesotho soon afterwards and specifically the retirement of Colonel Thabae Letsie as Minister of Foreign Affairs, Lesotho's reaction is at present being awaited as to when a meeting with the

new Minister of Foreign Affairs can take place.

(2) Falls away.

Compulsory transferable pension scheme

*11. Mrs C H CHARLEWOOD asked the Minister of National Health and Population Development: *Hansard* 13/3/90.

Whether any consideration has been given to the establishment of a compulsory transferable pension scheme: if so, (a) what consideration, (b) when and (c) with what result; if not, why not?

Hansard 13/3/90 B422E
THE MINISTER OF NATIONAL HEALTH AND POPULATION DEVELOPMENT:

Yes,

(a) the matter was investigated by various committees over a number of years,

(b) over the period as from December 1964 to February 1987,

(c) no positive results could be achieved because of opposition to such a scheme from various bodies and/or organisations.

Distribution of free condoms

*12. Mrs C H CHARLEWOOD asked the Minister of National Health and Population Development:

(1) Whether funds are allocated by the State for the distribution of free condoms; if not, why not; if so, what funds;

(2) whether there are any (a) surcharges and/or (b) duties on imported condoms; if so, what surcharges and/or duties;

(3) whether, in view of the increasing number of cases of Aids, she will take steps to have such surcharges and/or duties withdrawn; if so, (a) what steps and (b) when; if not, why not?

Hansard 13/3/90 B423E
THE MINISTER OF NATIONAL HEALTH AND POPULATION DEVELOPMENT:

(1) Yes, for the purchase of 21 000 000 condoms.

(2) (a) and (b) yes.
— surcharge: 20%
— import duties: 25%

— general sales tax: 13%
— provincial handling fee: 8%

(3) (a) and (b) yes, the matter has already been discussed with the State Tender Board and with Customs and Excise of the Department of Finance, but is to be placed on the agenda for discussion again.

Robben Island: prisoners on hunger strike

*13. Mr A J LEON asked the Minister of Justice:

Whether any prisoners held on Robben Island have been on a hunger strike since 1 January 1990; if so, (a) how many prisoners are involved, (b) when did they (i) start and (ii) end their hunger strike, (c) what were the stated reasons for the hunger strike and (d) what action was taken by the authorities to end it? *Hansard* 13/3/90 B424E

THE MINISTER OF JUSTICE:

Yes.

(a) The numbers varied from 303 to 344.

(b) (i) 26 February 1990.

(ii) 8 March 1990.

(c) The prisoners offered a large number of complaints and demands as reasons for the hunger strike. These varied from complaints about privileges and classification to demands for release.

(d) The authorities acted consistently in terms of internationally accepted practices. These varied from the application of the Declaration of Tokyo to discussions and my request to the acting Judge-President of the Supreme Court of the Cape of Good Hope. The Honourable Judge M R de Kock, to deal with the complaints of the concerned prisoners. Judge De Kock's report has now been received and is presently being studied. I also refer the honourable member to a press statement issued by my office last night.

Black pupils: technical education

*14. Mr K M ANDREW asked the Minister of Education: *Hansard* 13/3/90 B425E

Whether his Department provides technical education for Black pupils at secondary school level; if not, why not; if so, (a) what technical education, (b) where, (c) how many pupils can be catered for and (d) how many pupils are enrolled for technical education at secondary school level? *Hansard* 13/3/90 B425E

THE MINISTER OF EDUCATION:

(a) Education for the technical field of study. Pupils who follow the technical field of study have to take Technical Drawing as well as at least one technical subject (Woodworking, Welding and Metalwork, Electrician work, Electronics, Fitting and Turning, Motor Mechanics, Motor Body Repairing, Plumbing and Sheet Metal-working, Bricklaying and Plastering).

(b) At comprehensive schools countrywide located in the different regions as follows:

Diamond Fields	2
Highveld	15
Johannesburg	12
Cape	7
Natal	2
Northern Transvaal	3
Orange-Vaal	4
Orange Free State	4

(c) Workshops are designed to accommodate 100 pupils per field of study. With the existing facilities technical education can be provided to approximately 22 500 pupils at 49 schools.

(d) 9 313 pupils in Std 6-10.

Registrar of Reporting Organizations

*15. Mr D J DALLING asked the Minister of Justice: *Hansard* 13/3/90

(1) Whether he has appointed a Registrar of Reporting Organizations and Persons in terms of section 2 of the Disclosure of Foreign Funding Act, No 26 of 1989; if so, what (a) is his name and (b) are his qualifications;

(2) whether the Registrar of Reporting Organizations and Persons has submitted a report in terms of section 7(1) of the said Act; if not, (a) why not and (b) when is it anticipated that the report will be completed?

B426E

The establishment of a police station in Be-zuidenhout Vaaley was approved in principle. However, in view of the drastic cutback in Government expenditure, I am not in a position to indicate when the police station will be erected. The acquisition of a building site will also be determined by the availability of sufficient funds.

Cape Town metropolitan area: Black housing

*20. Mr J J WALSH asked the Minister of Planning and Provincial Affairs:

- (1) Whether he is considering declaring any further land in the Cape Town metropolitan area available for Black housing; if not, why not; if so, (a) what areas are being considered, (b) when will a decision be taken in each case and (c) how many persons will these areas be able to accommodate; ~~Hansard~~ 13/3/90
- (2) whether accommodation in these areas will be of a permanent nature; if not, (a) why not and (b) what will be the nature of the accommodation offered?

B433E

THE MINISTER OF PLANNING AND PROVINCIAL AFFAIRS:

- (1) Yes.
- (a) (i) Land to the South-east of Crossroads, to the east of the Philippi industrial area and to the North-west of the Cape Flats Freeway.
- (ii) A rounding-off of the Brown's Farm development area.
- (iii) A rounding-off of Mfuleni.
- (iv) Land in the Noordhoek-Kommetjie area.
- (v) The remainder of Khayelitsha Town 4.
- (b) It is not possible to predict exactly when a final decision concerning each of the above areas will be taken, but it is anticipated that finality will be reached with regard to all of them during 1990.
- (c) (i) 42 000
(ii) 1 800
(iii) 1 500

HOUSE OF ASSEMBLY

~~Hansard~~ 13/3/90
5 000
13/3/90 (v) 36 000

(2) Yes—the rest of the question falls away.

Aids programmes

*21. Mr A J LEON asked the Minister of National Health and Population Development: Whether any funds were spent by her Department in the 1989-90 financial year on programmes aimed at preventing the spread of Aids; if not, why not; if so, what are the relevant details?

Yes, during the financial year 1989/90 R4,5 million was spent on combating Aids. Funds were mainly spent on:

- HIV (Human Immunodeficiency Virus) laboratory tests of suspected cases,
- supplying of more condoms,
- running costs of existing Aids Training and Information Centres,
- the establishment of three new Aids Training and Information Centres,
- education by providing brochures in seven different languages to the public,
- education to professional groups by compiling and distributing professional brochures to doctors and nurses.

THE MINISTER OF NATIONAL HEALTH AND POPULATION DEVELOPMENT:

B434E

*22. Mr J VAN ECK asked the Minister of Law and Order: ~~Hansard~~ 13/3/90

- (1) Whether, with reference to information furnished to the South African Police for the purpose of the Minister's reply, a charge of rape has been laid by a person from Site B, Khayelitsha, against a sergeant in the South African Police; if so, (a) what is the name of the accused and (b) what progress has been made in the investigation of the case;
- (2) whether the accused has been suspended from the Police Force pending the outcome of the case; if not, why not;

(b) whether any steps have been taken to prevent the accused from contacting the complainant; if so, what steps; if not, why not? ~~Hansard~~ 13/3/90

B436E

MINISTER OF LAW AND ORDER:

- (1) Yes.
- (a) Constable C M NKAM.
- (b) It is anticipated that the investigation will be completed shortly, whereafter the docket will be handed to the Attorney-General for a decision.
- (2) No, in view of the nature of the available evidence, the decision of the Attorney-General is first being awaited, after which his suspension will be considered.
- (3) Yes, he was warned in writing by his station commander not to interfere with the witnesses.

Black townships: weapons issued

*23. Mr J VAN ECK asked the Minister of Planning and Provincial Affairs:

Whether his Department and/or the provincial administrations issue (a) guns and (b) other weapons to persons living and/or working in Black townships; if so, (1) to what categories of persons and (ii) how many persons in these categories in Old Crossroads at present possess guns issued by his Department and/or the provincial administrations? ~~Hansard~~ 13/3/90

B437E

THE MINISTER OF PLANNING AND PROVINCIAL AFFAIRS:

I do not regard it in the interest of either the country or the public to furnish this information.

Pitendriqh report ~~S3~~

*24. Mr M J ELLIS asked, the Minister of National Education:

(1) Whether the Pitendriqh report on pharmaceutical studies in South Africa has been completed; if so, what recommendations are made in the report regarding the rationalization of pharmacy schools; if not, when is it anticipated that it will be completed? ~~Hansard~~ 13/3/90

(2) whether the report is to be made public; if not, why not; if so, when? ~~Hansard~~ 13/3/90

B441E

THE MINISTER OF NATIONAL EDUCATION:

- (1) Yes. On request of my predecessor the Universities and Technikon Advisory Council investigated this matter and completed the report. My predecessor considered it in consultation with the Ministers of Departments of State responsible for education. It was then decided to gather further comments regarding the findings of the report from interested parties. Consultations are currently taking place between Departments of State responsible for education with the view to a recommendation to the Education Ministers in respect of the acceptance or otherwise of the recommendations in the light of the said comments.
- (2) The decision to make the report public will be taken after the said consultations.

Teacher bursaries: repayment

*25. Mr K M ANDREW asked the Minister of Education: ~~Hansard~~ 13/3/90

- (1) Whether teachers to whom the Department of Education and Training is unable to offer posts are required to repay bursaries provided by this Department; if so, (a) why, (b) on what terms and (c) how many teachers fell into this category in the past three years; if not,
- (2) whether the money in question is written off; if so, what total amount of money was written off in the past three years? ~~Hansard~~ 13/3/90

B442E

THE MINISTER OF EDUCATION:

- (1) Yes.
- (a) According to the bursary agreement, all bursaries are repayable if the required period of teaching service (in any education department, including the Self-governing Territories) is not rendered.
- (b) The bursary debt can be repaid in one amount or in instalments as agreed to with the bursary holder.
- (c) None.

HOUSE OF ASSEMBLY

ments have been finalised; if not, why not; if so, (a) when will the new system be implemented and (b) what, on average, is the anticipated additional cost per child?

Hansford 13/3/90

B444E

THE MINISTER OF EDUCATION AND CULTURE:

No, hostels are not being privatised. An economic management system for hostels is under consideration;

(a) and (b) fall away.

Schools: guest speakers/visitors

*2. Mr K M ANDREW asked the Minister of Education and Culture: *Hansford 13/3/90*

(1) Whether, since the inception of his Department, any circulars, notices or other instructions have been sent to schools in the Cape Peninsula relating to guest speakers and/or visitors; if so, (a) when, (b) why and (c) what was the purpose of these cultures, notices or other instructions;

(2) whether any schools or school principals have been contacted individually in respect of guest speakers or visitors; if so, (a) how many and (b) what were the circumstances?

B445E

†THE MINISTER OF EDUCATION AND CULTURE:

(1) Yes, to all schools in the Cape;

(a) 15 November 1988,

(b) and (c) to give guidelines to ensure that visits of outsiders to schools take place in an orderly way;

(2) yes.

(a) and (b) not available.

Mr K M ANDREW: Mr Chairman, arising out of the hon the Minister's reply, why are details in respect of paragraph (2) not available, which presumably should be a matter of some importance and not a triviality?

†The MINISTER: Mr Chairman, let us look at it in practice. There are so many schools and

HOUSE OF ASSEMBLY

THE MINISTER OF EDUCATION AND CULTURE:

(i)

Bolandse Onderwyskollege
Port Elizabeth College of Education
Graaff-Reinet College for Continued Training

Edgewood College of Education
Durbanse Onderwyskollege

Bloemfontein Teachers' College
Onderwyskollege Pretoria

Onderwyskollege Goudstad
Onderwyskollege Portcheitroom
Johannesburg College of Education

(ii)

Xhosa

Zulu

Southern Sotho

Northern Sotho
Zulu

Northern Sotho
Tswana
Zulu

(iii)

33

38

6

34

15

14

183

17

95

142

98

†Dr W J SNYMAN: Mr Chairman, arising out of the reply of the hon the Minister I should like to ask him—he refers to so-called African languages in his reply—whether his department also regards Afrikaans as an African language.

†The MINISTER: Mr Chairman, I really don't know whether it is necessary to owe that clever gentleman a reply. The fact of the matter is that all languages that are taught in Africa, are surely taught in Africa, whether it is Afrikaans, English or German, but normally... [Interjections.]

†AN HON MEMBER: Answer the question.

†The MINISTER: Give me a chance: then I will gladly answer the question. Would the hon member like to answer the question for me? [Interjections.] The fact of the matter is that in a normal conversation the normal meaning of African language is that they are Black languages.

Business interrupted in accordance with Rule 180C (3) of the Standing Rules of Parliament.

KwaZulu/Natal Advisory Board of Education: representation

*4. Mr R M BURROWS asked the Minister of Education and Culture: *Hansford 13/3/90*

(1) Whether he has refused a request of the Director of Education: Natal Education Department for that department to be represented on the KwaZulu/Natal Advisory Board of Education; if so, (a) when did he receive this request and (b) why did he refuse it;

THE MINISTER OF EDUCATION AND CULTURE:

(i)

Xhosa

Zulu

Southern Sotho

Northern Sotho
Zulu

Northern Sotho
Tswana
Zulu

(iii)

33

38

6

34

15

14

183

17

95

142

98

(2) whether he has been informed that other executive departments in the Natal/Kwa-Zulu region are currently represented on the Advisory Board; if so, (a) which executive departments are so represented and (b) when was he so informed;

(3) whether he will make a statement on the matter? *Hansford 13/3/90* B448E

THE MINISTER OF EDUCATION AND CULTURE:

(1) No, the Minister did not receive such a request.

(a) and (b) fall away;

(2) no,

(a) and (b) fall away;

(3) no.

For written reply: Hansford 13/3/90

General Affairs:

Occupational diseases: certificates

106. Mr P J PAULUS asked the Minister of National Health and Population Development:† In respect of how many (a) Whites, (b) Coloureds, (c) Indians and (d) Blacks employed in industries during each specified year from 1 October 1973 up to and including the latest date for which information is available, were certificates issued while they were alive and after death that they suffered (i) (aa)

HOUSE OF ASSEMBLY

High fees paid for sub-standard teaching

'Street colleges' often rip off young blacks

When Mrs X's son failed matric, she blamed the school. A typical reaction, some might retort, but for once educationists sympathised with the woman who for a year had paid R200 a month for her son's education.

Determined he should do well, she had sent the boy to a street college in Johannesburg. She believed the high price she was paying would ensure her boy of a "deluxe" education.

"I didn't know I had to check the school before enrolling my son," the mother said. "I realised too late that the teachers were not qualified to teach certain subjects, so he struggled on without much help."

Nowhere has the heartbreak of the poor black matric results been more apparent than in the homes of students whose parents paid heavily to send them to "college."

A recent survey by the Human Sciences Research Council quoted a report which shows the main focus of blacks is "educating themselves and their children". According to the report, 88 percent of black people place their hopes for the future on education.

Many parents want to give their children a "private school education" because they perceive it to be superior. Unable to place their children at the overfull church and non-racial independent schools, they opt for one of the new private black schools in Johannesburg's central business district.

Mr David Kramer, director of the Programme for Technological Careers (Protec), said: "Parents snatch at whatever education they can find for their children simply because they have no alternative but often they would be better off if they stayed with DET-run schools in the township."

Inevitably problems have arisen because many of the schools remain unregistered. Unqualified

The education provided at Johannesburg's "street colleges", many of which are unregistered, is hardly being monitored. Whose function is it to ensure that the pupils of these schools are not being ripped off and that some of the profits made by entrepreneurs are ploughed back into the classroom? WINNIE GRAHAM reports.

teachers are sometimes employed and no one monitors attendances or syllabuses. Few colleges have good pass rates.

Most of the colleges are viewed as business establishments rather than educational institutions. Some educationists estimate the successful ones are making large profits but "squander the money." Others barely survive and soon go under.

Pupils at street colleges live on something of a merry-go-round. Unhappy with one, they try another. New schools are constantly being established.

The Department of Education and Training (DET) is emphatic that unregistered colleges are "illegal" because the law requires every school to be registered with an education department.

No legal rights

Mr Peter Mundell, deputy director (planning) with the DET, said this week the department had no legal rights to "flush out illegal schools". The onus was on parents to establish the school's credentials and if they suspected it was illegal, to report it to the department.

"Parents have to be their own policeman," he added. "Before they enrol a child at a school it is their responsibility to check that it has either a trust or a management council with parent representation."

There is no known official register of the street colleges. The DET has a list of 26 street colleges and a short-list of the better private secondary schools for blacks.

The National Education Co-ordinating Committee (NECC) esti-

mates there are between "37 to 43" and other educationists say there are "over 50" in the CBD, Braamfontein, Selby and even as far afield as Shareworld. Some cater for as few as 50 children. Others have up to 1 000 pupils in "cramped, dirty quarters."

Mr Mundell said people wanting to start private secondary schools needed to fulfil a number of requirements before gaining registration.

Owners had to ensure that:

- Premises were approved by DET.
- The approved school curriculum and department syllabus was followed.
- The school would not stop functioning unless teachers — and the Regional Chief Director — was given three months notice.
- An admission register, as well as a daily attendance register of all pupils was kept.
- A personal file for each pupil was kept, including a copy of the pupils' birth certificate, a registration form and copies of reports to the parents.
- A register of all teachers at the school, including a list of their qualifications and remuneration, was kept.
- Inspections could be carried out and registers checked "at any time."

Parents had a right to check these requirements.

Mr Mundell said the street colleges were either "very good or very bad."

"Ideally they should be monitored by an association such as the South African Association of Independent Schools or the Private Schools Association," he added.

The MINISTER OF JUSTICE:

Yes.

Hansard 15/3/90

- (a) The Magistrate, Piet Retief
- (b) 25 August 1989
- (c) Dr F J van der Sande, District Surgeon.
- (d) Findings: "Subdural bleeding occipital area. Bruses back (? blunt instrument)? beaten. Perforation gall-bladder + gall peritonitis. Shortened right leg with scar hip area? operation". Cause of death: "Subdural bleeding. Gall peritonitis." (Own translation.)

Own Affairs:

Municipality of PE: group areas inspectors

9. Mr E W TRENT asked the Minister of the Budget and Local Government:

- (1) How many group areas inspectors had been appointed in the Port Elizabeth municipality as at the latest specified date for which information is available;
- (2) whether he intends appointing any further inspectors; if not, why not; if so, (a) how many and (b) at what total cost;
- (3) how many permits were granted by his Department in terms of the Group Areas Act, No 36 of 1966, in the (a) Port Elizabeth Central constituency and (b) Port Elizabeth municipal area during the latest specified period of five years for which information is available?

Hansard 15/3/90

B80E

The MINISTER OF THE BUDGET AND LOCAL GOVERNMENT:

- (1) None. The Department of Local Government, Housing and Works is involved with the management of permits which function, as set out in section 21 of the Group Areas Act, 1966, was assigned to the said Department from 21 July 1989 for application in White Group Areas. This task is administered by 6 Housing Officers (Property Inspectors according to the Personnel Administrative Standard) of the said Department and the function is performed in the whole Eastern Cape region. It is furthermore a function of these Housing Officers to investigate

complaints of alleged contraventions of the Group Areas Act.

- (2) No. There exist no need at this stage for the appointment of any additional Housing Officers. *Hansard 15/3/90*
- (3) (a) Not available. Statistics are not kept according to constituencies.
- (b) 26 since 21 July 1989 to 31 January 1990.

Group Areas Act infringements: regional offices

13. Mr J J WALSH asked the Minister of the Budget and Local Government:

- (1) Whether regional offices of any Departments falling under the Administration: House of Assembly are being used as centres at which suspected Group Areas Act infringements may be reported; if so, (a) which such Departments are involved, (b) from what date has this procedure been effective, (c) where are these regional offices located, (d) how many staff, by office, are responsible for this activity, (e) how many cases, by office, have been reported since the inception of this procedure, (f) how many changes of contravening the Group Areas Act have been laid as a result of these reports and (g) what procedure has been followed regarding cases in respect of which charges were not laid;
- (2) whether he will make a statement on the matter? *Hansard 15/3/90*

Hansard 15/3/90

B88E

The MINISTER OF THE BUDGET AND LOCAL GOVERNMENT:

- (1) Yes.
 - (a) Department of Local Government, Housing and Works.
 - (b) 21 July 1989.
 - (c) Cape Town, Port Elizabeth, Kimberley, Bloemfontein, Durban, Johannesburg and Pretoria.
 - (d) Cape Town 11
Port Elizabeth 6
Kimberley 1
Bloemfontein 1
Durban 9
Johannesburg 13
Pretoria 5

(e) Cape Town 513
Port Elizabeth 108
Kimberley 12
Bloemfontein 0
Durban 348
Johannesburg 192
Pretoria 76

- (f) None. *Hansard 15/3/90*
- (g) In such a case the complainant as well as the alleged transgressor are visited to establish the validity of the complaint and if valid, attempts are being made to reach an agreement through negotiations.

(2) No.

White local authorities: debts

28. Dr P J GOUS asked the Minister of the Budget and Local Government:

- Whether over the latest specified period of five years for which information is available the State had to accept responsibility for the debt of White local authorities by means of (a) payments and (b) guarantees to institutions; if so, what are the relevant details? B256E

The MINISTER OF THE BUDGET AND LOCAL GOVERNMENT: *Hansard 15/3/90*

- Own affairs local government functions have only been assigned to me as from 1 April 1989.
- (a) No.
- (b) No.

Education Departments: stationery

45. Mr K M ANDREW asked the Minister of Education and Culture:

- (1) Whether any stationery is provided by the provincial education departments falling under his Department for the use of (a) primary and (b) secondary school pupils; if not, why not; if so, what stationery is provided to each (i) primary and (ii) secondary school pupil?
- (2) whether paper is provided by the said departments for the printing of internal examination papers at (a) primary and (b) secondary schools; if not, why not; if so, how much paper is provided in respect of each (i) primary and (ii) secondary school pupil? B397E

The MINISTER OF EDUCATION AND CULTURE: *Hansard 15/3/90*

Transvaal, Cape and Orange Free State (1) and (2)

- (a) and (b) Yes, (i) and (ii) as required and within the limits of the school's financial allocation;

Natal

- (1) and (2)
- (a) and (b) No. *Hansard 15/3/90*
- (i) and (ii) a monetary allocation is made available to each school to purchase its own requirements.

Students qualified as teachers

46. Mr R M BURROWS asked the Minister of Education and Culture:

- How many White students graduated at the end of 1989 as fully qualified teachers from each of the (a) teacher-training colleges and (b) universities falling under his Department? *Hansard 15/3/90* B398E

The MINISTER OF EDUCATION AND CULTURE: S 3

- (a)* Parlse Onderwyskollege 61
Wellingtonse Onderwyskollege 77
Port Elizabeth College of Education 50
Cape Town College of Education 63
Barkly House 42
Edgewood College of Education 166
Durbanse Onderwyskollege 75
Bloemfontein Teachers' College 133
Onderwyskollege Pretoria 347
Onderwyskollege Goudstad 287
Onderwyskollege Potchefstroom 206
Johannesburg College of Education 254
Pretoria College of Education 74
- (b)* Orange Free State 202
Natal 232
Rhodes 61
Rand Afrikans 241
Witwatersrand 291
Port Elizabeth 138
Potchefstroom 273
Pretoria 367
Cape Town 205
Stellenbosch 388
South Africa 499

* include all education students who completed their initial training.

The MINISTER OF JUSTICE:

Yes.

Hansard 15/3/90

- (a) The Magistrate, Piet Retief
- (b) 25 August 1989
- (c) Dr F J van der Sande, District Surgeon.
- (d) Findings: "Subdural bleeding occipital area. Bruises back (? blunt instrument)? peritonitis. Shortened right leg with scar hip area? operation". Cause of death: "Subdural bleeding. Gall peritonitis." (Own translation.)

Own Affairs:

Municipality of PE: group areas inspectors

9. Mr E W TRENT asked the Minister of the Budget and Local Government:

- (1) How many group areas inspectors had been appointed in the Port Elizabeth Municipality as at the latest specified date for which information is available;
- (2) whether he intends appointing any further inspectors; if not, why not; if so, (a) how many and (b) at what total cost;
- (3) how many permits were granted by his Department in terms of the Group Areas Act, No 36 of 1966, in the (a) Port Elizabeth Central constituency and (b) Port Elizabeth municipal area during the latest specified period of five years for which information is available?

Hansard 15/3/90

The MINISTER OF THE BUDGET AND LOCAL GOVERNMENT:

B80E

- (1) None. The Department of Local Government, Housing and Works is involved with the management of permits which function, as set out in section 21 of the Group Areas Act, 1966, was assigned to the said Department from 21 July 1989 for task is administered by 6 Housing Officers (Property Inspectors according to the Personnel Administrative Standard) of the said Department and the function is performed in the whole Eastern Cape region. It is furthermore a function of these Housing Officers to investigate

HOUSE OF ASSEMBLY

complaints of alleged contraventions of the Group Areas Act.

- (2) No. There exist no need at this stage for the appointment of any additional Housing Officers. *Hansard 15/3/90*
- (3) (a) Not available. Statistics are not kept according to constituencies
- (b) 26 since 21 July 1989 to 31 January 1990.

Group Areas Act infringements: regional offices

13. Mr J J WALSH asked the Minister of the Budget and Local Government:

- (1) Whether regional offices of any Departments falling under the Administration: House of Assembly are being used as centres at which suspected Group Areas Act infringements may be reported; if so, (a) from what date has this procedure been effective, (c) where are these regional offices located, (d) how many staff, (e) how many cases, by office, have been reported since the inception of this procedure, (f) how many changes of contravening the Group Areas Act have been laid as a result of these reports and (g) what procedure has been followed regarding cases in respect of which charges were not laid;
- (2) whether he will make a statement on the matter? *Hansard 15/3/90*

Hansard 15/3/90

The MINISTER OF THE BUDGET AND LOCAL GOVERNMENT:

B88E

- (1) Yes.
- (a) Department of Local Government, Housing and Works.
- (b) 21 July 1989.
- (c) Cape Town, Port Elizabeth, Kimberley, Bloemfontein, Durban, Johannesburg and Pretoria.
- (d)
- | | |
|----------------|----|
| Cape Town | 11 |
| Port Elizabeth | 6 |
| Kimberley | 1 |
| Bloemfontein | 1 |
| Durban | 9 |
| Johannesburg | 13 |
| Pretoria | 5 |

(e) Cape Town 513

Port Elizabeth 108

Kimberley 12

Bloemfontein 0

Durban 348

Johannesburg 192

Pretoria 76

(f) None. *Hansard 15/3/90*

(g) In such a case the complainant as well as the alleged transgressor are visited to establish the validity of the complaint and if valid, attempts are being made to reach an agreement through negotiations.

(2) No.

White local authorities: debts

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The MINISTER OF EDUCATION AND CULTURE: *Hansard 15/3/90*

Transvaal, Cape and Orange Free State

(1) and (2)

(a) and (b) Yes.

(i) and (ii) as required and within the limits of the school's financial allocation;

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(1) and (2)

(a) and (b) No.

(i) and (ii) a monetary allocation is made available to each school to purchase its own requirements.

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The MINISTER OF EDUCATION AND CULTURE: S 3

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Onderwyskollege Pretoria 347

Onderwyskollege Goudstad 287

Onderwyskollege Potchefstroom 206

Johannesburg College of Education 254

Pretoria College of Education 74

(b)* Orange Free State 202

Natal 232

Rhodes 61

Rand Afrikaans 241

Witwatersrand 291

Port Elizabeth 138

Potchefstroom 273

Pretoria 367

Cape Town 205

Stellenbosch 388

South Africa 499

* include all education students who completed their initial training.

HOUSE OF ASSEMBLY

New institute offers communication skills

Sowetan 16/3/90
A new institute offering improved communication skills has been opened in Johannesburg.

Called the Academy of Communication, it is run by Ms Clara Taub and Ms Rhona Metrikin, both experienced teachers of communication (speech, drama and education).

The academy offers communication skills to students in high schools, colleges and universities as well as teachers and business people.

The programme is based on modules suited to the needs of the participants.

Metrikin said she and her partner firmly believed that speech is the chief means of expressing thoughts and feelings and of communicating with other people. They also believe that the business of life depends upon effective speaking.

For further information contact Clara or Rhona at 640-3888 or 640-4337.

53

Yasmin

Mixed reaction to one-off grant

By Marguerite Moody

Wednesday's announcement that universities and technikons are to receive an amount of R50 million from the Government, brought mixed reaction from tertiary education institutions yesterday.

Finance Minister Mr Barend du Plessis said in his Budget speech that the one-off amount would be provided to enable these institutions to finance adjustments.

"It will help us fund the 12 percent salary in-

crease for academic staff and teachers which was announced in December, as well as the announced 10 percent non-pensionable allowance for civil servants. As such it is very much appreciated," University of the Witwatersrand vice-chancellor and principal, Professor Robert Charlton told The Star.

16/3/90 Star
The rector of the Pretoria Technikon, Dr Denis van Rensburg, said that although the additional grant was "sincerely appreciated", it would not make a significant difference to the "position of technikons as suppliers of essential manpower."

HOUSE OF ASSEMBLY

QUESTIONS

Hansford 16/3/90

†Indicates translated version.

For written reply:

General Affairs:

Industrial development programme: concessions 166. Mr R M BURROWS asked the Minister of Trade and Industry and Tourism:

- (1) Whether any concessions have been paid to commercial concerns in respect of industries located in terms of the regional industrial development programme; if so, (a) what amount was paid, in total in respect of the (i) 1986-87, (ii) 1987-88 and (iii) 1988-89 financial years and (b) what amount is expected to be incurred in respect of the 1989-90 financial year;
- (2) whether he will make a statement on the matter?

B385E

The MINISTER OF TRADE AND INDUSTRY AND TOURISM:

- (1) The Regional Industrial Development Programme does not provide for payment of concessions to commercial concerns, but only to qualifying secondary industries. Concessions paid to such industries in the relevant years are as follows:
- (a) (i) 1986-87 : R505 million
(ii) 1987-88 : R576 million
(iii) 1988-89 : R611 million
- (b) An amount of R755 million is budgeted for in the 1989-90 financial year.

- (2) In December 1989 responsibility for the Decentralisation Board, excluding other elements of regional development policy, was transferred to the Department of Trade and Industry.

I share the concern expressed by many about Government expenditure on regional industrial development, and have introduced measures to end the virtual open-endedness of the scheme. These measures are in the process of being cleared with the Chief Ministers of the Self-governing Territories.

Structural and other weaknesses in the scheme have been identified in a report by a Panel of Experts on the evaluation of the Regional Industrial Development Programme as an element of the Regional Development Policy in Southern Africa. The recommendations of both the majority and minority reports are now being pursued with the TBVC countries with a view to reaching consensus. Thereafter the necessary steps will be taken to address the agreed weaknesses and deficiencies of the incentive scheme.

Statements on these matters will be made as and when appropriate.

Own Affairs:

Technical colleges: persons studying

41. Mr A GERBER asked the Minister of Education and Culture:†

- (1) How many (a) Whites, (b) Coloureds, (c) Indians and (d) Blacks are at present studying at each technical college under his control; 53
- (2) in respect of what date is this information furnished?

B312A

	(a)	(b)	(c)	(d)
	171			
	1 176			
	184			
	999			
	375			

The MINISTER OF EDUCATION AND CULTURE:

Technical College 53
 Baberton
 Benoni Hansford
 Bethlehem
 Bloemfontein
 Boksburg
 16/3/1990

HOUSE OF ASSEMBLY

Technical College (Continued)

	(a)	(b)	(c)	(d)
Brakpan	240			
Brits	213			
Carletonville	550	1		
Durban	707			
Durban-Sentraal	349			
Ellisras	512			9
Ermele	241			
Evander	427	3	1	2
General Botha Handelsvlootakademie	100			
George	105			
Germiston	1 754			
Grahamstad	33			
Hottentots-Holland	132			
Johannesburg	1 287			
Joubertpark	1 459			
Kaapstad	1 454			
Kaapstad	228			
Kempton Park	2 161			
Klerksdorp	717			4
Kroonstad	391			
Krugersdorp	712			
Ladysmith	160			30
Lichtenburg	215			
Maitland	914			
Middelburg	765			
Nelspruit	244			2
Newcastle	804			
Noord-Kaapland	723			
Oos-Londen	1 129	5	8	45
Oudtshoorn	130			
Paarl	355			
Phalaborwa	165			
Pietermaritzburg	556	1		
Pietersburg	365			
Pinetown	377			
Port Elizabeth	1 828			
Port Shepstone	170			
Potchefstroom	349			
Potgietersrus	223			
Pretoria	3 014			
Pretoria-Wes	1 691	5		17
Queenstown	116			
Randfontein	326			
Randfontein	316		1	
Richardshoek	671			
Roodepoot	631			
Rustenburg	376			
Sasolburg	832			
Springs	447	18	5	
Standerton	522	1		
Stellenbosch	1 647	371	157	1 194
Suid-Afrika	396			
Suid-Skierailand	396			
Tygerberg	1 532			

HOUSE OF ASSEMBLY

Technical College (Continued)

	(a)	(b)	(c)	(d)
Tzaneen	670			
Uitenhage	493			
Uppington	387			
Vanderbijipark	570			
Vereeniging	545			
Verwoerdburg	1 543	6	1	11
Vryheid	225			
Welkom	829	2		12
Westlake	206			
Wingfield	154			
Witbank	811	113	5	
Worcester	566			

(2) First Tuesday of March 1989.

INTERPELLATIONS UNDER NAME OF MEMBER

Andrew, Mr K M— <i>General Affairs:</i> Education, 61 <i>Own Affairs:</i> Education and Culture, 90	Leon, Mr A J— <i>General Affairs:</i> Planning and Provincial Affairs, 164
Coetzee, Mr H J— <i>Own Affairs:</i> Health Services, Welfare and Housing, 196	Paulus, Mr P J— <i>General Affairs:</i> Manpower, 403
De Jager, Adv C D— <i>General Affairs:</i> Justice, 1 Law and Order, 157	Rahie, Mr J A— <i>General Affairs:</i> Planning and Provincial Affairs, 123 <i>Own Affairs:</i> Education and Culture, 335
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Ellis, Mr M J— <i>General Affairs:</i> National Health and Population Development, 7 <i>Own Affairs:</i> Health Services, Welfare and Housing, 324	Snyman, Dr W J— <i>Own Affairs:</i> Health Services, Welfare and Housing, 444
Gerber, Mr A— <i>Own Affairs:</i> Education and Culture, 32	Soal, Mr P G— <i>General Affairs:</i> Justice, 295
Herandien, Mr C B— <i>Own Affairs:</i> Housing, 213 Local Government and Agriculture, 218	Van der Merwe, Mr H D K— <i>General Affairs:</i> Constitutional Development, 289 Home Affairs, 55
Landers, Mr L T— <i>General Affairs:</i> Law and Order, 119	

HOUSE OF ASSEMBLY

QUESTIONS *Hansard 16/3/90*

Indicates translated version.

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B312A

The MINISTER OF EDUCATION AND CULTURE:

Technical College *(S3)*
Baberton
Benoni *Hansard*
Bethlehem *16/3/90*
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HOUSE OF ASSEMBLY

Technical College (Continued)

	(a)	(b)	(c)	(d)
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Grahamstad	33			
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Johannesburg	1 287			
Joubertpark	1 459			
Kaapstad	1 454			
Kaapstad	228			
Kathu	2 161			
Kempion Park	717			
Klerksdorp	717			
Kroonstad	391			4
Krugersdorp	712			
Ladysmith	160			
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Maitland	914			
Middelburg	765			
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Newcastle	804			
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Oos-Londen	1 129	5		45
Oudtshoorn	130			
Paarl	355			
Phalaborwa	165			
Pietermaritzburg	556	1		
Pietersburg	365			
Pinetown	377			
Port Elizabeth	1 828			
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Richardbaai	316			
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Rustenburg	631			
Sasolburg	376			
Sasolburg	832			
Springs	447	18		
Standerton	447	1		
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HOUSE OF ASSEMBLY

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Student teachers have tests cancelled

By PETER DENNEHY .

STUDENTS at Hewat Teachers' Training College in Athlone succeeded yesterday in getting their end-of-first-term tests cancelled due to lack of interest.

An SRC member who declined to be named — he is an ex-detainee — said only 25 of the more than 700 students at the college had turned up to write the education "exams", as he called them, yesterday.

Students regarded the exams as a waste of time, he explained, as so little of the year's work had been covered by March.

After the 25 participants had been writing for about ten minutes, the exams had been cancelled.

Rector Mr Edward Pratt confirmed yesterday that the tests had been cancelled, not only yesterday but for the entire week. They were not exams, just end-of-term tests, he said.

The SRC member said the students had wanted lectures to continue instead of the scheduled week of tests, but the lecturers were not happy with this.

Mr Pratt said he did not think there would be a programme of lectures.

He had held a meeting yesterday with elected SRC chairman Mr Craig Kube at which he had asked the students to "formulate their specific requests".

Mr Kube could not be reached for comment yesterday, but another SRC member said some rearrangement of the composition of the year mark would be required.

Soweto town clerk to promote development

NEW Soweto Town Clerk Piet Geers wants to see local traders developing the muscle to stem the flow of business to surrounding shopping complexes.

The former Verwoerdburg town clerk told businessmen gathered at the council chambers yesterday that Sowetans had the buying power which could be used to develop the area into a proud city.

To this end a forum was going to be created to facilitate communication between the council and the 400 000-strong business sector.

Currently communication was so bad that only four or five business people responded to tenders for trading sites, Geers said.

"We are creating this forum so that businessmen can be schooled in the finer points of the trade through courses conducted by experts in the field," Geers said.

"At this forum business people will be able to make suggestions and voice whatever complaints they may have," he said.

A meeting of the council and developers the previous day resolved to set up a similar forum for local developers and con-

THEO RAWANA

tractors who, through ignorance of the concept of tendering and lack of capital, had found themselves losing out to bigger developers in the acquisition of sites.

Soweto PRO Johan van der Westhuizen said that at this forum developers would be informed on available sites and educational programmes for smaller developers would be worked out.

Soweto mayor Sam Mkhwanazi had said earlier smaller developers, who had failed to respond to tenders when they were put out, had complained that sites were given to larger white developers.

Van der Westhuizen said the concept of the forum, which would accommodate all developers and in which they would have input on the planning of business and residential developments of Soweto, would be constituted on May 21.

Van der Westhuizen said the meeting looked at tender procedures currently in practice and it was decided that the council would in future place the tenders on boards at the council chambers, instead of relying only on newspaper advertisements.

SA 'netted'

SRDC

Open schools hospitals next?

CAP 1141
26/3/90

53

Political Staff

THE partial opening of white schools to all races announced by the government at the weekend is set to be followed by the opening of teacher training colleges and hospitals to all races.

The government accepts that if it is to have any chance of securing some provision for "group rights" in negotiations there will have to be a drastic change in allowing access to existing amenities. In essence this will mean the end of the "own affairs" system as it presently exists.

The announcement by Education Minister Mr Piet Claase of two schemes under which white schools can be opened has been welcomed by Democratic Party education spokesman Mr Roger

Burrows as being just as significant as President F W de Klerk's watershed February 2 speech.

The first option for opening of schools announced by Mr Claase was an expansion of the policy applied to the Barnato Park school in Johannesburg.

This involves the "privatisation" of a school with the state supplying greater financial support than it does to private schools at present.

The second option requires acceptance by up to 90% of the parent body for admission to the school to be opened to all races.

Mr Claase said this high percentage was being aimed for so that there could be no question about the decision.

If a school chose to be privatised, Mr Claase said furniture and equipment would be sold to it at a reasonable price. But the

school would be liable for maintenance. Salaries of teaching and administrative staff would be paid for by the state.

The "privatisation" option is the one likely to be applied by government towards schools in free settlement areas.

The government is at present investigating the possibility of declaring whole cities free settlement areas — starting with Cape Town. With senior cabinet ministers known to favour this option, is it possible that by next year all schools in the city could be opened.

The first movement on the opening-up of hospitals can be expected after Easter when Administration and Economic Development Minister Mr Wim de Villiers is expected to submit the report of his investigation into health services.

Black student numbers increasing

AN INCREASING proportion of students at technical colleges and tertiary institutions in SA are black, according to the SAIRR latest update of social and economic issues.

Maritzburg University professor James Moulder, analysing enrolment statistics between 1987 and 1989, said the proportion of black students at technical colleges, which require a minimum of standard 7 for admission, had grown by 30%.

The proportions for students at technikons and universities, which require matric for admission, had grown by 25% and 15% respectively.

In the same period, Moulder said, the number of whites in teacher training colleges declined while the number of blacks increased.

According to the analysis, the predominantly white universities get the lion's share of private sector spending on bursaries for African students, but only 7% of such students are at these universities. Fifty-three per-

BILLY PADDOCK

cent are at predominantly black universities.

Moulder said SA was biased towards academic education: 59% of white students in tertiary education in 1986 enrolled at universities, 14% at technikons and 22% at technical colleges. *Blacks 28/3/90*

While the pass rate in African schools in the 1989 matric exams were less than half the white pass rate, the number of Africans with matric certificates was 82 303 — 24% higher than the 66 395 whites.

He said "huge disparities" existed in per capita spending between African children in white-designated areas and those in the homelands.

He showed that the average spending on Department of Education and Training (DET) pupils (those in the white-designated areas) was double the average spending in KwaZulu. The DET average was R572 compared with R262 for KwaZulu.

Open schools will end cheap education

PRETORIA — The era of cheap schooling for whites would end with the projected "open" dispensation for education, DP education spokesman Roger Burrows said yesterday.

White parents, he said, would have to accept a far greater financial responsibility for their children's education than in the past.

There would be three options in terms of the projected new dispensation. The first was to privatise white schools choosing to go nonracial. They would receive a subsidy bigger than the 45% paid to private schools. Parents would pay the balance.

The second was to give white state

GERALD REILLY

schools the right to decide whether to go "open" while remaining state schools. Again costs to parents would be high.

Burrows said the third was to remain an exclusively white school with dwindling pupil numbers and government funding possibly supported by compulsory fees.

Meanwhile, the executive committee of the teachers Federal Council, headed by TFC chairman Hennie Marree, is in Europe after visiting the US and Britain to study the implications of open schools.

Need for speed in nursing training

Political Correspondent

SPEEDING up the training of nurses to meet growing health needs was among issues discussed in talks between Health Minister Dr Rina Venter and a delegation from the Nursing Council.

They also discussed establishing structures to monitor and ensure health standards.

Dr Venter said in a statement afterwards the meeting was part of on-going talks with interest groups to tackle health-related problems.

RECOMMENDATIONS

She did not indicate whether the meeting would result in specific recommendations.

The Nursing Council delegation was led by its president Professor Wilma Kotze. She was accompanied by Professor Charlotte Searle, Miss Iris Roscher and registrar Mr Frank Germishuizen.

The delegation highlighted deficiencies and needs in the availability and distribution of nursing staff.

Accelerating training programmes to provide staff for future needs was were discussed.

Filling the skills gap

It doesn't take a computer to figure out that with blacks making up three-quarters of the population and the white-dominated computer industry in the throes of a severe skills shortage, the industry must tap into the vast black work force. ~~(LSP)~~ (S3)

The industry has taken some steps — overhauling aptitude tests, providing beefed-up training — but has met with limited success. Well over 90% of the 35 000 people employed in the industry are white. And the sector continues to be one of the hardest hit by the shortage of skilled staff.

The shortfall not only hinders the productivity of many computer installations, it also dramatically fuels costs. Employers have grown accustomed to high salary demands and frequent resignations from their computer personnel. *FIMail 1314190*

Nearly one out of every four people employed in the computer industry changed jobs in the year to last July, according to a study last year conducted by P-E Corporate Services. Turnover was even higher among specialists such as data base analysts, systems analysts and analyst programmers.

The study, which surveyed 6 901 people employed at 385 companies, found that for every 100 technical programmers hired dur-

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Training for the computer revolution

ing that year, there were vacancies for another 30. There were also substantial shortfalls in data processing analysts (27%), systems analysts and analyst programmers (26%), and applications programmers (23%).

SA is not unique in its chronic shortage of skilled computer staff. But the situation has been aggravated over the last few years by the high level of emigration, minimal immigration and insufficient training. Not enough whites have been coming out of universities, technikons and technical colleges to meet the industry's fast-growing demand.

To help plug the gap, Zakheni Computing started the country's first full-time computer

FIM 1314190

programming school for blacks in January. Zakheni — Zulu for "build yourself" — was formed by a group of nine black computer programmers and analysts in 1986. A non-profit organisation, it provides free part-time preparatory training for students who are unable to secure a place at full-time computer schools such as Van Zyl & Pritchard and Compuskills.

The new school, located in central Johannesburg, prepares students for the stringent Computer Users Council examination. It will also help Zakheni become financially self-sufficient. The organisation has had to rely on private sector donations to run its loss-making preparatory courses and to set up the school.

So far, 80 students have progressed from the Zakheni courses through recognised computer schools and into jobs as computer programmers, according to the organisation's chairman, Alex Mzizi. Of these, 45 have passed the council's examination.

He estimates that more than 1 500 students have been exposed to the computer industry by attending Zakheni's seven-week

course.

Mzizi says Zakheni, in line with other computer schools, will charge employers a placement fee for each successful student. The first batch of 30 students will write the council examination next month. Mzizi believes Zakheni will be able to place up to 60 students a year. By next year it should be self-funding, he says, and some of the funds will be used to offset the costs of running the preparatory courses. The courses will now provide the school with a regular intake of students.

Mzizi, project manager at Insurance Information Systems, says a bigger problem than training and placing students is changing the attitudes of some of the employers. While senior management is often committed to hiring blacks, he says, line management is sometimes less enthusiastic. "While some people used to question the ability of blacks to become computer programmers, they now raise doubts about whether they will be able to integrate with their white staff."

He says this is a problem that must be tackled by employers. "We can't train people to integrate."

(S3) ~~ESP~~ ~~ESP~~

R40m plan for Cape

15/1-1986/5
14/14/90
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By MAGGIE ROWLEY
Business Staff

THE CAPE Technikon is embarking on a major expansion programme on its Zonnebloem (formerly District Six) site and plans to spend more than R40million.

Mr Jacque van Zyl, registrar of the Technikon, confirmed today that plans were already on the drawing board. A master plan would be finalised by April 24 and would then be considered by the Technikon council.

All planned construction is scheduled for completion by the end of 1992 and will result

in the campus being "far more consolidated."

Plans for a new R5,5 million residence to accommodate about 160 students had already been passed and construction is under way. The new residence, the contract of which was awarded to LTA, will be ready for occupation in February next year, he said.

Also under consideration are R6 million extensions to the existing Sciences building, the construction of a new administration building for R14 million, a students' cafeteria and facilities for R6million and a new Applied Arts building at a cost of R7million.

A further R1million has been earmarked for landscaping, he said.

Mr Van Zyl said tenders would be called for towards the end of the year and early next year.

The Technikon had sold most of the buildings which comprised the old campus, he said.

The Technikon building in Long Market Street was sold recently for R11,3million, the Rouwkoop student residence in Rondebosch for about R3,5million and the sports grounds for R2,5million.

Proceeds of these sales would help to pay for the new buildings and the balance would be covered by loans, he said.

The Technikon owns about 17,5 ha in Zonnebloem, of which about 3,5 ha were recently resited closer to the city following negotiations with the Headstart Organisation which for many years has campaigned to keep District Six undeveloped until opened to all races.

Mr Van Zyl said the master plan would include the sitings of the new buildings.

Buildings completed in the area by the Technikon in the past four years include the Commerce building and the Sciences building, each of which cost about R15million and the Engineering block.

He said the new student residence would go a small way to meet the needs of students.

TECHNIKON

"However, the cost of building accommodation is astronomical. As it stands this works out at about R40 000 a student," he said.

Rented accommodation is being provided for about 60 students at Granger Bay, about 250 women students in Gardens, 100 students in Kloof Street and 250 at Rouwkoop House which they were renting back for this year.

Boycott might be suspended

THE boycott of classes at Iqhayiya Technical College in New Brighton will be suspended if a meeting scheduled for Wednesday resolves the differences.

A spokesman for the Students' Representative Council (SRC) told *City Press* this week that technical and commercial students would end the boycott on April 20 if a meeting scheduled for April 19 of Department of Education and Training regional director Bill Staude and parents and students resolved the conflict.

The boycott of classes started on February 28. Students' demands include reduction of fees; provision of SRC offices, a students' centre and dining room; and the election of the college governing council by students.

After four weeks of discussion between SRC and college authorities without reaching a settlement, Staude agreed to meet the National Education Coordinating Committee, the SRC, South African National Students' Congress representatives and college authorities to discuss the demands. - Pen

High standards put lid on CAs

ST was 1514/90

S3

HIGH failure rates among chartered accountancy students bode ill for the future.

SA is faced with a severe shortage of CAs, particularly among the black population where there are only 25 practising CAs.

The accountancy profession has always argued that it is vital to set high standards and students are put through tests tough even by world standards.

The result is that this country's CAs are accepted in the First World. But SA — essen-

tially a Third World country — loses many of these highly paid professionals to England, America and others every year.

Although the SA Institute of Chartered Accountants denies it, many believe the institute imposes a quota on the number of successful candidates who sit for its examinations.

In 1985, 44% of candidates in the board examination passed, 45% in 1986, 42% in 1987, 55.1% in 1988, and 55% last year.

As the graph shows, there is a big difference between

the pass rates of the universities. In 1988, RAU had an amazing 100% pass rate for both first-time writers and repeats, and Unisa averaged only 39%.

A former lecturer says part of the reason for the high number of Unisa failures is the vast number of people who attempt the examination. But it must also be attributed to inefficiencies in the marking system and extremely high standards.

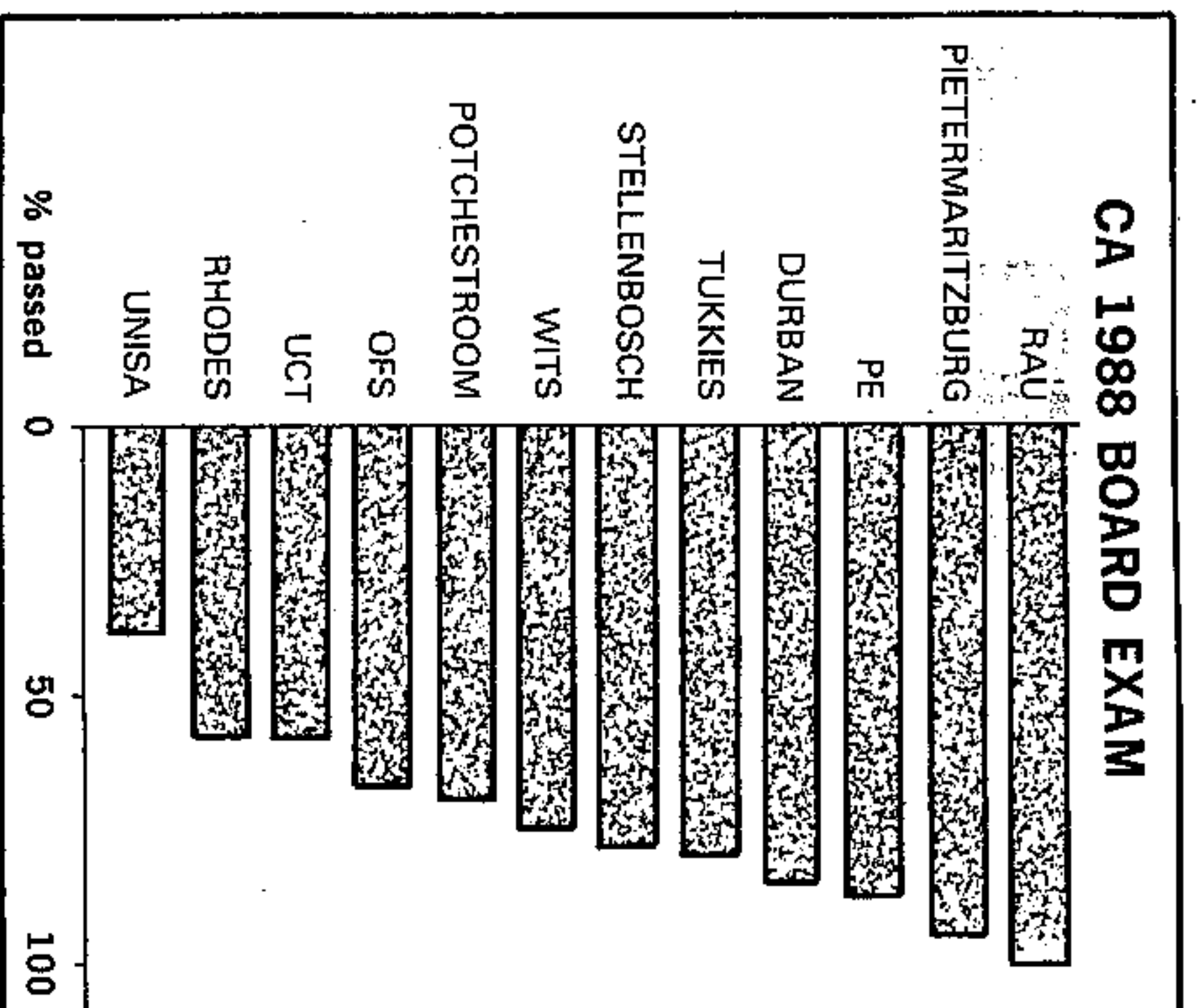
"The fact that thousands of students attempt the examination each year puts a big strain on the markers. As a result, papers are not always

read thoroughly. Students are given a mark on the overall impression of their paper rather than answers."

"In addition, students are not allowed to see their papers after they have been marked, they cannot have a re-mark and so they cannot learn by their mistakes."

If students failed in their first attempt to gain a CA degree, it is highly unlikely that they will be able to repeat their final year at another university because the syllabus is not standardised.

The prospective student must pass a three-year Bachelor of Commerce degree,



then a one-year Bachelor of Accounting course. Thereafter, he or she must join a firm of auditors and serve articles for three years during which time the board examination set by the SAICA must be written.

'Huge sums' go to retrain graduates

CML Times 17/4/90

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By MARIUS BOSCH

SOUTH AFRICA'S education system is "out of touch" with the needs of the business community — and is producing employees who can't think for themselves, according to a Cape Chamber of Commerce survey.

This results in huge amounts having to be spent on the retraining of new employees, adding to low productivity.

The survey was conducted late last year among 379 members of the chamber by the manpower committee of the chamber.

According to the survey, the inability of students to think for themselves, lack of common sense, immaturity and inability to "cope" was ascribed to a "prescriptive educational system" that did not encourage free-thinking and initiative.

The survey found that many of the subjects taught at school did not have much use in the business environment and respondents suggested that more emphasis should be placed on subjects like computer science, accountancy and communication.

The Minister of Education and Training, Dr Stoffel van der Merwe, said his department was trying to make education more career- and technically orientated rather than

academically orientated.

This could be seen, he added, in the growing number of technical schools (for blacks).

Other findings in the survey were:

- Most employers employed those with experience and preferred not to employ people straight from school, universities or technikons.

- Spelling and grammar in both official languages were appalling and respondents expressed a lot of concern in this area.

- Lack of practical experience and unrealistic wage expectations weighed heavily against school leavers and graduates.

Many of the respondents also felt that the 17 education departments in South Africa should be reduced to one single department which would provide equal education for all races.

The chief executive officer of the Committee of University Principals, Professor J W Grobbelaar, said yesterday that the body had been "urging for a single department" for universities for a considerable time and that the CUP agreed wholeheartedly with equal education for all races.

Dr Van der Merwe said that one education department, the department of National Education, already existed.

Equal education opportunities was government's goal but funds had been short in recent years.

HOUSE OF REPRESENTATIVES

QUESTIONS

†Indicates translated version.

For written reply:

General Affairs:

Nature conservation as a subject

12. The LEADER OF THE OFFICIAL OPPOSITION asked the Minister of National Education:

- (1) How many educational institutions in the Republic offered nature conservation as a subject in 1989;
 - (2) how many (a) White, (b) Coloured, (c) Indian and (d) Black students (i) applied for admission to, and (ii) were enrolled at, each specified institution offering nature conservation as a subject in 1989? C36E
- The MINISTER OF NATIONAL EDUCATION:

(1) Nature Conservation as a specific subject is not offered by public ordinary schools

(53) Four technicians offer the National Diploma: Nature Conservation as well as other closely related programmes.

(2) The Minister of National Education does not control the syllabuses of university programmes. The information concerning these institutions should be obtained from the various Ministers of Departments of State responsible for education.

(2) Because the returns for 1989 have not yet been submitted, only the 1988 figures are given.

	Whites	Coloureds	Indians	Blacks	Total
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Environmental Studies
Health Education
Geography Std 2-4
General Science Std 2-4

These subjects are compulsory for all pupils at some stage during the junior and senior primary phase. The Department of National Education does not have the exact numbers of pupils at its disposal

Compulsory, no numbers available	Whites	Coloureds	Indians	Blacks	Total
Youth Preparedness Gr 1-Std 4	179 361	62 287	198 507	255 212	695 367
General Science Std 5-7	247 395	165 205	85 195	286 295	784 090
Geography Std 5-10	121 378	41 660	87 238	154 837	405 113
Biology Std 8-10	6 986	48	735	74 127	81 896
Agricultural Science Std 5-10	651	—	—	—	651
Field Husbandry Std 8-10	131 399	—	—	—	131 399
Youth Preparedness Std 5-10	937	—	—	—	937
Practical Agricultural Science Std 6-10	857	—	—	—	857
Animal Husbandry Std 8-10	—	—	—	—	—

HOUSE OF REPRESENTATIVES

(53) At technicians 40 students obtained the qualifications mentioned under (1). The vast majority of these were Whites.

Subsidized transport for pensioners

18. Mr T R GEORGE asked the Minister of Transport:

- (1) Whether his Department pays subsidies to the Johannesburg City Council in respect of pensioners using transport services provided by the City Council; if so, what amounts are allocated in respect of (a) White, (b) Coloured, (c) Indian and (d) Black pensioners;

(2) whether he will furnish the routes to which these subsidies apply; if not, why not; if so, what are the (a) routes and (b) suburbs involved;

(3) whether he will make a statement on the matter?

Answer 19/4/90

CSIE

The MINISTER OF TRANSPORT:

- (1) No.
- (a); (b); (c) and (d) fall away.
- (2) falls away;
- (3) no.

Certain teacher training colleges: students/staff

23. Mr T ABRAHAM asked the Minister of National Education:

- (1) Whether he will furnish information on the (a) Durbanse Onderwyskollege, (b) Edgewood Teacher Training College and (c) Bechet Training College; if not, why not; if so, what is the (i) student capacity, (ii) staff establishment and (iii) current enrolment of each of these colleges;

(2) whether current students and staff members of the Bechet Training College will be accepted at the other two colleges; if not, why not; if so, (a) when and (b) at which of these colleges;

(3) whether he will make a statement on the matter?

C64E

The MINISTER OF NATIONAL EDUCATION:

- (1) No. As Minister of National Education I am responsible for determining general policy in certain fields of education and have no responsibilities regarding particular educational institutions. The last mentioned fall under the jurisdiction of the various Ministers of Departments of State responsible for education.
- (2) Falls away.
- (3) Falls away.

HOUSE OF REPRESENTATIVES

R5m for⁽⁵³⁾ education

THE Institute of Chartered Secretaries and Administrators has launched a R5-million educational foundation.

The Business Administration Educational Foundation (Mentor) will pay for education for deserving students who cannot afford the costs.

Barlow Rand deputy chairman Derek Cooper is chairman of the board of trustees.

He says: "The programme will make business education accessible to a wider spectrum and enable more people to become more productive."

SET 24/4/90

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'Insist on talks for a new SA'

The president of the South African Institution of Civil Engineers, Mr Louis de Waal, commented on the country's economic and political problems during a speech at the institute's recent annual meeting. **JANET HEARD** reports.

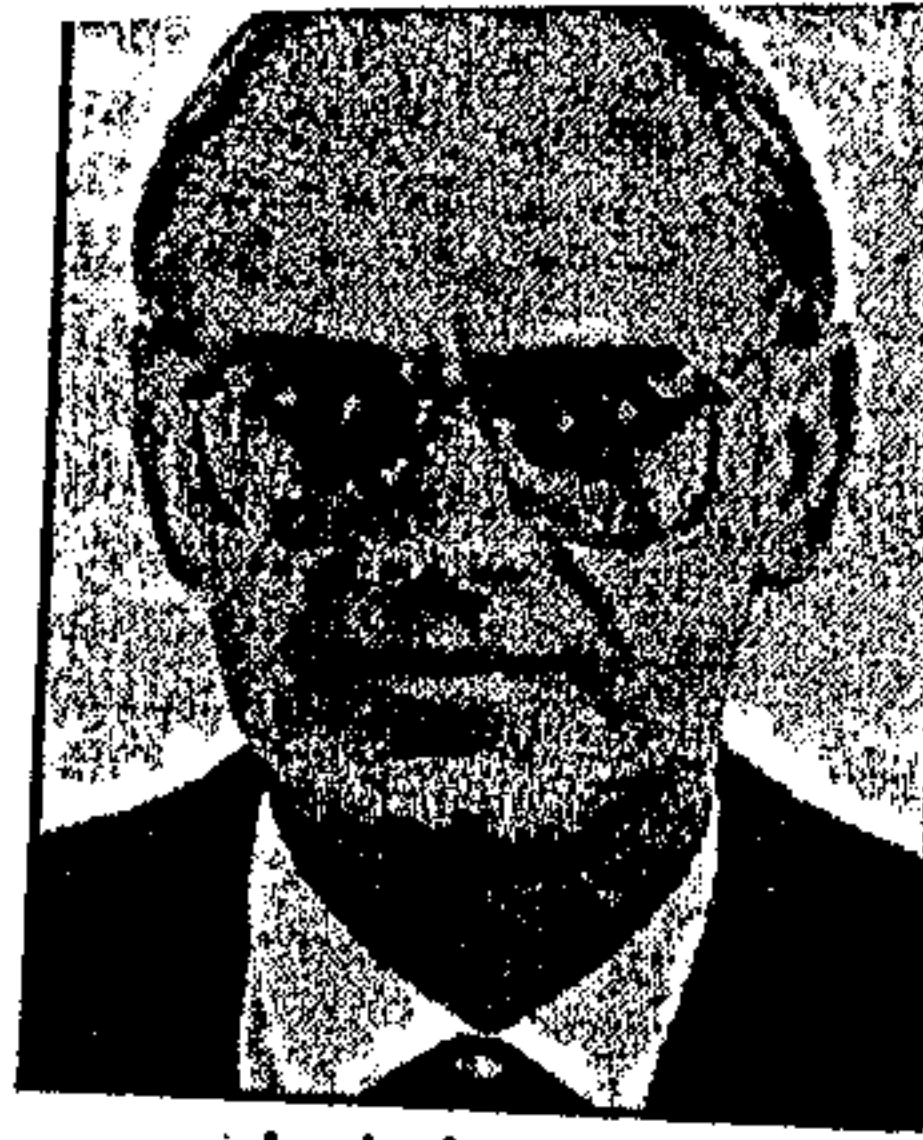
The most effective way to influence political events was to insist that all political leaders gathered around the conference table to thrash out a new political dispensation, Mr de Waal said.

"It is only in a peaceful environment that we make our maximum contribution to living standards, ... that foreign investment will be encouraged and economic growth will flourish."

Quoting statistics on violence, Mr de Waal said in 1989 a person was murdered every 45 minutes, a serious assault took place every four minutes, someone was raped every 26 minutes, a motor car was stolen every nine minutes and a burglary was carried out every three minutes.

On education, Mr de Waal said South Africa required at least a 50 percent annual increase in civil engineering graduates to be able to cope with its necessary development and maintenance.

During the last 15 years the first year civil engineering registration at universities had dropped by a



Louis de Waal.

third and the rate of civil engineers graduating from technikons was not as high as it should be.

Education of all young South Africans on a compulsory basis and the quality of mathematics and science teaching was of major concern to civil engineers.

He said there were positive examples of what could be done to improve the standard of education. He compared the matric results of the DET's 42 percent pass rate with that of the private All Saints College in Bisho at 76 percent, and St Luke's College in Johannesburg at 82 percent. The matric exemption percentages were nine percent, 56 percent and 51 percent respectively.

Mr de Waal said the Programme for Technical Careers (Protec) had obtained a matric exemption of more than 50 percent — "a tribute to those who teach and those companies and individuals who administered and financed this project".

Moving to urbanisation, Mr de Waal said it was the lack of capital that had prevented the country from keeping pace with the demand for housing.

He said by the year 2000, the urban PWV region would have a population of 12 million.

"Urbanisation should, however, be seen in a positive and challenging light. It affords better education and greater work and recreational opportunities for the city dweller and reduces the cost of necessary services".

He said for SA to benefit from urbanisation, transportation had to be improved.

"In the new South Africa let us make our contribution through support of reform initiatives, assist with the elimination of poverty and unemployment through infrastructural development and spread our technological expertise into Africa for the benefit of all who live in the subcontinent.

"The expertise of the South African engineer coupled with the natural resources of southern Africa could result in a subcontinental economic market that would rival other economic groupings."

Students rally over closing of colleges

By JOHN VILJOEN
Tygerberg Bureau

Ac 643
24/4/90

MORE than 1 000 students and school pupils have attended a rally at the Bellville College of Education to protest against the possible closure of teachers' training colleges.

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College rector Dr T D Fredericks told the meeting that staff and students should "at least make it difficult" for the authorities to carry out closures.

He said the possible closure of the Southern Cape Teachers'

Training College in Oudtshoorn (OKSK) at the end of the year, following last year's closure of Zonnebloem College, was the most serious issue.

The rally was organised by the South African National Student Congress.

Call for drastic measures to solve skills shortage

LINDA ENSOR

SA's future economic development depended on the development of technology, but the country faced a manpower crisis, CSIR chairman Louw Alberts said yesterday. *Obs* *10/2*

Alberts was speaking at the Strategic Management Society of Southern Africa conference. *510am 25/4/90*

Due to the declining birth rate in the white population — which has historically provided the economy with technical people — the number of matriculants is expected to drop by 20% by the end of the century. Only 33% of white children obtain a matriculation exemption and only 2,7% of this number study science and engineering at university. *S2* *S3*

Whatever improvements were made in black education, Alberts said, these would not be sufficient to generate the level of skills required in one decade but would take two or three decades to take effect.

Drastic measures were required, he said. More people would have to be encouraged to study science and engineering, all available talent from the black population would have to be captured and — with reservation — skilled people from abroad must be brought to SA. *S3* *S2*

A demotivating factor was that science graduates were finding it difficult to find jobs as the political uncertainty had led businessmen to consolidate and refrain from taking on people with new ideas.

In addition, Alberts said, SA suffered from a lack of skilled middle management who had the expertise to manage technology. This was possibly even more important than the development of technology itself.

black matric candidates having passed both maths and science last year. Kramer said this meant only 0.02% of matrics qualified to enter tertiary technological institutions.

To compound the problem 95% of black first degree graduates obtained non-science based degrees, Kramer said.

Educational problems — especially in the technological field — could not be solved without the involvement of commerce and industry. Any solution would have to include a single compulsory education department.

14 000 skilled workers needed

between 1982 and 1988, and the CSIR's Professor Louw Alberts predicted a 20% decrease in science and engineering graduates by the end of the 1990s.

Kramer said a major problem was that very few black matric students chose to study maths or science. Out of 196 000 DET matric candidates last year, 700 registered for higher grade maths. Only 0.4% of them take technical subjects.

In addition, pass rates remained critically low with no more than about 4 500

shortage varied. At present about 30% of the workforce had no education, 36% had only primary school education and only 3% had a tertiary qualification.

He said the SA Institute of Race Relations' John Kane-Berman saw an overall shortage of skilled people and managers of about 500 000 by 2000.

At the same time SA had about nine million unskilled or semi-skilled people more than it needed.

New apprenticeships declined by 45%

TANIA LEVY

ONLY one in every 10 000 black children who starts grade one achieves university exemption in maths and science.

Yet 14 000 skilled blacks need to enter the economy every year if a further skills shortage is to be prevented, according to Protec national director David Kramer.

Protec is a technological career development programme whose 16 branches around SA promote maths and science study at high school and tertiary levels. Kramer said dimensions of the skills

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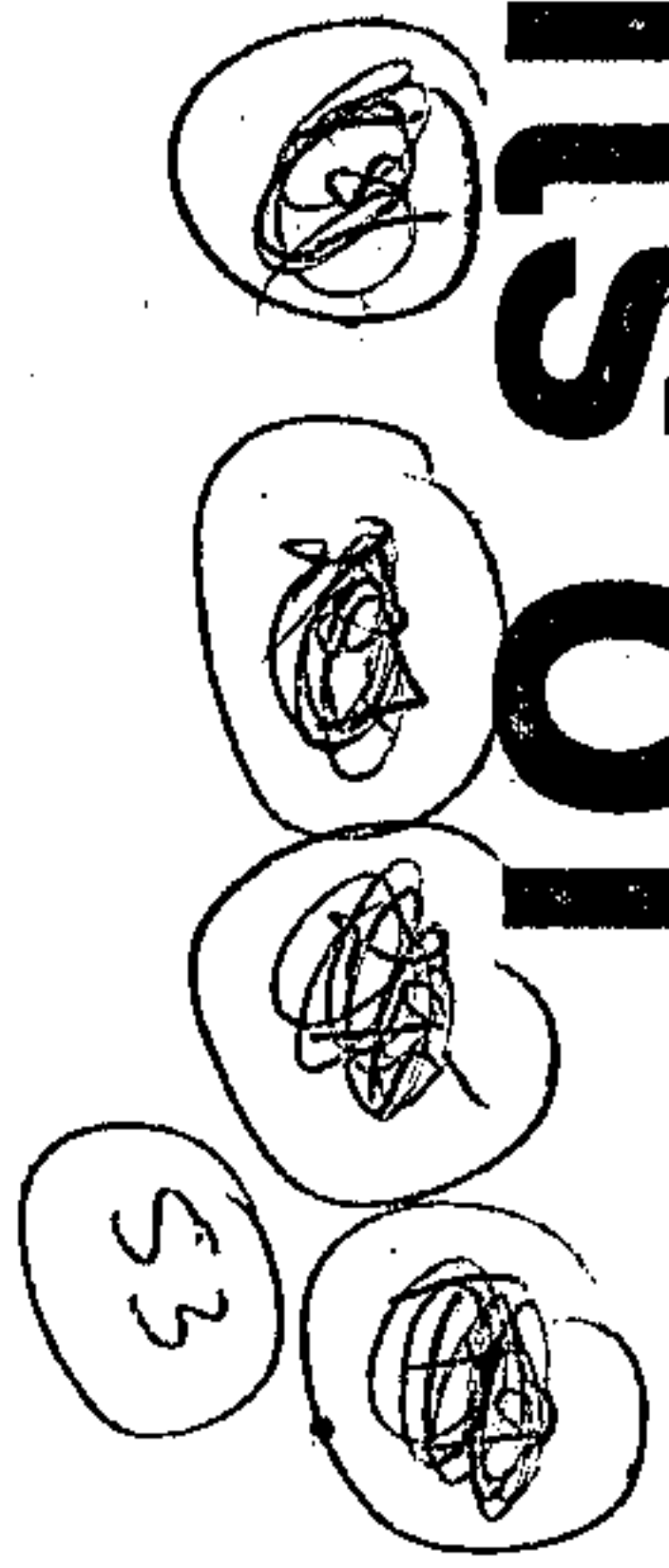
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The hidden boots of any business



WOMAN

Black secretaries air their concerns

By SIZAKELE KOOMA

RELIABILITY, efficiency and loyalty were among a list of non-technical skills secretaries were told they should possess by speakers at the launch of a black secretaries' forum in Johannesburg. Secretaries were encouraged by the speakers, among them social worker Malkolo Motumi and secretary Shirley Mamphiri, to "take challenges in their jobs with zest" and be "visible" in order to be noticed and have their contributions acknowledged.

The message in the motivational talk was an

inspiration to about 100 secretaries present at the function with their bosses. But this advice is unlikely to permeate the work environment, with the general inadequacy of secretarial training.

Motumi acknowledged the crippling effect that inferior training had on black secretaries. The quality of education for blacks, she said, put them a step behind their white counterparts.

The advantage of a good educational background and growing up in



Social worker Malkolo Motumi.

an atmosphere which exposed them to the corporate world at an early age enabled white secretaries to be more efficient and

quality of training offered by some colleges was superficial.

"The training is just basic and does not provide background information," Makwella said.

Language

"Some fly-by-night colleges take it for granted that secretaries do not need to know the techniques of computers, for example. Trainees are simply shown how to insert a disk into a computer, which keys to press and are then told to write down what appears on the screen. There is no way a person who is computer illiterate can be taught this way."

Compounding sketchy tutoring and other inefficiencies in the training of black secretaries, said Makwella, was the lack of

"Most secretarial students would allow a teacher to proceed with the lecture even when they do not understand - either because they have difficulty articulating their problem in English or because they are not confident."

interest by lecturers in the trainees as individuals. The language problem, she said, was taken as a natural handicap which could not be helped.

"There are things peculiar to blacks that only a black person can understand," she said. "Experience has taught me that most stu-

dents would allow a teacher to proceed with the lecture even when they do not understand. They would not say so either because they have difficulty articulating their problem in English or they are not confident.

"If you cannot relate to them, their problems will probably go undetected and a whole class of black secretaries would leave the course having understood very little of what was taught."

Registration

People had to be very careful when choosing training institutions, she said. They should check the quality of training, the courses offered, material supplied and the ratio of students to the lecture equipment available in a class.

She said compulsory registration of commercial colleges and the appointment of a monitoring body could improve the quality of training for blacks.

JCE welcomes 'open colleges'

THE council of the Johannesburg College of Education has welcomed the Minister of Education and Culture in the House of Assembly, Mr Piet Clase, announcement that colleges of education will be open to all races, writes Nkopane Makobane.

In a statement, Colonel J D R Opperman, the college council chairman, says the council has informed the

Minister of Education that it unanimously supports the college senate that courses and facilities at the JCE be open to all races.

He said the college had informed the Minister that JCE wishes to participate in initiatives that will enable it to train teachers for non-racial schools.

ates it needs. ... training to attract the gradu-

Technikon leads in training

The South African ceramic industry was forced to rely almost entirely on imported skills until the Pretoria Technikon established a three-year course in ceramics.

The technikon has a ceramic laboratory which is available to students, and graduates in the diploma course are proving popular on the job market.

The first woman student to take the diploma was Mrs Liz Delaporte who tackled the course in ceramic technology along with five men.

Today she lives in Verwoerdburg with her husband, Pierre, and their nine dogs and three cats.

She is employed as Cullinan Brick's quality assurance officer and spends her days travelling between the company's three plants in Boksburg, Clayville and Midrand.

Another aspect of her job is running the laboratory and the mainly male staff has no trouble, she says, accepting her authority.

Cullinan has received the SABS seal of approval for the products produced at its Boksburg and Clayville plants

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to the best

Funds give R47-m to education

Education Reporter

Last year more than R47 million was given by the Anglo American and De Beers Chairman's fund and the Chairman's Fund Educational Trust towards improvements in education.

In the De Beers annual report released yesterday, the directors said this included R33 million which was spent on secondary and tertiary education, primarily for the benefit of black students.

One of the major projects was the incorporation of Saint Ansgar's School and Grace College into the non-racial "Schools of the Resurrection" at a cost of

R15 million.

Other educational projects included the recent opening of Saint Andrew's High School in Welkom.

A tertiary college in Cape Town is expected to open in January 1991 after a R6 million grant was made to the LEAF organisation. The college will provide bridging tuition from school to tertiary institutions.

A R15 million technical college in Atteridgeville is also expected to open in January next year and a R3,6 million grant was made to the Technikon Witwatersrand towards a Technology library. In addition, a R5,8 million residence

with 220 beds was opened in November last year.

At the University of Natal, a R4,4 million residence accommodating a total of 96 pupils has been completed.

Other areas of expenditure included a home for the mentally handicapped in Soweto, which should reach completion at the end of the year, an art gallery at the University of Fort Hare and a three-year educational project in the Kimberley region run by the Read Educational Trust.

The directors said the focus last year was also on the development of the small business sector.

STW 3/6/90

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'Watchdog' a huge

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FIM 415176

A training strategy for SA

57 (55) (179)



Allan Pittendrigh is known as the "doyen of SA's technikons." He received the Institute of Management Consultants' Man of the Year award in February.

Nine years after the event, SA's education system has still not responded to the basic thinking of the De Lange report, particularly with regard to career education. It remains totally biased towards academically orientated education, designed to lead to the university sector. In this respect, it still disregards the needs of at least 80% of all school pupils.

As the De Lange report did not carry the teaching profession, itself a product of the academically orientated system, along with it, it was doomed to fail.

The result is that today we are still saddled with an educational system unsuited for the country's needs, a system which stultifies creative ability and entrepreneurial thinking, does nothing for the development of the informal and small business sectors (vital to our survival), does not provide the labour force with a trainable base and does not even succeed, in providing the majority of the population with basic literacy in one of the two commercial languages.

For example, in KwaZulu it was found that 50% of the population had not been educated beyond standard four, while 70% had not attained standard eight.

Last November, representatives from the FCI, Assocom, the AHI, Chamber of Mines and Seifsa met with most of SA's 15 ministers and directors-general of education for a one-day seminar to discuss training and education. It was clear to all that SA's education

system does not satisfy the needs of organised commerce and industry, consumers of the system's "end product."

Ironically, this had been clear to all, except possibly the teachers, ever since the troubled times of the late-Seventies and early-Eighties when school unrest and the dissatisfaction of the teaching profession boiled over. More than 200 people from all walks of life gave of their time, energy and expertise to compile the 1981 De Lange report on the Provision of Education in SA, which led to the publication of a White Paper.

Today, there is an understandable tendency to say that after the De Lange report nothing changed, except that subsequent constitutional developments brought about a multiplicity of "own affairs" education departments. Nevertheless, the incorporation of the report's 11 principles of education into the National Policy for General Affairs Act, of 1984, was an important development.

These principles state that the provision of education should take into account SA's economic development and manpower needs, that organised industry should have a shared responsibility, choice and voice in the provision of education and that the private sector and the State should share responsibility for non-formal education.

Government honoured its intentions with the creation of new structures. Expenditure on black education was increased, while interesting innovations in career education for black pupils were introduced.

But, as we failed to recognise the teacher in the classroom as the most powerful instrument to change the system — or resist it — the De Lange report failed to give SA's education a career focus.

Unlike education, *training* is not answerable to a number of ministries as it takes place under the Department of Manpower, industry training boards and individual employers. And, in compiling recent training

reports, we took industry and the training profession along with us. The result? Change is taking place at an accelerated pace in training in SA.

The artisan training system, under the wing of the new industry training boards, is now undergoing a total overhaul. Various industries have set up their own training boards, planned new systems and are running ahead of enabling legislation. The changes involve the devolution of control from a highly centralised system falling under the Registrar of Manpower Training to a system of accreditation of industry training boards — in fact the privatisation of training control.

Each training board will take decisions and plan training according to the perceived needs of its own industry. And present tax concessions for training will be phased out in favour of a system of cash grants to accredited training boards.

Nevertheless, there is still a real need for concerted action and planning in training. A further investigation is now looking at a *National Training Strategy for SA*. Planned for completion by November, it visualises creating a voluntary partnership, the technical training partnership or TTP, consisting of government, organised industry, individual employers and the trade unions.

The TTP will be in a position to frame and update, on a regular basis, an overall training strategy for SA, including identification of priority areas. But each industry will still be free to formulate its own national strategy, within which the individual employer will function.

This would allow maximum co-operation between industries and more effective use of the limited physical and manpower training facilities in southern Africa. The result should be a healthy and expanding economy and full employment for all sectors of the community.

House~~FRIDAY, 4 MAY 1990~~

- turned down and (ii) were still under consideration as at the end of that year;
- (2) what was the total number of Black persons receiving old-age pensions as at the latest specified date for which figures are available?

B736E

THE MINISTER OF PLANNING AND PROVINCIAL AFFAIRS:

Transvaal:

- (1) (a) 41 134.
(b) (i) (aa) 37 768.
(bb) 1 967.

(ii) 1 399 which in the majority of cases are applications returned to the offices of origin for correction and/or the furnishing of missing information.

- (2) 31 March 1990 — 197 235.

Cape Province:

This information is not available as it is not kept separately in respect of the four types of social pensions, namely old age, disability, blind and war veterans.

As far as the Cape Province is concerned the combined information in respect of these four types of pensions are as follows:

- (1) (a) 20 180
(b) (i) (aa) 16 789
(bb) 3 391
(ii) Nil.

- (2) 119 758 on 31 January 1990.

Orange Free State:

- (1) (a) 6 003
(b) (i) (aa) 4 725
(bb) 1 181
(ii) 97.

- (2) 64 915 on 31 December 1989.

Natal:

- (1) Unfortunately it is not possible to furnish the required information in respect of applications of old-age pensions only. It can be stated however, that very few applications for old-age pensions are

HOUSE OF ASSEMBLY

~~FRIDAY, 4 MAY 1990~~

for the admission of pupils classified as non-White; if so, (a) what total number of applications of this nature was made and (b) what was the response thereto?

B652E

THE MINISTER OF EDUCATION AND CULTURE:

- (1) Yes, to render service if so requested;
(2) yes,

(a) applications from 47 individual parents who are on the protocol list and enjoy diplomatic privileges and from 153 other parents,
(b) all requests from diplomatic personnel were granted as well as one request from another parent with regard to three pupils.

- (2) As on 28 February 1990 — 61 268.

Own Affairs:

Teacher-training colleges: applicants not admitted *(53)*

89. Mr J J WALSH asked the Minister of Education and Culture:

Whether any qualified applicants were not admitted to White teacher-training colleges because of (a) lack of facilities and (b) other specified factors in 1989; if so, how many such prospective students were (i) admitted and (ii) refused admission to these colleges in 1989; if not, (aa) what is the combined capacity of these colleges and (bb) what total number of students is enrolled at present?

Answered 21/5/90 B646E

THE MINISTER OF EDUCATION AND CULTURE:

- (a) No,
(b) yes, quotas were met and certain applicants did not meet minimum admission requirements,
(i) 1 436
(ii) 2 780
(aa) 10 150
(bb) 6 585.

Free settlement areas: education

95. Mr R M BURROWS asked the Minister of Education and Culture:

- (1) Whether he has determined a policy for the provision of education in free settlement areas; if not, why not; if so, what is this policy; *Answered 15/5/90*
(2) whether his department and/or individual schools falling under his Department have received requests from individual parents

HOUSE OF ASSEMBLY

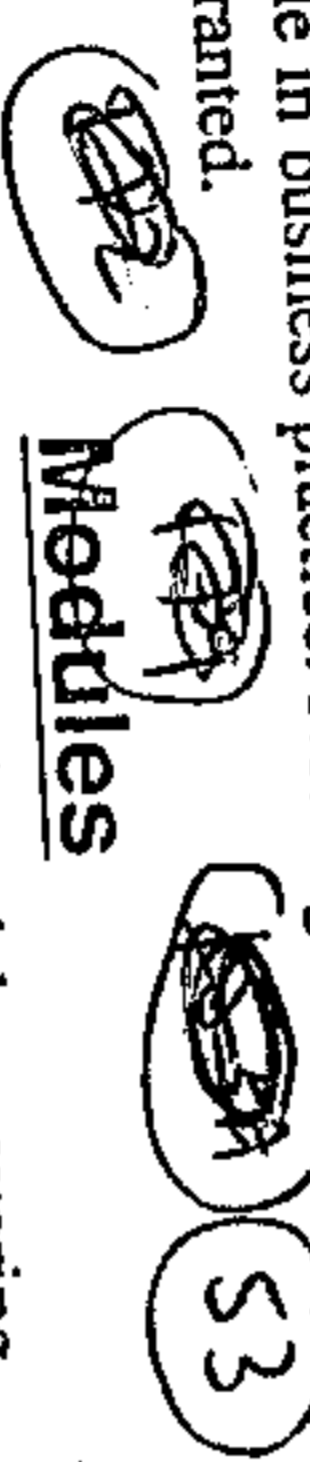
SOWETAN BUSINESS

BUSINESS trainings course for traders

By MOKGADI PELA

THOUSANDS of black entrepreneurs in the informal sector will benefit from a pending project aimed at improving their economic performance.

“One-Up Business Training,” unofficially known as Township MBA, will offer training to people in business practice. Nothing will be taken for granted.



The programme consists of modules covering all aspects of informal sector business management, starting at the most basic level, according to its director, Mr Tony Davenport. Market investigation, purchasing, costing, merchandising, capital requirements and management of weekly cash flow and stock control, are all covered.

“Particularly useful is a one-page book-

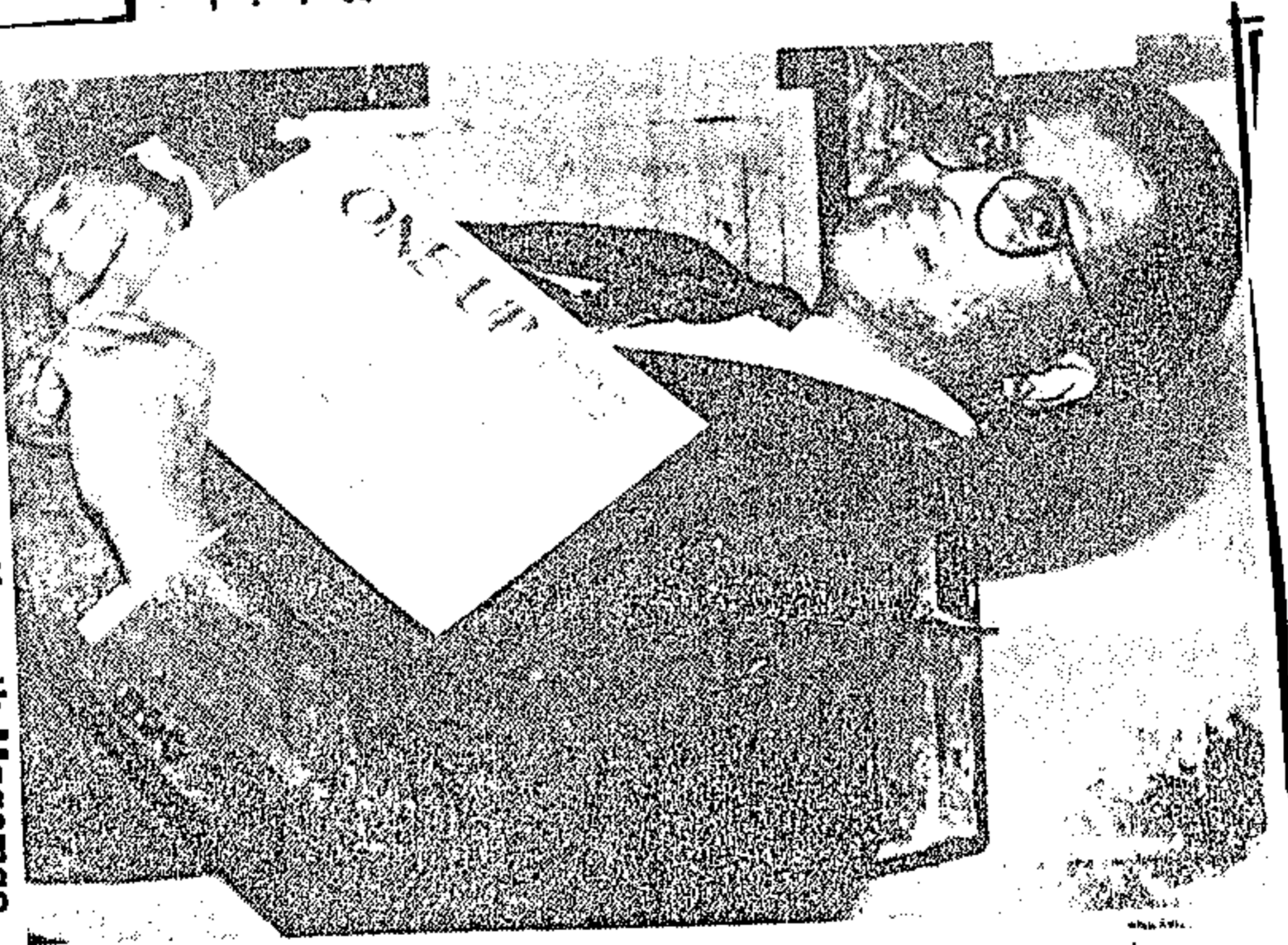
keeping system which has been described as brilliantly simple,” said chief executive officer of MBA, Mr Kenneth Mqgamo.

Davenport said training would be available to anyone interested. The carefully evaluated venture, he said, had been tailored to meet the needs of trainees “who come from a severely disadvantaged background”. *Sowetan 4/5/90*

Correspondence

In conjunction with the Small Business Development Corporation and Get Ahead Foundation, hundreds of people have completed the programme in Cape Town, where it originated. Their businesses have improved greatly, Mqgamo said.

Davenport said they were considering making the course available through correspondence. Township MBA should be launched before June. The course will extend for 40 hours and certifies would be issued to successful candidates.



MBA chief executive Mr Kenneth Mqgamo.

53

A dream comes true for Alex residents

Staff Reporter

Out of the dust of Alexandra township, a dream emerged when the walls of the Alexandra Community Education Centre went up this week. It is now all systems go for the technical school phase of the R15 million project.

Preparing the ground and laying the infrastructure has been going on since November last year, but as the walls came up, Alexandra residents realised for the first time the reality of the project. The centre is a joint project of the Bramley Rotary Club, The Star (through its Teach Fund) and Alexandra residents, and has been in the planning stages for years.

Said residents spokesman Mr Peter Mathhare: "Now Alexandra residents can prepare to enjoy a technical college facility, too. It is a dream come true for us, and particularly for the youth of the township who have had to travel either to Soweto or

the East Rand if they were interested in technical education."

The ACE Centre was made possible from major donations by Barlow Rand and Toyota South Africa. Barlow donated R3 million over three years towards the project, while Toyota will provide workshops for the second phase of the school, described as a "total school" which would have workshops in motor mechanics, welding, and electricity, plus an administration block, two theory classes and two drawing rooms.

Career-oriented

Yesterday, representatives of some of the major corporate donors visited the site, and all expressed satisfaction at the pace of the project's development.

Mr Jolyon Nuttall, chairman of the Ace Centre Steering Committee and General Manager of The Star, said that it was thanks

to the generosity of several companies that the dream of Alex residents was beginning to take shape. He said that he hoped more companies would make an investment in this project, which was designed, in consultation with the community of Alexandra, to provide an education which is career directed.

Among companies which have already made donations are: Barlow Rand Education Trust (R3 m) JCI Chairman's Fund (R250 000), AECI (R120 000), The Star Teach Fund (R100 000), Sasol (R90 000), Millionex (R65 000), Premier Food (R63 482), Estate Late Carleputco (R50 000), Allied Building Society Educational Trust (R50 000), Argus Newspapers Ltd (R50 000), Otis Elevator Company (R50 000), National Orchestra: concert proceeds (R16 500), Hyde Park Centre (R11 000), Sundry Donations (R3 563).



Looking at the plans for the ACE Centre in Alexandra, with the first level of the technical centre background, are (from left): Mr Adrian van der Walt, from Total SA; Ms Caroline Tindall, from JCI; Mrs Letsoalo, community worker in Alexandra; Mr Russell Chambers, from Barlows; Mr Martin Ramok Alexander representative on the ACE Steering Committee; Mr Clarence Mlokoti, from Premier Millin; Peter Mathhare, another Alexandra Residents representative on Ace; and Mr Jolyon Nuttall, general manager of The Star.

Tom PA *Camera* [unreadable]

Vacancies at white colleges

Opp. Tr. 5/19/70
Political Staff *53*

THERE were 4 675 vacant places at white teacher training colleges in South Africa, the Minister of Education and Culture in the House of Assembly, Mr Piet Clase, said yesterday.

The colleges had a combined capacity of 10 150 but only 6 585 students were enrolled in them, he said in reply to a question tabled by Mr Jasper Walsh (DP, Pine-lands).

Protec drive for black technical skill pays off

By Dirk Tiemann

OF every 10 000 black children who start school, only 1 300 reach matriculation, 27 achieve a university entrance pass and only one gets an exemption in mathematics and science.

By the year 2000, 90% of SA pupils will be black, but statistics indicate a low pass rate and unmarketable qualifications among school leavers.

A total of 78% of pupils fall under the Department of Education and Training (DET).

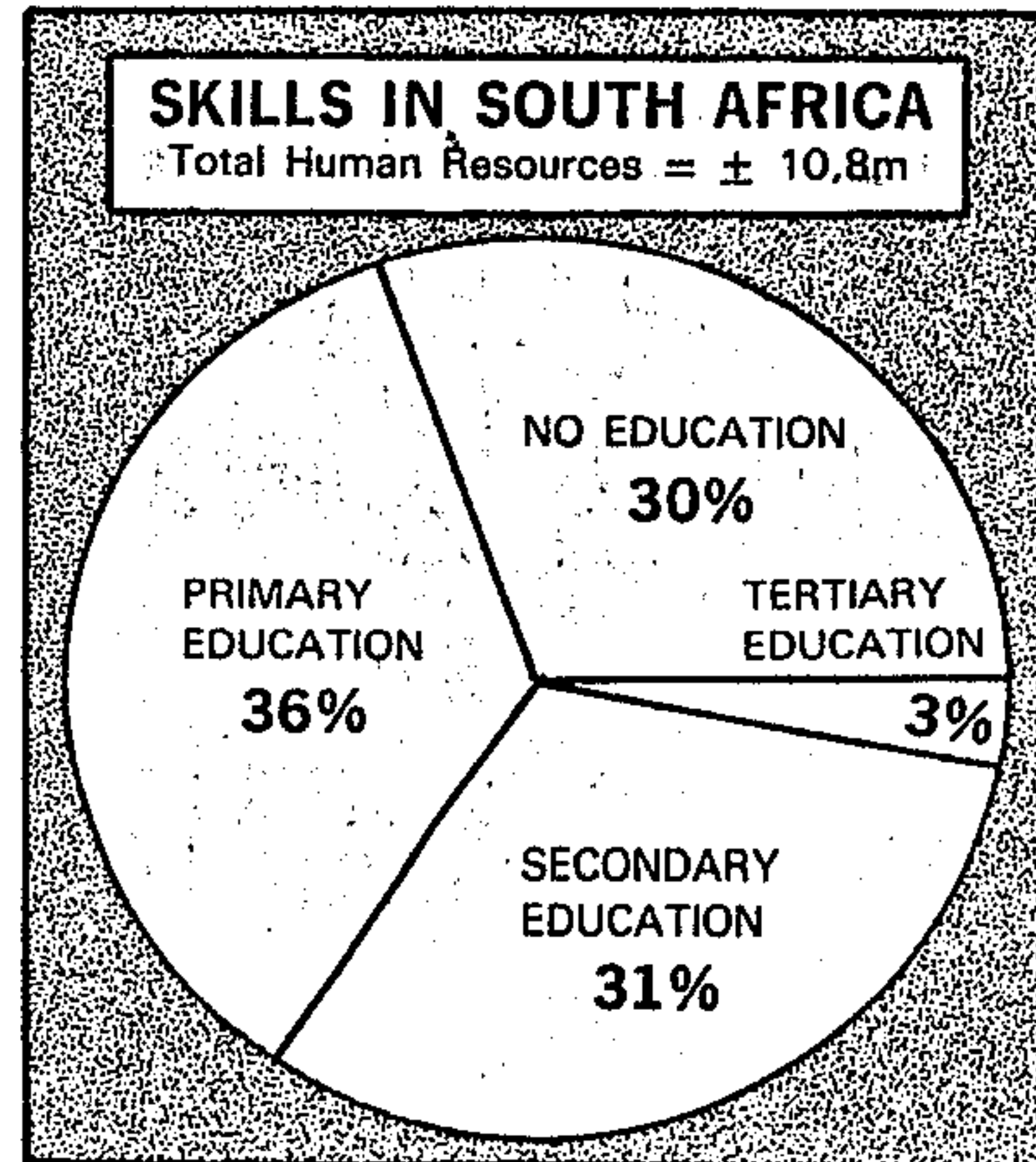
Morale

Protec national director David Kramer says overcrowding in schools and a teacher-pupil ratio of 1:40 make the task of qualified tutors difficult.

Protec promotes training in technical skills. Its objective is to help pupils studying mathematics and science to take up technological careers.

Mr Kramer says more than 16% of teachers employed by the DET do not have appropriate qualifications and 90% are underqualified.

"Morale among the teachers and pupils is low and in Soweto 10% of teachers regularly miss classes. The immediate future looks bleak as



politically motivated disruptions increase.

"Last year's results were worse than in the past, but should be seen as the harvest of black education in the Eighties."

Technical education declined in 1989, 18 000 (9%) in a total of 196 000 DET matriculation pupils choosing mathematics and 24 000 (12%) science. The respective percentages for 1988 were 32% and 17%.

Of those taking both mathematics and science, it is unlikely that more than 4 500

passed. This means that 2,3% of black matriculants qualify for tertiary technological education.

Concern

James Mulder, of the University of Natal, says: "The technikon-university enrolment ratio is further cause for concern because 267 000 students are enrolled at SA's 21 universities, while only 60 000 are at the 13 technikons. This ratio should be the inverse of what it is now."

The crisis has far-reaching

effects on the economy, 30% of the workforce having no education, 36% only primary schooling, while 3% have tertiary education.

Former Manpower Minister Pietie du Plessis estimates the shortage of technical skills by the year 2000 at 200 000. The Institute of Race Relations foresees an overall skills shortage of 500 000.

Mr Kramer says: "New apprenticeships declined by 45% between 1982 and 1988. The supply of engineers will be half that demanded by 1991 and CSIR's Professor Louw Alberts forecasts a further 20% decline in science and engineering students by the end of the century."

Regional

The Protec programme is run on regional lines, being introduced to children in Standard 8. It lasts from three to seven years and requires the involvement of employers, educational institutes, parents and pupils.

Protec has 15 branches, most of them on the Witwatersrand. Of the 625 matriculation pupils involved in Protec, 476 have passed. That is a pass rate of 96%. A 47% exemption rate was achieved compared with a national average of 10%.

The mathematics and science exemption rate achieved by Protec pupils was 32% compared with a national average of 0,4%.

Protec started with 67 students under its wing in 1982 and expanded to 5 019 in 1990.

SOWETAN BUS

Building the Nation

What you need to qualify for Development Programme

Business bursary criteria released

Sowetan 7/5/90

53

THE Sowetan Business Development Programme has released the criteria for the qualification of bursars who will benefit from the donations received from the private sector.

Unless otherwise specified by individual donors, bursaries will be allocated to people who qualify in terms of:-

By JOSHUA
RABOROKO

* Age: Preferably 25 years plus, but definitely not younger than 20 years.

* Previous employment: Must have at least one year's experience preferably in either administration; sales; merchandising; stock management or own business.

* Education: Must

read and understand English.

* Address: Must be readily contactable by telephone or letter at a given address.

* Finance: Must be able to pay a minimum of R50 deposit a course booked. This amount is non-refundable, and unless pre-paid both the courses and bursaries awarded will be cancelled.

* Written application:

A written application for a bursary must be submitted that:-

(a) confirm that the potential bursar meets the foregoing standards;

(b) gives a brief motivation why the bursar deserves to receive the bursary; and,

(c) Indicate the intention of the applicant as regards their future in business.

More bursaries awarded ⁽³²⁸⁾

0615170
Secretary 7/5/90
The South African Institute of Race Relations has awarded more new bursaries than it had previously anticipated and also doubled the number of technikon awards this year.

The deputy director of the Institute, Mr Theo Coggin, said that a record number of 42 975 ap-

plication forms were sent to aspirant students who had hoped to receive bursaries for 1990. ⁽⁵³⁾

He said this was an increase of almost 5,5 per cent compared to the number of application forms despatched the previous year. ⁽⁵³⁾

The number of new

bursaries awarded this year comes to 395. This brings the total number of bursaries administered by the Institute to 917, when renewals are also counted. A total of 91 more new bursaries were awarded than previously anticipated.

According to Coggin, the significant feature of this year's awards was the big increase in awards made to technikon students. He said it was also important to note that the number of new bursaries awarded to students at teacher training colleges had also increased.

"We have almost doubled the number of awards made to technikon students. This is in keeping with the Institute's belief that we must provide funds that will enable students to receive training in as many varied fields as possible, particularly in the science, engineering, technical and related fields.

"A developing South Africa is going to require more people with such skills if our infrastructure is to be maintained and developed," he said.

Demo over campus (S3) 'race practices' *Sowetan* 11/5/90

ABOUT 30 black lecturers at Kwenamoloto College of Education in Seshago yesterday marched to the office of the rector and presented a memorandum detailing complaints about alleged racist practices on campus.

Three of the lecturers met with the rector who told them he would meet with their delegation later during the day.

When *Sowetan* phoned the college later, vice rector Mr Basson said the meeting between the delegation and the rector was in progress and that no comment could be made at that stage.

The lecturers claim that the rector, Mr J S Engelbrecht, usually tells black lecturers: "Ek sal nie jullelek nie".

By MATHATHA
TSEDU

They accused him of "unprofessional conduct of meetings" and claimed he launches "unprecedented scathing attacks on lecturers in staff meeting.

They accused Engelbrecht of "naked job reservation", saying ill qualified white lecturers were preferred to well qualified black.

Students stage ^{CAK} 8-hour ^{Times} sit-in ^{12/5/90} in Dutch embassy ^{SP}

Staff Reporters

A STUDENT teacher and a matric pupil staged an eight-hour sit-in in the Royal Netherlands embassy yesterday, in protest at the threatened closure of coloured teacher training colleges.

The protesters, Mr Riefaat Hattas, of the Wesley College of Education, and Mr Seraaj Davids, a Salt River High matric pupil, left the embassy after speaking to representatives of the ANC and UDF and Dr Allan Boesak, Kuils River Teachers' College rector Dr Terence Fredericks and Wesley College rector Mr Basil May.

Assurance

Among the students' demands were that Zonnebloem College be reopened and that other teaching colleges in Paarl, Salt River and Crawford be improved rather than closed.

The Minister of Education and Culture, the Rev Allan Hendrickse, yesterday released a statement assuring that no colleges would be closed.

It said: "Having regard for the fluid situation, the Department of Education and Culture in the House of Representatives has decided that no college under its jurisdiction will be closed."

It made no direct mention of the possible reopening of Zonnebloem College.

Boesak visit

Mr Hattas demanded that the Department of Education and Culture reverse the "unfair failure of 80% of Zonnebloem students" after the final exam last year.

Earlier, the first secretary of the embassy, Mr Remmert Cohen, confirmed that the two students were in the embassy and that they were visited by Ned Geref Sendingkerk moderator Dr Allan Boesak.

Mr Cohen also confirmed that he had been told by the two students that they would not leave the embassy until their demands had been met.

"We chose the Dutch embassy not to ruin its name but because Mr FW de Klerk is touring Europe and will stop over in the Netherlands," said Mr Davids.

Two police cars monitored the situation but left when Mr Hattas and Mr Davids walked out of the embassy about 6.30pm.

By Charmain Naldoo

THE Association of SA Travel Agents (Asata) has instituted new training requirements for members.

In spite of the fact that tourism is a multibillion-rand earner for SA, no official training for travel agents has been required.

Travel agents have complained for years about the absence of professional status, and the concomitant lack of training in their business.

Now training in the form of a diploma course covering public relations, accountancy, management and computer use will be a pre-requisite for travel agents.

Board

Asata executive director Chris du Toit hopes that the educational qualification will ensure recognition of SA travel agents internationally.

Mr Du Toit says: "In the past we relied on the Travel Agents Board (phased out late last year) to provide training. It didn't work very well.

"Asata and the National Training Board believe that a training board should be established in line with the Department of Manpower requirements.

"A travel industry education and training board (TIETB) should be set up to co-ordinate educational work and training activities."

Mr Du Toit believes that the national diploma examination, which will be set and monitored by Asata in conjunction with the Institute of Travel Management, will

5/ Times
13/5/90

Travel agents off to school

53

"upgrade the professionalism of the industry".

"With the diploma, the member will be a professionally qualified travel agent. The course should last at least two years, followed by a two-year apprenticeship giving the student practical as well as theoretical knowledge."

Mr Du Toit expects the diploma to be offered at technikons.

"It could even become a university degree course. Initially, the training will be done in-house by the different agencies."

The cost of training will be high.

Mr Du Toit says the Department of Manpower has been approached and it is hoped that everyone involved in tourism will contribute a small fee to a training fund.

"Within the next four to five years, given the direction politics is taking in SA, travel will be one of our three major income earners. We need to prepare for this time.

"A major gripe has been that some companies spend a lot of money and time training staff only to have them poached."

Minister is so involved in practising politics and carrying out his Broederbond instructions that he is trampling agriculture underfoot in the process. [Interjections.]

In the Free State, with which I am familiar, there are people who, when they join the CP, have not participated in those activities which the hon the Minister has just read out from the Act, but they are simply not reappointed to the agricultural credit committees. [Interjections.] The hon the Minister is aware of this because his friend the farmer MP for Heilbron was also involved in this. The hon the Minister, too, was involved in this. He knows about it. He knows which people I am referring to. I want to tell him that this nepotism which he is displaying here by way of the type of remark he has just uttered once again, is a typical Third World characteristic. It is one of those characteristics that cause foreign investors to say that they are not interested in us.

I can understand the hon the Minister displaying a Third World tendency. After all, he is on the road to an Azanian culture. [Interjections.] It is a typical Third World approach that he is displaying here. [Interjections.] That approach is that those people should look after themselves—at the expense of the industry. [Interjections.] [Time expired.]

*Mr A A B BRUWER: Mr Speaker, this hon Minister has just told us that once a man begins to practise politics or to concern himself with politics, he will no longer appoint him to those committees. Surely Dr Grobler, whom they had to get onto that committee at any cost, also practises politics. Does he not practise politics? Did he not practise politics? [Interjections.]

It, according to this letter, he consults the NP in connection with names of members of the committees, why does he not also consult the CP? [Interjections.] Surely if he were to do this, he would be acting fairly. [Interjections.]

Another statement which this hon Minister made, was that there were, in fact, CPs on those committees. Those places in which there are, in fact, CPs serving on those committees are those places where there are no longer any Nationalists to serve on those committees. [Interjections.] Yes, they are in the Transvaal. [Interjections.] There are certain places in the Transvaal where there are no more Nationalists! [Interjections.] They have no confidence in this hon Minister. I

think this hon Minister has disappointed the farmers. He ought to resign. I believe it would be in the interests of the farmers of South Africa if he were to resign. [Interjections.] [Time expired.]

*The MINISTER OF AGRICULTURAL DEVELOPMENT: Mr Speaker, I just want to reply firstly to the hon member for Albany.

†I should like to tell the hon member I am delighted with his support. I take it to heart. We try to select the best farmers for this very important job, and we will continue to do just that.

*I now come back to the charge the CP have laid at my door in this regard. We will relieve anyone, regardless of whether he is a Nationalist, a CP or whatever, of that office if he practises politics whilst he holds that office. [Interjections.] If he practises politics under the guise of the Agricultural Credit Board, I shall relieve him of his post. [Interjections.] That applies to everyone. He must therefore serve agriculture independently. That, of course, is not what the CP does. [Interjections.]

Surely this is an old game of the CP! They have brought about a division in politics. They have divided the cultural organisations. They have even made an assault on the church. [Interjections.] Surely that is true! Now they are attempting to divide agriculture. [Interjections.] Do they think we are going to accept that? No, Sir! [Interjections.] Let us just take a look at how we reacted.

The hon member for Lydenburg is fighting with me about so-called political appointments. There are quite a number of former chairmen of district and regional agricultural unions sitting in this House whom I could mention—they are from Wellington, Humansdorp and Cradock—who, when they were elected to Parliament, resigned from their positions in organised agriculture. [Interjections.]

Did the hon member for Lydenburg resign from his position? [Interjections.] He wears two hats on his head, a political hat and an agricultural hat, and the word "CP" is written on both of them. [Interjections.] Does he think we will fall for that little joke?

With regard to this little game I just want to say that we in agriculture work with realities and with facts, but realities and facts are foreign to the CP. They are working with emotions and

attempting to take over things to the detriment of agriculture. I also want to warn organised agriculture that if they do not watch out for this, they will become bogged down in the empty ideology of the CP. [Interjections.] [Time expired.]

Debate concluded.

QUESTIONS

†Indicates translated version.

For oral reply:

Own Affairs:

Onderstepoort: teaching establishment

*1. Mr R V CARLISLE asked the Minister of Education and Culture: (53)

(1) What is the (a) total planned teaching establishment and (b) current staff complement of the Onderstepoort Veterinary College;

(2) whether there is a shortage of teaching staff at this college at present; if so, (a) to what is this attributable and (b) what steps are being taken to eliminate the shortage?

Humansdorp 15/5/90 B929E

The MINISTER OF EDUCATION AND CULTURE:

(1) (a) Still being considered.

(b) 83;

(2) yes,

(a) a shortage of veterinary surgeons with post-graduate qualifications who are interested in an academic career,

(b) veterinary surgeons are encouraged to undertake post-graduate studies.

Onderstepoort: new animal hospital

*2. Mr R V CARLISLE asked the Minister of Education and Culture:

(1) (a) (i) When and (ii) at what estimated cost will the new animal hospital at Onderstepoort be commissioned and (b) what is the proposed staff establishment of this hospital;

(2) whether it is his intention to give academic status to the college and hospital at Onderstepoort; if not, why not; if so, when?

†The MINISTER OF EDUCATION AND CULTURE: B930E

(1) (a) (i) June 1991

(ii) R38 000 000,

(b) still under consideration;

(2) no, because the facility at Onderstepoort is a full faculty of veterinary science of the University of Pretoria and not a separate institution.

BHS: bomb threat

*3. Mr A GERBER asked the Minister of Education and Culture:†

(1) Whether a bomb threat was received at the Boys High School in Paarl on or about 23 April 1990; if so, what are the relevant details; Humansdorp 15/5/90

(2) whether security measures for the protection of the pupils and teachers at this school have since been taken; if not, why not;

(3) whether he will make a statement on the matter?

B933E

The MINISTER OF EDUCATION AND CULTURE:

(1) Yes, a telephonic warning was received. The necessary security measures were taken whereafter the normal school programme continued;

(2) no, the existing measures are sufficient;

(3) no.

Schoolchildren smoking

*4. Mr K M ANDREW asked the Minister of Education and Culture: Humansdorp 15/5/90

(1) Whether his Department has any estimate of the number of schoolchildren smoking cigarettes; if not, why not; if so, (a) how many are cigarette-smokers and (b) what are their ages;

(2) whether this number is increasing or decreasing;

Pedalling for cash

Star 17/5/90 Staff Reporter

Students from four technikons will be pedalling exercise bicycles at the weekend to raise funds for the Wildlife Society's environmental education projects.

Teams from the Natal, Cape Town, Witwatersrand and Pretoria Technikons will compete to see which team can cycle the most kilometres over two days.

The public and businesses can take part by sponsoring the team of their choice.

Student union

The exercycle marathon has been arranged by the South African Technikon Student Union (Satsu) as part of a year-long effort to promote conservation on the respective technikon campuses.

Satsu president Allen McInnes said: "No matter what careers we follow, by supporting environmental education, we can make an active contribution to a better environment for all South Africans."

The Wildlife Society currently spends R1,5 million annually on its eight permanent environmental education projects.

These employ 40 full-time, qualified educationists. Millions of rands are needed to expand the current projects.

Staffing strategy resists piracy

ISCOR, as part of its attempt to be a socially responsible corporate citizen, is one of the largest trainers of skilled manpower in the country.

Says manpower planning and development manager Piet Grobler: "Our staffing strategy is to

provide for our own needs in professional and skilled categories of labour — artisans, technicians and engineers.

"SA's national pool of technical skills is too small for industry's needs. We provide our own so as not to draw from that pool. We

are trying to be a good citizen by not pirating."

ISCOR employs 3 300 apprentices, more than 10% of all the apprentices in SA and more than half the apprentices in the steel and engineering sector.

"This makes us one of the biggest, if not the big-

gest, corporate trainers in SA," he says.

ISCOR also has close to 400 bursary holders studying at technikons and an equal number doing the prescribed practical training — a total of 800 technicians in training for their national diploma.

The corporation also finances the university studies of 650 people, including student engineers, geologists, computer scientists and accountants.

Grobler says ISCOR has not achieved the right "racial mix" of trainees, but is trying to do something about it.

About 400 of ISCOR's apprentices are black (including coloured and Indian). With engineers, the proportion is even smaller, with less than 20 black bursary holders.

Standards

"ISCOR began awarding bursaries to blacks more than 15 years ago, but with little success, mainly because educational standards — especially in maths and science — were poor," says Grobler.

"So we got involved with organisations such as Protec, which provides supplementary education to black students to upgrade the mathematical and scientific abilities.

"We also sponsor black pupils at a number of private schools, financially support the Science Education Project for upgrading the skills of teachers. We are trying to help create a market of suitable candidates for training in the skills ISCOR needs," Grobler says.

Trusts to improve the quality of life

BID 10/5/90 53

TOYOTA SA and the Toyota Motor Corporation of Japan have established a foundation aimed at improving the quality of life of South Africans.

The Toyota SA Foundation is giving preference to helping communities in which Toyota employees reside — mainly in Durban and Johannesburg, says the company employees' newsletter, Motormaker.

Grants made and projects funded are in addition to the established Toyota SA Donations Fund, which continues to support tertiary educational institutions and organisations which help with the social and economic upliftment of the less advantaged.

The new foundation consists of two trusts: The Toyota SA Educational Trust and the Toyota SA Charitable Trust.

The emphasis of the foundation is on improving standards of education, training, housing and civic amenities.

Part of the leading motor manufacturers' new CSR programmes are to invest R200 000 in 1990 to equip two electrical engineering laboratories at the rapidly expanding Peninsula Technikon in Bellville, Cape Town.

The laboratories are to be equipped with 30 standard workstations enabling students to investigate the basic principles of electrical engineering.

Toyota's personnel and industrial relations group director Theo van den Bergh says a "hands on" approach is more effective for teaching the basic principles of engineering.

"This is especially the case in electrical engineering and electronics, which involve abstract theoretical concepts that students find difficult to understand unless these are reinforced by laboratory work."

The technikon, which started in 1967 with about 200 students, has more than 4 500 students and anticipates accommodating about 10 000 in the future.

Neighbouring

About 40% of the students are from other parts of SA, including neighbouring states.

Companies in the Transvaal, Bophutatswana, Lesotho and Transkei send technicians there for training.

Toyota is also to invest R300 000 over a period of three years in helping provide technical education facilities for communities served by the Education and Culture Department of the House of Representatives.

The money will be spent on equipping mechanics training workshops at two comprehensive schools in Johannesburg and Durban.

Van den Bergh says up-

grading of the buildings has been completed at various schools, among them Ennerdale No 2 in Johannesburg and Fairvale in Durban.

The schools now have workshops and classrooms for tuition in skills such as building, carpentry, metalwork, electronics and motor mechanics.

Toyota and the SA Motor Industry Employers' Association (AMIEA) have each agreed to invest R20 000 in improving facilities for training coloured auto electricians in Durban.

The company is also the first to become a member of the development board of the Project Spear training programme for SA Black Taxi Association members.

It has supplied four Toyota minibuses for the driver training programme in the PWV developed in conjunction with the National Road Safety Council and the Council for Scientific and Industrial Research.

Toyota marketing MD Brand Pretorius says: "Toyota acknowledges the need for accelerated black participation in the SA economy and to substantiate this we have pledged our support to the Foundation for African Business and Consumer Services."

He says Toyota has contributed R120 000 to the organisation.

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18/57/10



the Pilansberg
conservation.

Fields, is the first facility of its kind to be established with
private sector funding.

Education seen as the key to conservation

B10 18/57/10

53

CONSERVATION and the environment are emerging as another focus of CSR spending.

Gold Fields, a company not known for its social expenditure, says it has made a major contribution to conservation efforts in SA.

Spokesman Michael de Kock says the Gold Fields Foundation (GFF) has established 10 environmental education centres and is involved in a first — the Kangwane Game Rangers' College, due to be opened this month.

The environmental education centres, dotted around SA, are a response to the Gold Fields' view that education is the key to conservation and the only way to change the attitude toward the environment.

Schoolchildren are regularly bussed to these centres and put through programmes on environmental education.

The courses are designed to be geographically relevant. For example, the programmes at Cape Point differ substantially to those at the Pilanesberg.

GFF's environmental programmes are devised in close co-operation with the SA Nature Foundation (SANF).

The Kangwane Game Rangers' College is designed to train blacks who do not have formal education in conservation skills.

"We have to get blacks into conservation structures," says De Kock.

The college facilities are designed to provide students with the skills to advance up the ladder.

Gold Fields' philosophy is based on the idea that nature conservation is dependent on economic development and industrialisation.

People must become dependent on employment rather than on the environment for their food. You cannot talk conservation to someone who is starving. He has no choice but to use the environment — wildlife to eat, trees as fuel — to survive, says De Kock.

Therefore, GFF self-help and educational projects are also a form of support for conservation.

HU

Pretoria to get non-racial college

CP Correspondent

CP/MS 20/5/90 (53)

AFTER long and hard negotiations described as "truly historic", a R30 million mixed teachers' training college is to be built near Pretoria next year.

This will be South Africa's first non-racial college for the training of teachers. For more than 30 years teacher training has been rigidly separated along racial lines.

Graduates who attain the high standards set by the college will be qualified to teach at any school in the country.

In announcing the college's establishment, council chairman Judge JJ Trengrove said it was one of the most exciting developments in education in South Africa "and dovetailed

marvellously with the spirit of reconciliation which is sweeping the country".

The college is to be built between Pretoria and Mamelodi on 26 hectares. An educational centre will house the new college as well as a primary and secondary school.

Trengrove said the college would "measure up to international standards.

"The courses will be run in conjunction with Wits University, and a recognised diploma will be issued by the college in association with Wits, ensuring academic credibility.

"The course will also satisfy the requirements of the body which evaluates qualifications for employment in education, enabling college graduates to seek employment at any

school in South Africa," he said.

The first phase of the project is comprised of complexes housing classrooms and laboratories. This will also include an administrative centre and a multi-purpose hall.

The second phase will include hostels for boarders, sports fields and other facilities.

The college is to be built and administered by Promat Colleges, whose remarkable successes with black education in the past eight years are the toast of the education fraternity.

Last year Promat students achieved an exceptional 78,7 percent matric pass rate compared to the Department of Education and Training's 42 percent pass rate.

Mixed college was an uphill battle

By MARK STANSFIELD

SOUTH AFRICA'S first mixed teachers' training college will open its doors in January next year.

The R30-million project is funded mainly by overseas governments and agencies and without South African Government aid.

The racially mixed teachers' training college is the brainchild of the trustees and directors of Promat Colleges, who this week described how they had fought an "uphill battle with the Government" and had managed to win "without compromising principles".

Mr Larry Robertson, executive director of Promat Colleges, said: "Without properly qualified teachers there can be no proper education.

"It's all very well allowing mixed schooling, but without enough teachers the whole exercise falls a little flat."

The new college will be built on 26ha of land about 30km from Pretoria.

Standards

Announcing the breakthrough, Justice J J Tregrove, chairman of the college council, said it was one of the most exciting developments in education in South Africa and "dovetailed marvellously with the new spirit of reconciliation sweeping the country".

"The college will measure up to international standards, the courses run in conjunction with the University of the Witwatersrand and a recognised diploma will be issued in association with the university — ensuring credibility," he said.

Promat Colleges were launched in 1983 to upgrade black teachers' qualifications to matriculant level.

More than 500 000 black schoolchildren have benefited through the 1 000 teachers upgraded by Promat.

Last year, Promat students achieved an amazing 78,7 percent matric pass rate, compared to the DET's 42 percent.

5/7/85 20/5/90



Mast chairman calls for technical education 53

BUSINESS had to push for more technical education to stop SA's skills shortage, Mast Holdings executive chairman Stephen Dallamore said in an interview yesterday.

JSE-listed Mast Holdings' activities include consulting on education and training and running courses for industry. *B | Day 22/5/90*

About 60% of black matriculants failed to find jobs every year because the focus of SA education was academic rather than technical, he said.

Recent studies by the HSRC showed that less than 1% of black students matriculated in technical subjects.

Dallamore said there was a growing realisation that government's school

TANIA LEVY

infrastructure was not providing the manpower needed in industry. Businessmen had to invest in providing career-orientated education, particularly for children of staff members.

Money could be channelled into buildings such as schools or bursaries and scholarships.

However, while bricks and mortar for schools were important, spending money upgrading educational qualifications of teachers should be an even higher priority. The HSRC estimated that almost two-thirds of black high school teachers were unqualified or

underqualified, Dallamore said.

He said besides investing in the education of children of staff and the immediate community, businessmen should look at developing the mine of untapped talent among their own employees. Many companies needed to do a skills audit and then invest in training less skilled staff.

Education and training would become the business of the 90's, Dallamore said, predicting that within six months union demands would start including training for members.

Organisations also had to pressurise government for a single education system with a vocational rather than academic orientation.

I still endorse that, just as it was done in the White Paper in reply to the De Lange Report. In that White Paper we said that equal education opportunities... [Time expired.]
Hansard 22/5/90

QUESTIONS

† Indicates translated version.

For oral reply:

Own Affairs:

Southern Cape Technical Institute

*1. Mr K M ANDREW asked the Minister of Education and Culture: (53)

- (1) Whether the Southern Cape Technical Institute falls under his Department; if so, (a) where is it situated, (b) what courses does it offer and (c) what is the nature of its premises; Hansard 22/5/90
- (2) whether any students who are not White are admitted to this institute; if so, (a) since when and (b) what is its racial composition; if not, (i) why not and (ii) what is its current enrolment?

B995E

†The MINISTER OF EDUCATION AND CULTURE:

- (1) No;
- (2) falls away.

Makoppa area: farming problems

*2. Mr A B BRUWER asked the Minister of Agricultural Development:

- (1) Whether any farmers in the Makoppa area are experiencing problems in connection with land at present; if so, what is the nature of these problems;
- (2) whether he has taken any steps to solve these problems; if not, why not; if so, what steps; Hansard 22/5/90
- (3) whether there is any liaison between his Department and the Department of Water Affairs in this regard; if not, why not; if so, what liaison?

B1003E

The MINISTER OF AGRICULTURAL DEVELOPMENT:

- (1) No
Hansard 22/5/90
Problems are being experienced in respect of water supply. Existing information indicates that for 10 out of the last 30 years there have been insufficient water to irrigate the almost 6 000 ha of land, from both the over and boreholes. Insufficient water for irrigation purposes is regarded as the single biggest negative factor.

(2) Yes

An economic and engineering investigation was undertaken by the Department in 1988. The solution for the area's problems lay in the enlargement of the farming units by means of consolidation. The farmers in the area qualify for the favourable financial assistance schemes applicable in the Designated Area.

(3) Yes

A joint steering committee is undertaking a study of the catchment area of the Crocodile River.

Ohrigstad area: financial assistance to farmers

*3. Mr A B BRUWER asked the Minister of Agricultural Development:†

- (1) Whether any farmers in the Ohrigstad area are receiving financial assistance from his Department; if so, (a) why and (b) how many farmers (i) in this area have received such assistance and (ii) are still farming in this area;
- (2) whether any steps are being taken to protect the Burley industry in the Ohrigstad area; if not, why not; if so, what steps;
- (3) in respect of what date is this information furnished? Hansard 22/5/90 B1006E

†The MINISTER OF AGRICULTURAL DEVELOPMENT:

(Reply laid upon the Table with leave of House):

(1) Yes

(a) Traditionally farmers in the Ohrigstad Valley were responsible for the production of about 80% of South Africa's Burley tobacco. In 1982/83 as much as 1 600 ha was still planted to Burley tobacco and this produced a crop of 3,44 million kg. The cultivation of Burley tobacco was initially highly profitable, which in turn naturally led to a sharp increase in land prices and farmers also made substantial agricultural investments in irrigation systems, etc. on strength of this. As a result of the droughts which prevailed in the early eighties, farmers sank and equipped boreholes so as to obtain alternative water where there was insufficient irrigation water for tobacco production. In addition, nitrogen application was increased in order to increase production.

These two factors, however, led to an increase in chlorine pollution, and subsequently an increase in the nicotine content of the tobacco. The drought also caused humidity problems in the curing process of the tobacco.

Concomitant with the above-mentioned circumstances, the tobacco manufacturers, phased out their purchases from Ohrigstad Valley for quality reasons (high chlorine and nicotine content) which led to the deterioration of the financial position of the irrigation farmers in the Ohrigstad valley.

The Special Agricultural Restructuring Committee (formerly Jacobs Committee) was instructed to investigate the introduction of a special assistance programme for this area in an attempt to prevent large-scale sequestration of the farmers.

This Committee subsequently recommended the following assistance programme:

- The introduction of a debt settlement programme for the purpose of reducing farmers' debt load;
- the consolidation of farmers' debts under the 20-plus-2-year

scheme which will largely (virtually exclusively) have to be dealt with by the Agricultural Credit Board;

- farmers' carry-over debts with the Lydenburg Voorspoed Co-operative for the 1987/88 and 1988/89 seasons will, from September 1989, be included in the existing 10-year carry-over debt scheme, while the amount of R1,6 million which now falls under the 6-year debt carry-over scheme, will be similarly incorporated with the 10-year carry-over debt scheme from the same date; and

• that the Agricultural Credit Board will supply production credit loans to these farmers for the next planting season which starts in September 1989, and also to those farmers who qualify for the debt settlement programme, on condition that their creditors agree not to attach and sell their farms during the production season for which the financing is made available.

- (b) (i) 36 applications for debt consolidation/settlements were received; of these 15 were approved for debt consolidation to an amount of R1,8 million, and 11 for settlement to an amount of R1,6 million. 35 applications were received for crop production loans, of which 31 were approved to an amount of R1,6 million. Financial assistance totalling R5,0 million was given to farmers in this area.
- (ii) 38 farmers are still farming in this area.

(2) Yes

Initially the Tobacco Board compensated farmers from its stabilisation fund for the drop in the price which tobacco manufacturers were prepared to pay for Burley tobacco, but due to the continuing nature and extent thereof, this form of subsidising had to be abolished gradually. The position has now been reached where farmers

Nissan money for new centre

53 PIERRE DU PREEZ 142

NISSAN SA has announced it will invest R4,5m in a new service training and technical centre to be situated in Wynberg, Sandton.

When complete it will provide facilities for up to 50 people a day with three different courses being held simultaneously.

BUILDING HOWEVER IMPROVEMENTS

SOWETAN
Building the Nation

New hope for blacks

Building market is set to open up

UNEMPLOYED black matriculants who have failed to enter the lucrative home building market will get their chance now that the Group Areas Act is about to be scrapped.

A new company, Urban Projects and Finance in Parktown, will soon start running a series of courses on property broking, among other things, for unemployed matriculants with limited skills.

The course is based on the requirements of the Estate Agents Act of 1976.

The Act stipulates that no person can act as an estate agent without a fidelity fund certificate.

He or she must also have passed the Estate Agents examination.

All stories by Sy Makaringe

Mr Anthony van Wyk, of Urban Projects and Finance, said with the imminent scrapping of the Group Areas Act there would be many opportunities for real estate agents in the black community.

He said there were more than 25 000 licensed estate agents in South Africa.

Wealth

"The private sector has not been successful in demonstrating to the black community that it has an ability to generate wealth.

"Whites still own 83 percent of the land and command almost complete control of production and wealth creation.

"This total domination is kept intact by the lack of skills and economic opportunities among the blacks," Van Wyk said.

He said the expanding economy required skilled workers.

The courses will be held on a rotating basis in Cape Town, Johannesburg, Durban and Port Elizabeth.

Van Wyk said candidates need only pay a nominal fee of R30.

The balance would be paid by the sponsors.

For more information contact Van Wyk at (011) 484-4145.

Teachers
in demo
for single
system

Own Correspondent

CAPE TOWN — The Minister of National Education, Gene Louw, has been criticised for his refusal to meet a National Teacher Unity Forum delegation because of a protest march coinciding with the previously arranged appointment.

About 5 000 teachers, student teachers and a small number of pupils gathered outside the City Hall yesterday afternoon at the end of a re-routed march through the streets of Cape Town.

The protesters carried a huge banner reading "Forward to a Single Teachers' Organisation" and placards with slogans such as "Job Security" and "Equal Pay for Equal Work".

The Forum is demanding a single, non-racial, non-sexist system of education in a unified South Africa, and spokesman Poobie Naicker said Mr Louw had agreed to meet the delegation "unconditionally".

"Now he finds it necessary to go back on his words ... (His refusal) is seen as high-handed and irresponsible in these critical times."

The delegation had demanded a rescheduled meeting for June 5, and Mr Louw had indicated that he could meet them then or a day earlier.

Health care for all Masa's vision

911-71415 30/5/90 (S) (S) (S)

JOHANNESBURG. — The Medical Association of SA (Masa) summit on academic medicine has formulated a vision for health care which involves a unitary health system to which all have the right of access.

A statement issued yesterday from the summit in Broedersdroom, Transvaal, said the training of providers of health services could not take place in isolation but formed an integral part of SA's health system.

The three-day conference, which ends today, was addressed earlier this week by Health Minister Dr Rina Yenter, Gencor executive finance di-

rector Mr Tom de Beer and University of Cape Town principal Dr S J Saunders.

It was attended by about 100 of the country's top medical decision-makers, including academics and provincial administration authorities.

A Masa spokesman said there had been no significant move away from previously stated policies of Masa at the summit. However, resolutions adopted by the summit — which addressed the question of the future of academic medicine — had been more strongly stated than before.

The summit resolved that "the ideal system is an affordable, non-racial,

comprehensive, effective, unitary health system to which all have the right of equitable access".

There are 14 different health departments in South Africa.

The Masa summit suggested that:

- The allocation of health resources to each level of the health system be determined by just and fair criteria.
- The system be accountable to the community and subject to audit and peer review.
- Management systems promote sound decision-making at all levels, with decentralised responsibility and authority.

● The private and public health sectors co-operate in providing health services and are subject to appropriate regulation.

● Providers of health services are appropriately trained, supported and rewarded.

● The health system is involved in, and encourages other socio-economic measures to improve the health status of all.

● Health education and health services encourage and enhance individual and community participation.

● Academic centres of excellence are an essential component of the health system. — Sapa



EDUCATION FILE

BY NKOPANE
MAKOBANE



The P Q Vundla Centre, Soweto's top adult education centre, was once again in the news when it presented 200 successful Standard 5 pupils with certificates at Vista University in Moroka at the weekend. Last year the centre obtained the best matric results in Soweto for private candidates. These candidates received certificates.



Crisis in Skills training

Spoken 30/5/90
53

THE major crisis facing black education is not only its poor quality but its lack of relevance in preparing pupils for careers.

This is the view of Mr Stephen Dallamore, chairman of Mast Holdings. He also sits on the Federated Chamber of Industries' Transvaal educational committee.

He says while the committee welcomes the Government's recent initiatives on black education, these will be almost irrelevant unless the whole focus of education and training in the country is changed.

He also says recent studies undertaken by the Human Sciences Research Council indicate that less than one percent of black students are matriculating in technical subjects.

This means that the number of pupils who passed matric in these

subjects in 1987 is under 200.

"While there is an acute shortage of technical skills in this country, there is a vast oversupply of people who are graduating in arts and social sciences," he says.

Dallamore contends that the problem, although critical in relation to black education, applies to all races in South Africa.

"Statistics from tertiary level institutions including technicians show that only 13 percent of registrations out of about 400 000 students are for technical subjects (blacks 7.2 percent).

He warns that the Government is digging its own grave in not applying itself to changing the focus of education from academic to technical. "The current educational system is resulting in large numbers of frustrated, educated black people who are unable to find a job," he said.



EDUCATION FILE

By NIKOPANE
MAKOBANE



At last a teacher's training college for all

South Africa 1990
53

SOUTH Africa's first non-racial college for the training of teachers is to open in January next year near Mamelodi in Pretoria.

The graduates of the R30-million college, to be built and administered by Promat Colleges, will be qualified to teach at any school in South Africa. For more than 30 years, teacher training has been rigidly separated along racial lines.

Speaking at a function in Johannesburg to announce the establishment of the college Mr Justice J Tregrove, the Promat College chairman, said it was one of the most exciting developments in education in South Africa. He said the fact that agreement had been reached with Government

after long and hard negotiations, constituted a "truly historic event". It also dovetailed marvellously with the new spirit of reconciliation which was sweeping the country.

"A four-year syllabus has been drawn up after worldwide consultations by educational experts from Wits University and the curriculum complies with the national criteria for teacher education. "The college will measure up to international standards. The course will be run in conjunction with Wits, and a recognised diploma will be issued by the college in association with the university, ensuring academic credibility," he said. "The course will also satisfy the requirements

of the body which evaluates qualifications for employment in education, enabling college graduates to seek employment at any school in South Africa," he said. Promat was launched in 1983. Its primary objective is to upgrade the qualifications of black teachers to matriculant level. It presently boasts five colleges in the Transvaal and Natal. Since its inception, more than 500 000 black children have benefited from 1 000 teachers upgraded by Promat to date. Last year, the college students achieved a 78,7 per cent matric pass compared to DET's 42 per cent.

No classes, but black students to live at city flats

By PETER DENNEHY

Capt Trumps 3/15/90

THE City Council's refusal to allow part of a Rondebosch block of flats, Myrtle Manor, to be converted into classrooms for black students will not stop the students from moving into the adjoining 250-room residence building.

This became clear yesterday in an interview with a surprised and disappointed Mr Richard Todd, national director of the Leadership Education and Advancement Foundation (LEAF), which owns both the residence and the flats.

The foundation intends to establish an intermediary college for bright students who have had inadequate schooling but who wish to study further in technical and commercial fields.

Mr Todd said: "The council decision makes no sense ... a group of sadly misled residents have opted to continue with all the problems that have plagued them for so long," he said. "Either this, or the hidden agenda is one of blunt racism."

Mr Arthur Wienburg, who acted as a spokesman for the residents during the council debate, denied that their attitude was one of racism.

Mr Todd said yesterday that for some 20 years, there had been a men's residence in Rouwkoop Road for 250 students of the Cape Technikon.

Last year LEAF bought the residence and the Myrtle Manor flats beside it, for a sum of several millions. The Foundation was leasing the residence to the Technikon at present, but the lease expired on December 15. After that the Foundation's own students, 230 in all, would move in.

'Blunt racism' hindering college

By ANDREA WEISS
Staff Reporter

APK 6/23
3/5/90
"BLUNT racism" may have been on the hidden agenda of the city council when members voted overwhelmingly against an application to turn a block of flats, Myrtle Manor in Rondebosch, into a college for disadvantaged students.

This is the view of the national director of Leadership Education and Advancement Foundation (Leaf), Mr Richard Todd, who yesterday condemned the decision made at this month's city council meeting.

Leaf, which bought the property last year, is a nonracial foundation providing education for students with academic potential, but whose schooling is inadequate.

Arguments used during the debate were that noisy student behaviour would continue, the traffic situation would become intolerable and the conversion of some flats into classrooms would deprive Rondebosch of residential accommodation.

Mr Todd, a former principal of Hilton in Natal, pointed out that Myrtle Manor already was a students' residence for the Cape Technikon.

The Leaf application was

only to convert a part of the flats into classrooms.

On-site teaching facilities would mean a reduction in cars and teaching in a tertiary institution was "by its very nature" quiet.

Leaf had undertaken to reduce the student numbers from about 250 to 230.

The women's section would be closest to the nearest neighbours because it was "well established that female students are quieter than males".

Mr Todd said that in the light of the city council decision, Leaf had three options.

Either it would use the residential facilities and obtain teaching facilities elsewhere or it would apply to build teaching facilities in parts of the complex which were not residential accommodation.

RESIDENTS "MISLED"

The third option would be to sell the residence to the highest bidder and it would, in all likelihood, be bought as a students' residence, leaving residents in the same position as before.

"A group of sadly misled residents have opted to continue with all the problems that have plagued them for so long. Either this, or the hidden agenda is one of blunt racism," he said.

Scholarships for Pentech students

By JOHN YELD
Education Reporter

TEN Peninsula Technikon students are among the first to benefit from a new British scholarships programme for South African technikons.

Their awards were announced by British Ambassador Sir Robin Renwick and Pentech director Dr Franklin Sonn.

Sir Robin said most of the 1 000 scholarships Britain provided each year for South Afri-

can students were at university level.

This year 73 students had won British scholarships to study at the University of Cape Town and next year this would increase to 120.

"The British programme was being extended to technikons, with Pentech only the beginning.

"We plan to increase the number next year and to extend the scheme to other technikons.

"Pentech students had been selected to receive the first awards because of the leading role this technicon is playing in the achievement of a new South Africa.

"We admire the pioneering work of Dr Franklin Sonn and his colleagues."

The scholarships are funded by the Britain's Overseas Development Administration. Recipients are selected in consultation with the British Council.

HOUSE OF ASSEMBLY

QUESTIONS

† Indicates translated version.

For written reply:

General Affairs:

Roads/road traffic

348. Mr A GERBER asked the Minister of Transport:†

- (1) What was the State expenditure on roads in the Republic in (a) 1975, (b) 1980, (c) 1985 and (d) 1989;
- (2) what was the volume of road traffic on roads in the Republic in each of the above-mentioned years? B849E

The MINISTER OF TRANSPORT:

- (1) Information with regard to calendar years is unfortunately not available, but only in the following financial years —
 - (a) 1975/76: R 516 500 000;
 - (b) 1980/81: R 715 349 000;
 - (c) 1985/86: R1 175 761 000; and
 - (d) 1989/90: R2 300 000 000 (estimate).
- (2) The volume of road traffic on roads in each of the requested calendar years is unfortunately not available. Statistics of the number of vehicles licenced and the estimated kilometres travelled, are as follows —

Financial Year	Number of vehicles Licenced	Estimated number of Kilometres Travelled
(a) 1975/76:	2 918 278	42 390 000 000;
(b) 1980/81:	3 395 365	45 992 000 000;
(c) 1985/86:	4 452 754	63 752 000 000; and
(d) 1989/90:	5 004 206	96 500 000 000.

Southern Cape/George: technical colleges for Blacks

419. Mr K M ANDREW asked the Minister of Education: *Handwritten: 4/6/90*

- (1) Whether there are any technical colleges for Blacks in the Southern Cape or

Handwritten: 4/6

George area; if so, (a) what colleges and (b) what is the (i) capacity and (ii) enrolment of each such college; if not, why not;

- (2) whether it is the intention to provide technical training in this area; if not, why not; if so, where; **S3**
- (3) whether the Southern Cape Technical Institute falls under his Department; if so, (a) what is the street address of this institute, (b) what courses does it offer and (c) how many students are enrolled in it? B980E

The MINISTER OF EDUCATION:

- (1) No. An attempt to determine the need for technical college facilities in this area, revealed that there exists at present no need for a technical college for the Black population group.
- (2) No — See 1 above.
- (3) No.

Persons declared bankrupt

463. Mr H H SCHWARZ asked the Minister of Justice: *Handwritten: 4/6/90*

How many persons were declared bankrupt in each Division of the Supreme Court in 1989? B1084E

The MINISTER OF JUSTICE:

Bloemfontein	300
Cape Town	260
Grahamstown	130
Kimberley	63
Pietermaritzburg	216
Pretoria	1 766
Total	2 735

Companies placed under compulsory liquidation

464. Mr H H SCHWARZ asked the Minister of Justice:

How many companies were placed under compulsory liquidation in the area of each Master of the Supreme Court in 1989? B1085E

The MINISTER OF JUSTICE:

Bloemfontein	71
Grahamstown	24
Cape Town	189

SBDC plans Sandton centre

THE SBDC, finding it difficult to cope with the demand for entrepreneurial training, is planning to establish a training centre in the Sandton area.

SBDC training manager Kenneth Fisher said yesterday the corporation was in the process of buying a site near Alexandra, and expected to start operating in February.

"The SBDC, which has seen more than 4 000 small business trainees becoming entrepreneurs over the last three years, has met with so much demand it has decided to expand its training services," said Fisher.

"In the new centre we expect to produce between 5 000 and 6 000 students. "And, bearing in mind that about 60% of the people who take up our courses complete them, and 40% of these become entrepreneurs, we feel we will be going some way towards coping," Fisher added.

Fisher said the Linbro training centre was close to Alexandra Township, with

(53) B/Dan 6/6/90
THEO RAWANA

easy access to Pretoria and the East Rand.

He said SA lagged far behind the rest of the world in the proportion of entrepreneurs it had.

"Less than 5% of the economically active population of SA become entrepreneurs, while the world

average is between 10% and 12%.

"In the US between 14% and 15% of the economically active population are entrepreneurs," he added.

The SBDC was providing training in all the major centres in SA, with emphasis on the neglected areas where the need was greatest, he said.

Cape Times 7/6/90
53

Objections to college not racially motivated

From Councillor ARTHUR J WIENBURG (Cape Town):

YOUR editorial (Thursday, May 31) and Gerald Shaw's column (Friday, June 1) were nothing short of an insult to the good burghers of Rondebosch, let alone the 23 councillors out of 28 who voted in favour of retaining a block of flats for the comfort and convenience of elderly residents.

You choose to ignore the town-planning implications of the matter.

Mr Shaw's remark about the residents' objection is a distortion of the facts. The objection is to students, not "black" students.

You have further chosen to ignore well-documented problems experienced by the residents of the area who have suffered long and hard as a result of the location of the present (all-white) hostel.

Ask the residents to give you details of the anti-social behaviour they have endured over the years and publish this in order to allow the other side to be heard.

To suggest that the objections were made on racial grounds is insulting to the majority of the residents and displays ignorance of the issue.

About 100 objectors, representing about 90% of the residents, objected to the rezoning stating reasons which could not be construed as racial.

Are you alleging that the majority of these people objected on racial grounds?

If your newspaper has facts which show this to be so it owes it to Cape Town to reveal these facts and identify those racist elements by name.

You have not told your readers of Leaf's desire to relocate elderly, protected tenants to the top floor of a block of flats containing no lift. Added to this would have been the noise of two storeys of classrooms below converted from the balance of low-cost, desperately needed accommodation.

You chose to ignore the plight of elderly folk having to put up with 230 pupils walking up and down stairs, talking in the corridors and on the steps, and noise from classrooms between 8am and 5pm, Mondays to Fridays.

Is this the quality of life the Cape Times wants for our senior citizens?

To continue your ludicrous suggestion is to besmirch the councillors who voted against the application. Is the Mayor, Gordon Olivier, a racist? Are Eulalie Stott, John Sonnenberg, Neil Ross, Rupert Hurley, myself and all the others racists because we chose to apply town-planning principles to a town-planning issue?

Can you tell your readers of the town-planning issues in favour of the application? I think not, for they don't exist.

The chairman of Town Planning — Clive Keegan — acknowledged that the opposition to the application was not on racial grounds and he had a clearer picture of the issue than you have.

Will the council now have to consider the race of the applicant and beneficiary before taking decisions?

Are you suggesting that the council, in order

to prove its "liberalism", be required to approve any application where the beneficiaries are black?

Your paper owes the good citizens of Rondebosch and the 22 councillors who heeded my plea an apology.

I trust you will be big enough to do the decent thing.

□ Mr Wienburg has omitted vital facts. If town-planning considerations are paramount, it is puzzling that the majority of the council brushed aside the recommendations of its own town-planning department, the approval of the town-planning committee and indeed of Exco itself. The council in fact rejected the city planner's positive recommendation and his view that the proposed college would not result in a material change to the area but would accord with the strong educational ambience which Rondebosch already enjoys. Earlier the executive of the Rondebosch Ratepayers Association had informed the city planners that they had no objection, subject to protected tenants not being evicted from Myrtle Manor. Conflicts of interest of this kind are always difficult to resolve. Yet the council's decision was indeed regrettable, in our view, given the pressing educational need which the Leaf college would help to redress, and was a failure of civic leadership. The good faith and commitment of Mr Wienburg and his colleagues to protect the interests of their constituents are not in question. Whether considerations other than town-planning considerations play any role in this controversy may be left to readers to decide for themselves. — Editor, Cape Times.

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11/6/90
Trainee teachers in
boycott over lecturer

Education Reporter

More than 1 000 pupils at the Transvaal College of Education in Soshanguve, calling for the withdrawal of a lecturer, have embarked on a class boycott.

The students' representative council said in a statement that the boycott began on Wednesday.

Other demands included that lecturers who had been transferred to new subjects and departments this year be allowed to return to their original subjects.

Grievances

The statement said a memorandum of complaints had been submitted to the rector, who said students had to return to classes before their grievances would be addressed.

The administration had threatened to close the college if pupils failed to return to class, the statement said.

A meeting between the governing council and the SRC is scheduled to take place today.

Non-racial technikons a must, says Rosholt

Cap. Times 11/6/90 Own Correspondent (53)

DURBAN. — Technikons should become completely non-racial and must be integrated with the rest of the tertiary education system, according to Mr Mike Rosholt, chairman of Barlow Rand.

He was speaking at the stone-laying ceremony for M L Sultan Technikon's R8,5-million new academic and administration block.

Mr Rosholt said the fallacy in black communities that technical work was somehow second-class was being "rapidly exposed by the sheer demand for it", adding that closer links between technikons and other tertiary institutions were required so that students could transfer from technikons to universities and vice versa.

"There also needs to be integration between technikons and the school system," he said.

QUESTIONS

†Indicates translated version.


For oral reply:

Own Affairs:


Questions standing over from Tuesday, 5 June 1990:

Cape Province: hospitals for Whites only

*1. Mr K M ANDREW asked the Minister of Health Services, Welfare and Housing:

- (1) Whether there are at present or were in May 1990 any hospitals for Whites only in the Cape Province; if so, (a) which hospitals and (b) why; 

- (2) whether all the services provided by these hospitals are now available to all races; if so, since when; if not, why not;

- (3) whether any change is planned in regard to such hospitals; if so, what change?  B1161E

†The MINISTER OF HEALTH SERVICES, WELFARE AND HOUSING:

- (1) (a) and (b) No.

Four provincial hospitals in the Cape Province were transferred to the Administration: House of Assembly in terms of the Republic of South Africa Constitution Act, 1983.

- (2) Yes. All the services provided by these hospitals have always been available to all races subject to the availability of funds.

- (3) No.

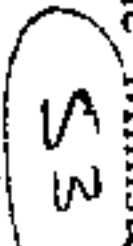
Mr K M ANDREW: Mr Speaker, arising from the hon the Minister's reply, is he aware that as recently as this month people phoning Conradie Hospital in Cape Town for information about admission have been asked what their colour is? [Interjections.]

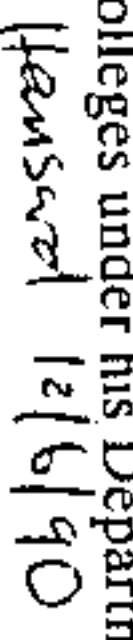
†The MINISTER: Mr Speaker, to the best of my knowledge, the four hospitals that are under discussion here are the Volks Hospital, William Slater Hospital, the Port Elizabeth General Hospital and the Walvis Bay Hospital. It seems to me that the hon member for Cape Town Gardens directed his question to the wrong address.

*2. Mr K M ANDREW — Health Services, Welfare and Housing. [Question standing over.]

New questions:

White teachers' colleges: persons of colour

*1. Mr A GERBER asked the Minister of Education and Culture:† 

Whether it is his Department's policy that persons of colour be permitted (a) to receive education and (b) to reside in hostels at White teachers' colleges; if not, why not; if so, how many persons of colour are currently (i) studying, and (ii) residing in hostels, at teachers' colleges under his Department's control?  B1185E

†The MINISTER OF HEALTH SERVICES, WELFARE AND HOUSING (for the Minister of Education and Culture):

- (a) Yes, in terms of Items 2 and 14 of Schedule 1 of the Constitution, service is rendered at three teachers' colleges,

- (i) 285 distance teaching students at the Natal College of Education, 11 B Prim Ed students at the Edgewood College of Education and 53 B Prim Ed students at the Johannesburg College of Education;

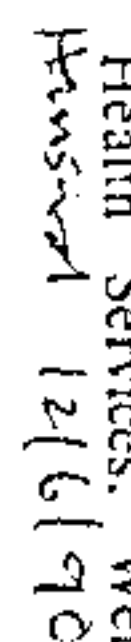
- (b) no, because the Department does not render a service in this respect, (ii) falls away.


†Mr A GERBER: Mr Speaker, arising out of the hon the Minister's reply, can he tell us whether tuition at the teaching college and residency in hostels of that teaching college are also regarded as services to persons of colour?

†The MINISTER: Mr Speaker, the hon member for Brits will surely not take offence if I do not reply to his supplementary question. I believe he must utilise the opportunity and put the question to my hon colleague, the hon the Minister of Education and Culture. [Interjections.]

Business interrupted in accordance with Rule 180C (3) of the Standing Rules of Parliament.

Homes for the aged: already non-racial

*2. Mr H D K VAN DER MERWE asked the Minister of Health Services, Welfare and Housing:†  B1185E

Whether the homes for the aged falling under his Department are non-racial already; if so, from what date; if not, why not?  B1187E

†The MINISTER OF HEALTH SERVICES, WELFARE AND HOUSING:


The Department at present subsidises 428 homes for the aged. The policy in respect of admittance to these homes is determined by the managements and owners of the homes concerned. The Department subsidises only Whites who are admitted to these homes.


The Department of Health Services and Welfare controls and operates four homes for the aged, namely Tini Vorster Home, Sonop, Karatara and Sliwerkroon. At present only Whites are admitted to these homes as they are community orientated.

Lumpy-skin disease: shortage of vaccine

*3. Mr W L VAN DER MERWE asked the Minister of Agricultural Development:†

- (1) Whether any shortage of vaccine supplied by Onderstepoort for the combating of lumpy-skin disease has been experienced since 1 January 1989; if so, why;

- (2) how many doses of vaccine have been provided (a) in the Republic and (b) to African states and other countries since that date; 

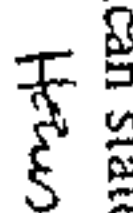
- (3) in respect of what date is this information furnished?  B1226E


†The MINISTER OF AGRICULTURAL DEVELOPMENT:

- (1) Yes, a shortage of lumpy-skin disease vaccine was experienced due to the fact that the disease took on epidemic proportions at the end of 1989. One of the reasons for this is that farmers neglected to immunise their stock the preceding period. The supply and production of vaccine coincided with the demand because the vaccine does not have a long shelf-life.

There has not been a shortage of lumpy-skin disease vaccine since mid-April 1990.

- (2) (a) 4 409 900 doses were supplied in the RSA between 1 January 1989 and 31 May 1990.


- (b) 144 900 doses (that is 3,18% of the total 4 554 800 doses manufactured) were supplied to foreign countries (including African states) during the same period.  B126/90

- (3) The period in respect of which this information is supplied is 1 January 1989 to 31 May 1990. 

For written reply:


General Affairs:

Harms Commission: counsel for SAP

299. Mr S S VAN DER MERWE asked the Minister of Law and Order: 

- (1) (a) (i) What are the names of the senior and junior counsel appearing for the South African Police before the Harms Commission and (ii) how many years has each such counsel been in practice and (b) what arrangements have been made between the Police and such counsel regarding remuneration to be paid to them,

- (2) whether any counsel are being paid retainers; if so (a) to whom are such retainers being paid and (b) (i) how much is being paid, and (ii) why, in each case;

- (3) whether any arrangement has been made between the Police and any counsel regarding the (a) duration of services and (b) length of notice required for the termination of such services; if so, (i) what are these arrangements, and (ii) why were they made, in each case?  B776E

†The MINISTER OF LAW AND ORDER:

- (1) (a) (i) Advocate L Visser (SC)
Advocate S J Maritz (SC)
Advocate M D Du Preez
Advocate P Kemp

- (ii) 20 years
17 years
14 years
11 years

- (b) The fee structure of the advocates was compiled beforehand by way of agreement.

- (2) No.
(a) and (b) Fall away.

- (2) (a) 25 764
(b) 4 320
(c) 1 535

NOTE: A large number of the stolen vehicles are taken to countries such as Mozambique, Zimbabwe, Zambia, Zaire, Tanzania, Malawi, Botswana, Swaziland and Lesotho. Although some of these vehicles are identified in the countries concerned, it is difficult to retrieve them as the co-operation of the authorities of these countries cannot be obtained.

Police Force: resignations/shortage

501. Mr S S VAN DER MERWE asked the Minister of Law and Order:

- (1) (a) How many policemen of each rank resigned from the Police Force (i) in 1989 and (ii) from 1 January 1990 up to the latest specified date for which information is available and (b) how many new recruits were there during each of these periods;

(2) what was the shortage of policemen of each rank in each province as at (a) the latest specified date for which figures are available and (b) 31 December 1989?

B1155E

The MINISTER OF LAW AND ORDER:

- (1) (a) (i) 3 048 in 1989.
(ii) 2 589 until 31 May 1990.
(b) (i) 3 716 in 1989.
(ii) 4 154 until 31 May 1990.
- (2) (a) On 31 May 1990, 4 925 posts were vacant country-wide.
(b) On 31 December 1989, 5 304 posts were vacant country-wide.

PE area: technicians

505. Mr E W TRENT asked the Minister of National Education:

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- (1) (a) How many technicians for (i) Whites, (ii) Blacks, (iii) Coloureds and (iv) Indians are there in the Port Elizabeth area and (b) in respect of what date is this information furnished;

(2) what was the (a) capacity of and (b) enrolment at each such technician as at the latest specified date in 1990 for which information is available;

HOUSE OF ASSEMBLY

Whether there are any clinics for the termination of pregnancies in South Africa; if so, (a) (i) what are their names and (ii) where is each located and (b) in respect of what date is this information furnished?

19/6/90 B1266E

The MINISTER OF NATIONAL HEALTH AND POPULATION DEVELOPMENT:

No, there are no specific clinics for the termination of pregnancies but abortions are carried out at provincial hospitals and some private hospitals

- (a) (i) and (ii) provincial hospitals, Sandton Clinic, Louis Leipoldt Hospital, Bellville, and Poli Clinic, Port Elizabeth
(b) 11 June 1990.

Diarrhoea/dysentery: child deaths

541. Mr M J ELLIS asked the Minister of Home Affairs:

Whether the Central Statistical Service keeps statistics of the number of (a) White, (b) Coloured, (c) Indian and (d) Black children who died of (i) diarrhoea and (ii) dysentery; if not, why not; if so, what are the relevant

statistics for 1989 or the latest specified year for which they are available?

B1276E

The MINISTER OF HOME AFFAIRS:

Statistics on children who died of diarrhoea and dysentery are not kept separately. In the compilation of statistics on deaths, the Statistical Classification of Diseases, Injuries and Causes of Death (which is based on the International Classification of Diseases) is used to distinguish the different causes of death. Diarrhoea and dysentery are not identified separately but fall under Ill-defined Intestinal Infections in the group Intestinal Infectious Diseases. Child deaths in this category during 1988 (the latest year for which such statistics are available) were:

- Children*
(a) 15
(b) 805
(c)** 11
(d) 3 892

* Children under one year of age. This age group is normally used to calculate the infant mortality rate.

** Asians are shown. Data on Indians are not separately available.

Unemployment Insurance Fund benefits: OFS

519. Mr L FUCHS asked the Minister of Manpower:

- (1) What total amount was paid out in Unemployment Insurance Fund benefits in the Orange Free State in the 1988-89 and 1989-90 financial years, respectively;
- (2) in respect of each of these financial years, (a) how many (i) Blacks, (ii) Whites, (iii) Coloureds and (iv) Indians received such benefits and (b) what was the total amount involved in each case?

The MINISTER OF MANPOWER:

- (1) 1988 — R21 518 683
1989 — R30 336 445

- (2) (a) and (b) Figures for the different population groups are not readily available.

NOTE: The figures are for the period 1 January to 31 December of each year concerned.

Clinics for termination of pregnancies

531. Mr A J LEON asked the Minister of National Health and Population Development:

19/6/90

Big guns get together



SHOW OF FORCE . . . This picture of strength presented itself yesterday when a former chief of the SADF and three former chiefs of the navy attended a ceremony at the SA Merchant Navy academy at Granger Bay yesterday. They are from left: Former navy chief Vice-Admiral Glen Syndercombe, former SADF chief Admiral Hugo Biermann and former navy chiefs Vice-Admirals James Johnson and J C Walters.

Picture: RICHARD BELL

General Botha now part of Cape Tech

Staff Reporter

GENERAL BOTHA, the SA Merchant Navy academy at Granger Bay, was incorporated into the Cape Technikon at a ceremony at the academy yesterday.

Guest speaker Mr Piet Clase, Minister of Education and Culture in the House of Assembly, said the technikon was now particularly suited to be the home of centra-

lised training for deck officers and marine engineers.

The facilities at the technikon and at Granger Bay would be more than sufficient for the establishment of a school of marine training, he said.

"Higher diploma courses could be developed to meet the need for advanced maritime training."

Mr Clase also said a service

could be rendered to the community by involving the general public to a greater extent in short courses.

The incorporation was made official when the chairman of the academy's board of control, Captain A W Bluett, handed over the facility to Mr Alan Bramwell, president of the technikon council.

Training to serve the economy

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THE direction of accountancy in a future SA should not be to provide more highly qualified chartered accountants but to provide more people educated in accounting to serve the economy, says Institute of Accounting Technicians (IAT) executive director Bill Shellard.

The accounting course offered by the institute is designed to combine academic and practical training while trainees gain business experience.

The IAT qualification, the National Diploma in Accounting, can be done through part-time study at

one of several technikons - Wits Technikon, Technikon RSA, M L Sultan and Mangosuthu in Natal and the Peninsula Technikon in the Cape.

The three-year diploma requires a university entrance matric, but mathematics is not an essential requirement as long as the matriculant has accounting at Std 10 level.

The syllabus includes financial accounting I, II and III, taxation, law, basic auditing principles, business economics and economics.

Business communication is an important element in

the course, taken in the first and third years.

Shellard says the course is the brainchild of the SA Institute of Chartered Accountants (SAICA) which devised the syllabus about 10 years ago. IAT has strong links with SAICA, although it is independent.

After qualifying, an accounting technician can fill the position of assistant accountant or higher in a small to medium-sized firm and is qualified to be an accounting adviser to closed corporations.

Around 5% of the institute's full members are black and around 30% of students are black.

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Careers in accountancy

01 Dec 25/6/90

Clear communication is a vital quality

OBJECTIVE thought is the most important requirement for a chartered secretary or business administrator, says the SA Institute of Chartered Secretaries and Administrators (CIS).

Other qualities the institute highlights in its booklet, Information for Students, are numeracy and literacy.

"There is a critical need for clear and direct communication internally and externally at various lev-

els, from board directors to customers, bankers and brokers to shareholders and taxation and other government officials," the institute says.

A chartered secretary or business administrator can choose between working in a company or a private practice acting as consultant to small or medium-sized businesses in plan-

ning, organising, controlling and submitting financial returns at year end.

Administrators can either stay in general management or specialise.

"It is the business administrator's responsibility to ensure the company is legally constituted, economically viable and properly organised for maximum

productivity," the institute says.

There is no upper age limit for entry and the minimum age requirement is 16. The CIS qualification can be achieved with a national certificate or matriculation exemption. The institute says many students have tertiary education, often a general BCom degree, but this is not ne-

cessary.

The CIS qualification can be read in three years full-time or part-time study or through a correspondence course. The syllabus covers commercial law, communications, management information systems, financial accounting and cost accounting. It is offered through technicians or correspondence colleges.

The course is recognised internationally.

In order to qualify as a member of the CIS, an applicant must have passed all the CIS exams, be at least 21 and have practical experience in an organisation - usually at least six years experience but there are special cases.

To become a Fellow of the institute, an applicant must be at least 25, have served eight years in an organisation and have held a senior position.

... was derived from the final dividend paid by

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Urban Foundation receives R100 000

WILSON ZWANE

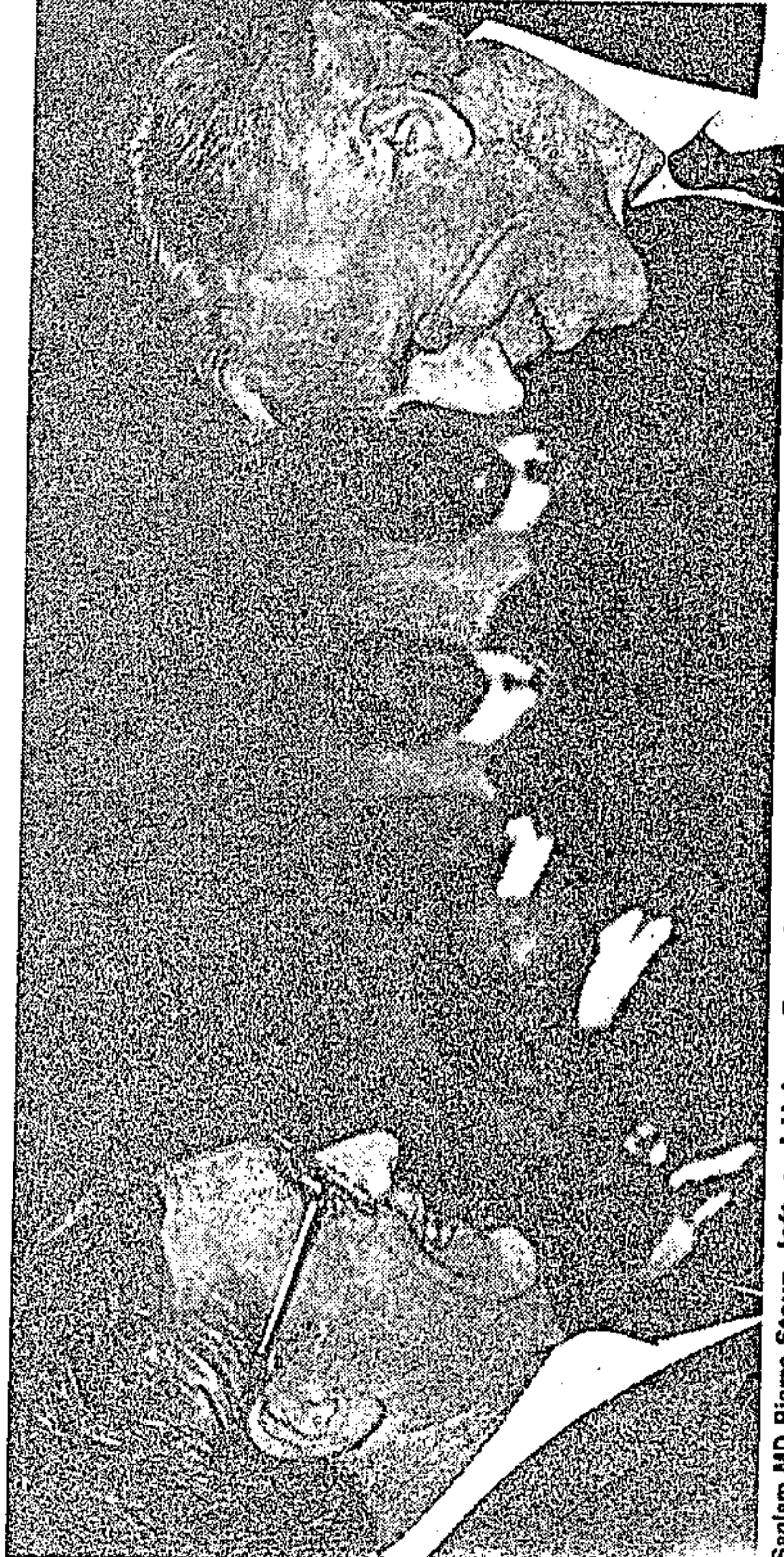
THE Urban Foundation's primary school science programme got a boost yesterday in the form of a R100 000 donation from Sanlam.

Part of the money will be used on the East Rand — in Katlehong, Vosloorus and Thokoza — for workshops and material supplies for primary teachers.

The rest will go into a pilot programme, and to teacher training colleges in Lebowa.

Urban Foundation CE Sam van Coller accepted the cheque from Sanlam MD Pierre Steyn.

The Foundation's Primary Science Programme aims to overcome difficulties in the teaching of science in black primary schools, through improving the skills of both teachers and pupils. According to the Foundation, about 1 000 teachers in the Transvaal region alone have gone through the programme since its inception three years ago. Last year the programme involved 1 303 schools and 2 125 teachers countrywide.



Sanlam MD Pierre Steyn, left, and Urban Foundation CE Sam van Coller after Sanlam's donation to the foundation in Johannesburg yesterday.

Picture: ROBERT BOTHA

Segregated role of RSCs becoming blurred

PETER DELMAR

REGIONAL services councils (RSCs) could provide the momentum for a move away from racially segregated local authorities

priorities in their own areas. While South

Youngsters see their future



Happiness is seeing the walls of the technical college you hope to attend one day rising around you. Four youngsters, Violet Masuku, left, Priscilla Hlongwane, Santha Masilela and Simon Fabatsa, were on site at the new ACE College in Alexandra when Alan Tindall, chairman of the Allied Educational Trust, handed over a cheque for R50 000 towards the project. ACE steering committee chairman, Jolyon Nuttall, general manager of The Star, noted that R4,4 million of the R5,5 million needed had now been raised.

Tributes as navy transfers academy to Cape Technikon

Capt. Temp 26/6/90

By TOSH LEVETT-HARDING

IT WAS a sad day at Granger Bay for many high-ranking naval personnel as the South African Merchant Navy Academy, General Botha, was handed over to the Cape Technikon last week.

The handing-over ceremony was sad also because it marked the retirement of five officers on the staff, though four will remain: captains Hubertus Stohr, Simon Pearson and Roger Pawley, and instructor Rob Foster.

The chairman of the Naval Academy's board of control, Captain A W Bluett, said at the ceremony: "In war and peace the 'Bothie Boys' have

proved to be up to the task. We have with us today many who have done not only the Botha proud, but our nation as well.

Ex-cadets Biermann, Walters, Johnson and Syndercombe were all admirals in the South African Navy. Three or four years ago every South African port boasted a Port Captain who was a Botha old boy."

Captain Bluett said that despite political constraints Safmarine, Unicorn and the former South African Transport Services had "done their damndest" to provide training for industry and more important, to provide job opportunities in senior posts ashore and afloat for ex-cadets.

He pointed out that these organisations had in fact created the merchant service.

Captain Bluett gave credit to the vision of the commission set up by the government in 1961 to determine the way ahead.

He said: "It was they who selected Granger Bay as historically, practically, and physically, the ideal location."

"Granger Bay had a shaky start and industry took over cadet recruitment in 1970. Coincidental with the development of Granger Bay — purely for nautical training — the engineer cadet scheme was started at the Cape and Natal technikons, with practical training at the SATS workshops. This programme proved highly successful."

He added that one single maritime complex had covered all the disciplines found in the working of a ship. These included deck, engine room, hotel and catering duties.

Captain Bluett concluded: "With this in mind our board proposed that the Naval Academy become the Technikon's Maritime Campus."

Computer training ⁽⁵³⁾ courses at Unisa

THE Institute for Continuing Education at the University of South Africa (Unisa) has lined up dates starting next month for an introductory course in computers.

Mrs Betsi van der Watt, the institute's PRO, said the aim of the course is to introduce students to the whole spectrum of applications that computers can be used for at work as well as at home.

She said because the students will be exposed to all the computer terminology and possible applications, no specific software package will be dealt with.

Southen 29/6/90

Range

"With 'hands on' experience, we want students to discover the potential of a wide range of application programmes so that they can answer various questions," she said.

"In an informal atmosphere, we aim to reveal the potential of a computer as an instrument that can make a real difference to all sorts of jobs.

All courses are spread over two days. Because of limited numbers, it is essential to register early. Each course is R150.

The dates and times are as follows: July 17 and 18 (6pm to 10pm); August 14 and 15 (9am to 1pm); September 11 and 12 (6pm to 10pm); October 16 and 17 (9am to 1pm); and November 13 and 14 (6pm to 10pm).

For more information contact Betsi at (012) 429-3259 or (012) 429-3250.

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IT WAS billed as the biggest, the most open and the most unified financial market in the world. The plan was breathtakingly ambitious: building a single market in financial services in Europe meant knocking down centuries of established business practices and cutting across areas that member states had always regarded as their own.

In the mid-1980s, financial services were more fragmented than almost any other European industry. A small handful of technical banking directives, a couple of minor measures on stock exchange listing requirements and a dozen or so yellowing draft directives on insurance were the only signs that anybody had thought beyond purely national markets. But now about half of the 50 EC directives that will make up the single market have been passed and the pressure is on to agree to the rest. For the first time, the completion date of end-1992 seems possible.

However, it is becoming clear that the structure of financial services may resemble the original vision only in passing. In January 1993 there will be no dash into the Portuguese stockmarket, neither will there be a flood of Danish insurance companies establishing themselves in Paris.

The savings from a single market in financial services are not going to come quickly; the 23-billion ecu a year — 0.7% of EC GNP — cited in the Cecchini report, a commission document that set out the gains of the single market, now looks far-fetched. Even with all the EC measures in force, deep cultural differences will remain in the way business is done, in taxation between member states, in consumer patterns and loyalties.

It may be possible in theory to sell financial products anywhere, but building a sales network is likely to be prohibitively expensive. Meanwhile, an antiquated payments system means that the simplest cross-

Europe's ambitious single market

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faces a painful birth

LUCY KELLAWAY and TIM DICKSON in London

border payments can take weeks. At least for the consumer, a single market in financial services is likely to remain a fiction.

By contrast, in the wholesale markets, which process large transactions, there is already plenty of cross-border action, though this is less European than global. Electronic trading, the lifting of capital controls and a spate of banking and securities mergers have all shifted the focus of markets beyond national frontiers.

The big financial reforms that nearly all EC countries are carrying out are not an attempt to steal a march on 1992 but are designed to increase their attractions as international financial centres. London did not wait for any EC directive before its Big Bang in 1986, neither did Italy need the second banking directive to pass laws giving its banks more freedom.

This does not mean that the scores of EC legislators and negotiators are wasting their time. The new directives will prevent countries introducing rules that keep each other out, and will also set minimum regulatory standards beneath which member state cannot fall. The effect of the hype itself may also be helpful.

After five years of haggling, there is now a broad consensus among member states over what the single market will look like.

"We have tinkered with some deadlines and changed a few words, but we have not compromised on a single matter of importance. All member states now agree with the basic principles we are trying to establish," says a senior EC official.

The problem is more to find an approach that is compatible with the starkly different ways of doing business in different member states. At first sight, British habits look irredeemably liberal, French, Belgian and southern European habits somewhat protectionist, while the Germans are a mixture of liberal and over-regulated. On closer inspection the differences are more complicated, with alliances ever-changing and shifting, but with agreement possible on a basic model.

This consists of three elements: freedom of capital movements across the community; freedom for EC companies to set up business wherever they like; and freedom to provide services in different coun-

tries. The first has been in place since last July and the effect has been marked. The result has been far greater internationalisation of portfolios, which in itself has increased the pressure to allow companies to raise money wherever they like, and for them to be able to do business anywhere.

In each sector, the idea is that companies should have a "single passport", which will allow them to do business anywhere in the EC. In the jargon, the system is being built on three principles: home country control; mutual recognition; and minimum harmonisation. In plain English, regulators will issue the passport to their home companies and will regulate their companies' operations all over the community. For the system to work, those regulators must be accepted everywhere. That in turn means that some minimum level of regulation set at EC level — covering crucial matters such as the capital requirements of banks and brokers — must be in place everywhere.

One effect of this has been far greater co-operation between EC regulators. Although banking regulators have always co-operated, in securities and in insurance the idea

was relatively novel. Co-operation is being reinforced by new directives on insider trading and money laundering agreed last Monday.

Progress in building the model has edged along at different speeds. The easier parts are through, with the more difficult measures left until last.

The Second Banking Directive, agreed last December, was the first example of single market principles and provides the best glimpse into how the system will work. After 1992 it will allow banks to provide a whole range of services from lending to advisory work to securities business.

Legislation on securities to remove some of the barriers for investors, issuers and intermediaries is in various stages of discussion.

Moves to liberalise the highly fragmented insurance sector have long been frustrated by a lack of political will, the daunting technical challenge of reconciling different European regulatory traditions and the sensitivities surrounding the issue of policyholder protection.

The tough bargaining has yet to get under way in Brussels, but EC officials maintain that all governments (including the Germans) now implicitly accept the principle of the single passport. Key issues are how far the commission can get away with its minimalist approach to regulation and to what extent product design can be liberalised by eliminating national systems of individual policy approval.

Once the 20 or so key directives are through the legislative machine, several areas remain to be tackled — including the market for pension funds. Otherwise the commission seems ready for a future spent devising tiny and technical modifications to existing directives. It will be up to the market to make sure that the reforms deliver their promise. It will be up to member states to agree on the most important measure of all — a single currency. Twelve different currencies and 12 different interest rates are not, after all, the best basis for a big, open and unified financial market. — Financial Times.

Challenge to Somchem lease

BY PETER DENNEHY

ROOI ELS and Pringle Bay ratepayers decided at their annual meetings at the weekend to contest the validity of Armscor subsidiary Somchem's 12-year-old lease of land in the Hangklip area for missile-testing.

Mr Rex Wall, one of five Rooi Els Local Council members, said his council would challenge the validity of the R25-a-year lease in a Cape Supreme Court civil action against either the Overberg Regional Services Council or Somchem.

The court action would begin within weeks, as "a lot of the preliminary work has been done", he said.

The proposed legal challenge is the latest development in an ongoing controversy over the missile-testing range.

Earlier this year Somchem hoped to buy the entire 395ha of land which it leased in the Buffels River Dam catchment area for a nominal R500.

Then, in August, Somchem general manager Mr J P van Wyk offered to reduce the purchase by 158ha. This month Somchem proposed to buy only two portions of the land, comprising 83ha.

Mr Van Wyk could not be reached for comment yesterday, but he has previously said that residents "moved the goalposts" by challenging the validity of the lease.

He also accused the Rooi Els Residents' Association of "breaking off talks".

Dr Denis Cowen, chairman of the Rooi Els Ratepayers' Association, said yesterday that the lease had been challenged a year ago, but it had taken 11 months to "extract the document".

Legal counsel had advised the ratepayers that the courts would find the lease null and void.

It was also untrue that Rooi Els had broken off the talks, he said.

"We had 7½ hours of settlement negotiations on May 2, and it was they (Somchem) who refused to come to the next round of talks on July 27," he said.

Somchem said at the time that there was no use continuing without the Betty's Bay Municipality, which had withdrawn from the talks.

Dr Cowen said that instead of continuing negotiations, Somchem "decided to dig themselves in on the site by the erection of extensive new buildings to the value, on tender, of between R4 million and R5 million".

The latest Somchem offer had been carefully considered. But meetings attended by over 100 residents in both Rooi Els and Pringle Bay had resolved unanimously that Somchem's presence was unwelcome, Dr Cowen said.

A recent meeting of the Betty's Bay Ratepayers' Association carried a similar motion by 74 votes to three.

Over 100 people had attended been presented at both the Rooi Els and the Pringle Bay meetings, Dr Cowen said.

CM Temp 31/12/90

Report warns developing nations to seek new avenues for exports

DEVELOPING countries must find new business avenues if they are to maintain exports to industrialised nations, an International Finance Corporation report says.

Big changes were occurring in the US economy and recently recorded US import growth rates of 17% would not be maintained during the 1990s, the report said.

Reduced US import demand was likely to result from a combination of high real interest rates, efforts to cut the massive US trade deficit, a weaker dollar and less US tax incentives, it said.

The major potential growth areas for exporters would be Europe and the Far East, the report said. Unlike the US, Japan was expected to maintain rapid economic growth and demand for imports from developing countries should remain high.

But the report warned of the problems involved when attempting to establish a presence in the Far East markets.

The structure of the Japanese distribution system encouraged long-term relationships which were difficult to establish. Also, access was a problem as established brand lines enjoyed dominant positions.

Prospective entrants to these markets could choose to bypass traditional market-

NEIL YORKE SMITH

ing systems and aim directly at retailers, or alternatively build partnerships with Japanese firms which had the specialist knowledge of Japanese markets.

Europe appeared to offer promising export opportunities, the report said. But it was not clear how the 1992 unification of the EC would affect exporters from developing nations. (56A) (FBA) (SBA)

It was possible that firms in the unified European market could "come out in strong competition to less developed countries (LDC) manufacturers". These manufacturers could reduce entry costs to the EC by making formal ties with major European businesses.

Some of the problems developing countries faced in trying to boost exports to the EC included dealing with numerous regulations, protectionism and selling in unfamiliar markets.

Anti inflation programmes in the developing countries had reduced local demand for manufactured goods. In this context exports to the major industrialised nations became paramount, the report said.



German farmers bitter over EC subsidy cuts

ARZDORF — A 20-minute drive through the rolling fields above Bonn tells you most of what you need to know about German farming inefficiency.

There is a certain stillness in the villages, frost lies heavy in the fields, preventing outdoor work, and you would be forgiven for thinking that door-bells go unanswered because the inhabitants had gone to Brussels to protest.

Far from signifying a lack of activity, the silence betrays the departure of farmers to their work in nearby towns where they top up their earnings with part-time jobs. Their absence is due to a determined policy pursued by successive German governments to keep inefficient farming practices alive through tax incentives for those setting up in rural areas.

Hamlets are dotted along the minor roads of North Rhine Westphalia and the Rhineland Palatinate as regularly as pearls on a string. Each one reveals the inefficiency that has kept Germany a stubborn defendant of subsidised farming.

Arzdorf, a pretty village 48km from Bonn, has a church and nine farms for a community of 350. Each smallholding is about 30ha on which sugar beet, cereals and cows are rotated.

On the green barn door of the Weiss family farm hangs a poster depicting a chessboard, its pieces knocked over. The slogan reads: "Farmers bankrupt by GATT. Food becomes object of speculation. Say no. The land belongs to farmers."

The daughter, Anna Weiss, is working on the accounts.

"Without the subsidies we would be out of work," she says. "As it is, the DM25 000 profit we made last year disappears into the ground as investment in fertilisers and crops for the next season. Half our land we rent, the rest we own. We can't afford labour costs, so my brother and I see no way of leaving home without bankrupting our parents."

She speaks with envy of the large farms

Own Correspondent

in Britain and America, but believes such a system to be impossible in Germany which, despite a 3% closure rate of farms annually, last year had a total of 640 000 smallholdings.

It is a bitter irony that the most inefficient aspect of the west Germany economy is potentially the most efficient industry in east Germany. While west German territory has the smallest average farm size in the EC, 45 years of collectivisation in east Germany has left a legacy of huge farms that only need good management and the proper financial incentive to start making real money.

"About the last thing we needed was for the Wall to come down," says Weiss. "If EC subsidies are cut, those collectives are the only ones that will pay their way, especially with their lower labour costs."

Incentives

Farmers' bitterness belies an outward prosperity funded by generous government hand-outs which, even if the EC cuts its subsidies, will merely be stepped up to forestall agrarian discontent while perpetuating endemic inefficiency.

Horst Schlupp declines to elaborate on why he invested in constructing his new farm and outbuildings only three years ago. At DM60 000 a hectare, plus tax incentives to offset the purchase costs, some of the richest farming land in Europe is relatively cheap and Schlupp is buying into it while subsidies are high.

Around the corner Hans Hermann, an apple farmer, appears to be the only person smiling in Arzdorf. Asked what difference a cut to his subsidies would make, he replies: "None. The whole thing became too much for me and I've sold the lot. We're getting out of here before it's too late. I'm retiring and my wife is going on working as a secretary in the Ministry of Agriculture."

— Sunday Telegraph.

SA needs to make a decent case for any new investment

8/12/90

289

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Star Bureau

LONDON — The decision by the European Community to lift its ban on new investment in South Africa is unlikely to generate a massive injection of European capital into the Republic.

These were the indications in London and Paris.

A senior official of the United Kingdom-South Africa Trade Association, Nick Mitchell, said the EC move would not make much difference in the patterns of British investment in South Africa because the British had lifted the ban in February.

"The difference is that the South Africans need

to present a decent case in favour of new investment and the lifting of the EC ban means they can, from now on, do it more openly."

Ignored it

He believed the same applied to the situation in France and Italy. "The Italians lifted the investment ban in 1989 while the French have ignored it."

In Paris, a French diplomatic source said: "The decision, for Pretoria, means that there is light at the end of the tunnel."

"Although France voted for the EC measure, President Francois Mitterrand and his socia-

list government have no intention at this stage of honouring it."

"There is too much instability, violence and general uncertainty in South Africa at the moment to attract investment."

But trade sources here said a new contract for South African coal imports might well be signed soon.

At present coal imports, honouring old contracts, stand at about 1.3 million tons annually. This could well be tripled within the next year.

A French banker said: "The French business scene is not about to budge from its wait-and-see attitude."

But business circles said things might change for the better after Le Monde publishes a special supplement on South Africa this week. It is said to be "crammed with advertisements and publicity."

Affect SA

Unfortunately, the EC decision coincides with a media campaign that "Africa is finished so far as foreign investments are concerned," which could also affect South Africa.

The drying up of incentives, such as those for the border-industries within the homelands, is also likely to add to French businessmen's reluctance to invest in South Africa.

FW in for rough ride over repeal of Acts

CARL TRIPS 18/12/90

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Own Correspondent

LONDON. — President F W de Klerk could be in for a rough ride over the next few months in the crucial process of selling the repeal of the Group Areas and Land Acts.

Senior officials involved in sanctions discussions between South Africa and the EC states said yesterday opposition was likely not only from the Conservative Party, but from within the National Party itself.

Because land-based apartheid was so entrenched among many whites, the officials said, Mr De Klerk would "need all the support of EC heads of state he can get to strengthen his hand".

In talks with European leaders this year, Mr De Klerk had "indicated" his intention to announce the repeal of the acts when he opened Parliament in February. He had admitted then that he would be "in for a bit of a rough ride to get them through Parliament".

It would be particularly difficult persuading white rural communities to change the attitudes of a lifetime.

With the US Congress only likely to start repealing the stringent Comprehensive Anti-Apartheid Act once the EC had made substantive moves, the sources said, much would depend on Europe demonstrating to white South Africans the benefits of the EC's new "carrot and stick" sanctions policy.

Difficult task

And EC foreign ministers could start delivering further carrots in a matter of months — should Mr De Klerk stick by his promise to lift the two Acts.

The initial phase of EC support for Mr De Klerk's difficult task of selling reform to the right wing came last Saturday when the European Council meeting in Rome agreed unanimously to lift the 1986 ban on new investments.

The 12 EC leaders also decided

that "as soon as legislative action is taken by the South African government to repeal the Group Areas Act and the Land Acts, the Community and its member states will proceed to an easing of the set of measures adopted in 1986".

These mandatory measures, adopted by the EC in September 1986, include the ban on imports of "certain South African iron and steel and certain gold coins".

But diplomatic sources pointed out that the EC adopted other measures in September 1985, including the restriction on oil exports to South Africa and the arms embargo.

For these to go, they said, the EC — and other bodies which impose them, such as the Commonwealth and United Nations — would expect nothing less than the complete and irreversible dismantling of apartheid and the establishment of a united, non-racial and democratic South Africa.

EC decision galvanises gilts market

THE easing of EC investment sanctions fuelled bullish sentiment in the gilts and financial rand markets yesterday.

But optimism was tempered by the ANC's "hardline resolutions" at its conference over the weekend, dealers said, and the release of SA's trade figures which showed a decline in November's surplus.

The financial rand was marginally firmer at R3,46 to the dollar from Friday's R3,49 on reports that the Reserve Bank saw the easing of investment sanctions as contributing to the process of abolishing the dual exchange rate. A dealer said positive sentiment was checked by the ANC's call for defence units and its April 30 1991 deadline for removing obstacles to negotiations.

Monday 18/12/90

GRETA STEYN

In a volatile day in the gilts market, the benchmark Eskom Loan E168 shed 10 points in early trading to touch a low of 15,61% before the release of the November trade surplus pushed rates back up to close at 15,69%. Although the price of gold was \$4 higher yesterday, an increase in the oil price combined with the weaker trade surplus to dampen bullish sentiment. (S6A) 280

Foreign investors have remained net buyers of gilts and the easing of EC sanctions could heighten demand. Dealers report foreign investors appear to be switching out of E168 stock into government's long-term stock.

● Comment: Page 3

Major's fresh stand closes

EC divide

Star 17/12/90
ROME — Prime Minister John Major steered Britain back towards the European fold at the European Community summit in Rome this weekend, abandoning the uncompromising stand of predecessor Margaret Thatcher.

"This summit marks Britain's return to a position in which it plays a positive role and no longer just seeks to create obstacles," said Italian Foreign Minister Gianni de Michelis.

Two days of cordial and pragmatic talks with the European Community's other 11 national leaders left the British Prime Minister in a confident position for negotiations over the next few months on further political and economic union.

Mr Major (47) drew a sharp distinction between himself and Mrs Thatcher by identifying himself with a younger generation that sees its future solidly in the EC.

Currency

Instead of being ambushed, Mr Major left Rome with a communique that committed no one to anything they did not want.

The Prime Minister, a member of Mrs Thatcher's Cabinet for three years, made it clear that the policies were not, at this stage, changing.

His government would vigorously defend its views on the politically explosive issues of a single European currency and allowing more powers to pass from national parliaments to EC bodies.

The only real shadow over the meeting was a dramatic last-minute statement by European Commission president, Jacques Delors, whose enthusiastic commitment for complete European unity repeatedly clashed with Mrs Thatcher's gut nationalism.

Mr Delors bluntly put his finger on the main point of contention — while 11 states accept in principle that the EC should adopt a single currency, Britain alone does not. — Sapa-Reuter.

Easing of EC sanctions expected to hasten the end of the finrand

THE EC's decision to lift investment sanctions against SA would contribute to the process of abolishing the dual exchange rate system, Reserve Bank Deputy Governor Jan Lombard said yesterday.

And a leading economist predicted the decision would immediately benefit SA by facilitating the easier rollover of foreign debt and improving trade credit terms.

Lombard said it was difficult to estimate to what extent the EC's announcement would hasten the demise of the financial rand which, he said, would be done in stages.

He added an improvement in the capital

account would have to be realised before the finrand was abolished.

The greater interest in SA assets by non-residents who no longer had legal constraints on investment in SA could provide greater support for the financial rand, Lombard said.

Nedbank chief economist Edward Osborn said the EC decision meant SA would be able to roll over its foreign debt with considerable ease, and it was likely that the country's trade credit terms would also be improved.

Osborn said this debt rollover was important because SA was facing a reduced

EDYTH BULBRING

balance of payments surplus next year and without the easier terms there would have been pressure on the rand and the likelihood of a renewed bout of inflation.

If the announcement led to increased

● See Page 3
● Comment: Page 6

foreign investment, it would also hasten the demise of the financial rand, he said.

Standard Bank international division GM Rocco Rossouw said yesterday the EC's decision could remove pressures for

the maintenance of a dual exchange rate.

He said this was another step in the normalisation process which could lead to the withdrawal of the financial rand system, which was introduced to protect SA's balance of payments.

The move was significant for SA's balance of payments and could provide the authorities with greater monetary freedom.

SA Chamber of Business deputy director-general Ron Haywood welcomed the pragmatic realism shown by the leaders of the EC in realising the need to promote economic growth in SA.

He said it would certainly offer encouragement to local multinational companies in SA to expand their local operations and would also focus SA companies on the possibility of forming joint ventures with overseas companies.

Sapa reports that Foreign Minister Pik Botha said SA had entered a new era with the EC's decision.

"It is clear that the government's viewpoint that the process of change is irreversible is beginning to enjoy wider recognition," he said.

"The decision of the 12 EC countries

□ To Page 2

Finrand

must also be seen as an encouragement to all South African leaders, who swear off violence to reach their political goals, to work together closely to get the negotiations on the road towards a new constitution," he said.

ANC publicity secretary Pallo Jordan said: "If and when outside countries reconsider the issue of sanctions, they should do

that in conjunction with the democratic forces in this country.

"In other words, it should be on our initiative that sanctions are dropped. We will say when they are no longer necessary."

Inkatha Freedom Party president Mangosuthu Buthelezi said he was overjoyed. There was hope that new jobs could be created.

□ From Page 1

EC ignores ANC, rewards De Klerk

ROME — EC leaders have welcomed Britain back into the fold, granted \$1.5bn in aid to the Soviet Union, and eased sanctions against SA.

At a harmonious two-day Rome summit that ended on Saturday, the 12 leaders also launched programmes of economic and political union that will occupy the community for the rest of the century.

In deciding to lift its five-year ban on new investment in SA, the EC went against the ANC's recommendations, rewarding President F W de Klerk for his moves to dismantle apartheid.

A summit statement said: "With the aim of contributing to fighting unemployment and improving the economic and social situation in SA and encouraging the current move towards the total abolition of apartheid, the EC has decided to end the ban on new investments."

The EC also held out the prospect of an end to the ban on imports of gold coins, iron, and steel once SA removed the remaining pillars of apartheid. B 17/12/90

Co-operation 17/12/90

In a closing statement the EC demanded that Iraq withdraw from Kuwait by the UN deadline of January 15 and called anew for an international peace conference on the Middle East "at the appropriate time".

Italian Prime Minister Giulio Andreotti said: "There was a climate of great co-operation and an immediate desire to reach agreements."

Many attributed the spirit of goodwill at the summit to the absence of Margaret Thatcher and her strident "no, no, no" to a united Europe for the first time in more than 11 years. Her successor as British prime minister, John Major, made no secret of his aversion to handing too much power to Europe, but won high marks for promising to be constructive.

Italian Foreign Minister Gianni de Michelis said: "This summit marks Britain's return to a position in which it plays a positive role and no longer just seeks to create obstacles."

However, the compliments could not mask deep divisions between Britain and the rest of Europe over the goal of a single currency administered by a European central bank.

EC Commission President Jacques Delors, architect of the plan for economic and monetary union, bluntly told Major to close ranks with the rest of Europe or risk the consequences.

"If Great Britain accepts the final goal of a single currency and of a single central bank, then we can work as 12," Delors said.

If Major's ideas for a "hard ecu" currency to circulate alongside existing national money were meant as a delaying tactic, Delors wanted nothing of it.

"That would just be a distraction, and if we have to provoke a political crisis, then so be it," he said.

Finance ministers formally began work on Saturday on EC treaty revisions required for monetary union.

A parallel conference, called to thrash out a common EC security and foreign policy, was also convened.

Both debates involve fundamental questions of sovereignty and national identity. But on Saturday the leaders glided over their differences, simply laying down broad guidelines for their ministers for the months of talks that lie ahead.

Fearful that the fall of President Mikhail Gorbachev would end the move to free markets and democracy in the Soviet Union, the community approved \$1bn in food aid — a third of it in grants, the rest as loans — and more than \$500m in technical help in 1991 for the Soviet economy.

The leaders also granted \$140m in emergency food and medical aid for Bulgaria and Romania and promised to help Czechoslovakia make the transition to a market economy.

However, they balked at opening their own farm economies to market forces, refusing to offer the deeper cut in EC agricultural subsidies that the US says is the key to restarting stalled world trade talks. — Sapa-Reuter.

EC aid to kingdom to focus on hydro-power project

S6A CHARLOTTE MATHEW

EUROPEAN Community (EC) co-operation with the southern African region will intensify in future as the EC believes political developments taking place will make it one of the most important regions in Africa.

EC representative A Kratz said at the signing of the Katse Dam and tunnels contracts for the Lesotho Highlands Water Project (LHWP) in Maseru at the weekend that the EC's involvement in Lesotho in 1991 would focus on the hydro-power scheme.

The successful tenderer for the Katse Dam contract, worth R793m rising to R1,2bn with escalations and contingencies, was a seven-party consortium led by Impregilo of Italy and including Bouygues of France, Concor and Group 5 of SA, Hochtief of Germany, and Kler & Stirling of the UK.

The successful tenderer for the three tunnels, a contract worth R858m rising to R1,3bn with escalations and contingencies, was the five-party consortium led by Spie Batignolles of France and including Balfour Beatty of the UK, Campenon Bernard of France, LTA of SA and Zublin of Germany.

Lesotho Highlands Development Authority (LHDA) CE Masupha Sole said the second phase of the project, the hydro-power scheme, was now certain to go ahead. B 10 29 17/12/70

"The benefits of the LHWP to Lesotho will be the revenue generated by the sale of water to SA, which will bring in \$60m a year in net profit, the generation of electricity for Lesotho, the massive infrastructure on roads and health and education and the creation of employment."

A statement said the World Bank in conjunction with Germany, France, Britain, Ireland and the US had helped to arrange the financing for the project.

Picture: HORACE POTTER

the move as an important step on the road back to international acceptance for South Africa".

"But foreign investors will want to see more evi-

□ To Page 2

Reserve Bank: It's great news

STimes 16/12/90
THE European Community's decision to lift investment sanctions was "exciting", Reserve Bank deputy governor Professor Jan Lombard said last night.

By MARION DUNCAN

"This is very good news indeed," he said.

"What I think will happen now is that investors, such as financial houses and brokers, will probably feel free to make a market for South African issues.

"This is also the time when the reputation South Africa has built up for itself as an honourable debtor nation will stand us in very good stead.

"We have carried out our obligations under the Interim Debt Arrangement in such a way that our creditors are most

impressed.

"We have built up, under investment constraints, a name for South Africa as a country that meets its obligations, even to the detriment of its domestic activity, and that is going to be very important to us in the years ahead."

Professor Lombard added: "At this point, the lifting of the ban is more symbolic than anything else — it is a matter of principle rather than practice.

"But it will certainly free international financial institutions to deal more openly with us.

"The importance of the development cannot be underestimated."

BLOW FOR ANC'S SANCTIONS PLAN

56A

Dismay as EC lifts investment ban

By SEKOLA SELLO and SAPA C 16/12/90

THE ANC's sanctions campaign was dealt a severe blow yesterday when the European Community (EC) announced it would lift its ban on new investments in South Africa immediately.

However, at an ANC conference in Johannesburg yesterday which included most members of the National Executive Committee, delegates voted unanimously in favour of the sanctions package which existed before the EC made yesterday's controversial decision.

ANC information chief Pallo Jordan said it took his organisation 20 years to convince the EC to impose sanctions and should the EC decide to reverse this decision, the ANC will fight, if needs be, for another 20 years to have sanctions imposed again.

After the 12 EC leaders announced their decision, British Prime Minister John Major said in Rome: "We recognise the huge changes President FW de Klerk has brought about and the Community has agreed to immediately lift the investment ban imposed in 1986."

German Chancellor Helmut Kohl said the EC would lift all sanctions against South Africa when Pretoria released all political prisoners and repealed key legislation on racial segregation.

ANC President Oliver Tambo said earlier this week his organisation should reconsider its stance on sanctions. "We must re-evaluate the role of sanctions in the light of new developments."

This was interpreted in some political and business circles as an indication that the organisation was shifting from its firm stance on sanctions.

Yesterday Jordan clarified Tambo's statement, saying it did not mean the organisation had changed its position. He said "re-examination" meant "re-examination" and "re-examination" meant "re-examination".



Kaizer arrested over coup attempt

FORMER Transkei president Kaizer Matanzima was arrested on Thursday morning and is being detained under the Transkei Security Act.

Transkei Police spokesman Gen LR Mankahla said Matanzima was detained when his name featured prominently in investigations following the abortive coup by Lt-Col Craig Duli three weeks ago.

Mankahla revealed that so far 17 people have been detained in connection with the coup attempt. 103

Matanzima's arrest came soon after he claimed he had asked the South African Government to re-incorporate western Transkei into South Africa because he was serving under the

By SEKOLA SELLO and SA

THE ANC's sanctions cam when the European Comm on new investments in Sou However, at an ANC con included most members c delegates voted unanimously existed before the EC mad ANC information chief I 20 years to convince the EC decide to reverse this decisio other 20 years to have san After the 12 EC leaders Minister John Major said in President FW de Klerk has agreed to immediately lift t German Chancellor Hel sanctions against South Afr prisoners and repealed key l for "an described the EC EC is not convinced by our ANC spokesman Oliver Ta tion should reconsider its sta the role of sanctions in the This was interpreted in sc indication that the organisati sanctions.

Yesterday Jordan clarifie mean the organisation had ct ing a position did not nec- estarily mean changing" Jordan went on to state the ANC was still com- mitted to sanctions.

He said only democrat- ic formations in the coun- try could decide whether sanctions should be lifted or not.

ANC delegates at the conference unanimously approved a draft docu- ment which appealed to the EC, US Congress, the European Free Trade Area group and all inter- national bodies to post- pone debate on the sanc- tions issue until the ANC and all democratic groups in South Africa had initiated discussions with them.

Conference delegates said it was necessary to "counteract the growing perception that De Klerk and his government should be rewarded for recent reforms and to be aware that the basic insti- tutions of apartheid were still firmly in place".

"The SA government continues to use violence and police repression to suppress legitimate politi- cal and civic actions."

It also expressed alarm over "orchestrated vio- lence" against defence- less citizens, especially in townships. Elements within the SA security es- tablishment, the confer- ence charged, were impli- cated in the violence.

Foreign Affairs Minis- ter Pik Botha said yester- day: "The government's viewpoint that the pro- cess of change is irreversible is beginning to enjoy wider recognition."

"This also means the President's initiatives have started a dramatic reversal in South Africa's foreign relations."

The EC decision was also welcomed by the Democratic Party's lead- er, Zac de Beer.

'Farmer set me alight' - boy



Power to all... but the ANC yesterday decided to stick to the original sanctions package which was drawn up in 1986.

By ELIAS MALULEKE

A 15-year-old farm labourer, Frank Bungeni Makwate, was turned into a human torch this week when a Messina farmer allegedly doused him with petrol and set him alight.

And, instead of his attacker being arrested, the boy is now under police guard in Messina's Limpopo Hospital where he is being treated for first and second degree burns.

According to a doctor he has been burnt from the waist to his face, back and hands.

Talking to *City Press* from his hospital bed, the boy told how flames ate up his flesh while his wrists were manacled and welded to a huge steel table while the khaki-clad farmer watched.

The gruesome incident took place last Saturday at Hayoma Farm on the banks of the Njelele River near Messina.

Makwate says his ex-boss, Jan van der Westhuizen, who also employs his mother, set him alight after accusing him of having stolen his gun.

He was saved by another farmworker, Jerry Maphela, who stepped in to douse the flames with water.

He then collapsed, writhing in pain, while another worker, Johannes Baloyi Makhubela, used a hacksaw to cut the

Frank Bungeni Makwate, 15, was allegedly set alight by a Messina farmer who accused him of having stolen a gun. ■ PIC: EVANS BROWNE

26 Islanders out, 205 still held

round steel bars that had been welded "tightly" around his wrists on to the table.

"I did not care what bars Jan was going to do to me, I used a hacksaw to cut the steel from his wrists," Makhubela said.

Makwate said Van der Westhuizen refused to take him to hospital. He had to wait in agony for police to take him. When approached for comment, Van der Westhuizen was aggressive and threatened to call the police and charge *City Press* with trespassing.

"If a man steals your gun and threat- ens to shoot your workers, what must you do with him when you find him? Please do not confront me. If you want information go to the police," he said.

The blonde and bearded Van der Westhuizen claimed he was a policeman and "knew what he was doing".

A police liaison officer for the North- ern Transvaal, Lt Werner Volgt, said Makwate was "a prime suspect" in several theft charges which included sto- len cars and housebreaking.

Makwate denied these claims.

He said the farmer found him on Saturday morning on the farm Hayoma

near Minister of Law and Order Adriaan Vlok, was released from Robben Is- land on Friday.

Nana Robert Maititi served one year of a two- year sentence imposed after an appeal against a five-year sentence for ter- rorism and possession of a banned publication.

He was arrested in Oc- tober 1988 while carrying a primed limpet mine 150m from where Vlok roads man, convicted of terrorism for being in pos- session of a limpet mine

Barry Pale and Diana Mlumi were married at Pollsmoor Prison yester- day morning.

After the ceremony the groom remained in deten- tion while his wife cele- brated their wedding with friends and the freed pris- oners at Cowley House in Woodstock.

At the time of going to press the names of the 26 Services ferry shortly be- fore noon in Table Bay harbour yesterday.

But there was some happiness in the air as TWENTY-SIX Robben Island prisoners were re- leased yesterday, leaving 205 still held in the notori- ous political prison.

The surprise releases appeared to have caught friends and relatives un- aware because not more than a handful of people arrived to greet the ex- prisoners when they stepped off the Prison Services ferry shortly be- fore noon in Table Bay harbour yesterday.

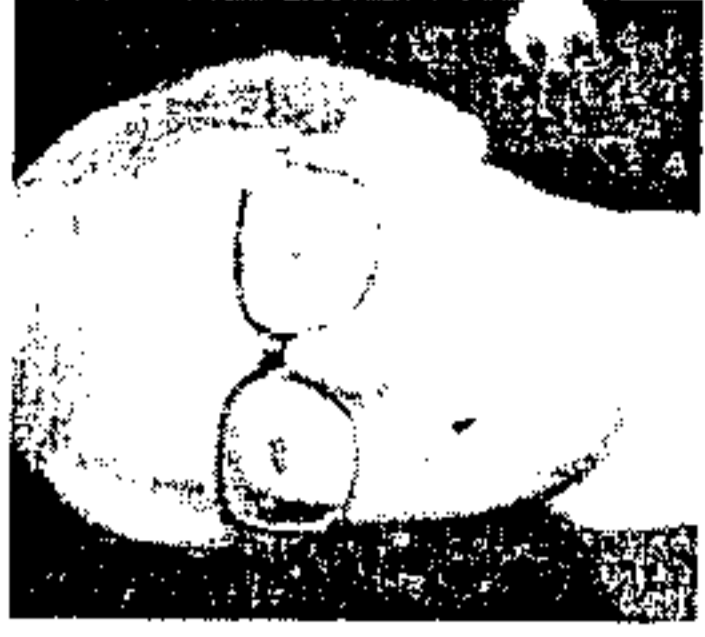
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inks to JOHN
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May we convey a message
 Of love and reconciliation
 In the name of our people
 May we all live to say
 Have a peaceful Christmas
 And a happy New Year

Christmas
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Europe snubs ANC plea in historic decision to lift sanctions, starting now

COMMING HER COULD



BRITISH Premier John Major: "We recognise the huge changes President de Klerk has brought about..."

S/Times 16/12/90

56M

Dogs of war escap from Gulf

By JEREMY BROOK
London

TWO South African held "hostage" dogs wait have been wled to freedom. They arrived in two weeks ago spending four holed up in a flat with their former Johan security con: Roger Bartlett.

Their rescue was cret until the "hostage" dogs were taken to Iraq's hostage a Mango and Skip, a bull-terrier and a collie, were sneaked out of Kuwait after Roger's wife, Helen, appealed to the Foreign Office for help. Helen, who was among the first evacuees to leave when Iraq invaded Kuwait four months ago, told British officials her husband was risking his life by keeping the dogs holed up in various Kuwaiti cities.

SA is back from the cold

S/Times 16/12/90
From Page 1

Mbeki, has been lobbying for three weeks in the UN and EC for them to hold the line.

The move is likely to lead to reprimand. An official discussion document — said to be drawn up by a senior member of the movement's national executive — emphasised that the sanctions campaign was crumbling and advised that the ANC should move swiftly to claim the credit for the lifting of the ban.

It stated that there was a growing feeling that sanctions should be eased to support the "irreversible" of the government's reform programme. If the ANC insisted that the pressure should be kept up and the opposite happened, "the perception will be created that the government had scored a major victory over the ANC".

This would result in the... cated the document and Mr Tambo's speech caused much unhappiness among rank-and-file delegates. In the discussion on sanctions, there was an almost unanimous insistence on the retention of headline sanctions.

This mood prompted the national executive to reconvene. It came up with the final resolution which was presented to the conference.

But congress delegates chose to ignore the call. Senior ANC sources indicated the document and Mr Tambo's speech caused much unhappiness among rank-and-file delegates. In the discussion on sanctions, there was an almost unanimous insistence on the retention of headline sanctions.

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Sunday Times Reporters

EUROPE yesterday lifted investment sanctions against South Africa and promised to dump the rest — handing President F W de Klerk the biggest accolade yet for his reform programme.

The decision, announced in Rome, was the first reversal of SA's deepening economic isolation in decades. It was also a massive snub to the ANC, which only hours before issued an urgent plea to the world not to relent.

The investment ban is lifted "with immediate effect". Other sanctions — on imports of iron, coal and Krugerrands — could fall away in the next few months provided the government keeps to promises already given. The EC decision was received with disappointment at the ANC's consultative conference, which yesterday voted unanimously for the retention of sanctions.

A headline ANC resolution accused the government of using violence to suppress legitimate political actions. It said the security forces were involved in orchestrated violence against defenceless citizens and noted that security laws were still vigorously implemented.

"It is unfortunate," conceded ANC director of information Pallo Jordan yesterday. "The EC decision shows it is not convinced by our arguments."

The EC move has, meanwhile, been widely welcomed by business and political figures who see it as laying the ground for an economic resurgence (see accompanying reports).

Reacting on behalf of the SA government, Foreign Minister Pik Botha said the EC decision reflected the government's view that sanctions were crumbling.

Recognition

It was pleasing that recognition for President De Klerk's reforms had been so unambiguously expressed, he said.

"The decision must also be seen as encouragement to all South African leaders who eschew violence as a means to political goals to work together to get the negotiating process going."

In their final communique, the 12 EC nations said they had looked with satisfaction at the initiatives of the past year aimed at achieving the abolition of apartheid and the creation of a united, non-racial and



BEAUTY QUEEN Jolita Hanekom aged 21 was looking forward to marrying pop musician Leon Fiebert last year. Instead both died this week — victims of a guitarist with a grudge. See ANATOMY OF A MASSACRE on Page 3

Tertius Myburgh Fund: the cash rolls in

NEARLY R50 000 was raised in the first week of the Tertius Myburgh Memorial Hospicare Fund aimed at helping the National Cancer Association avert widespread cut-backs.

To assist people who wish to donate, the NCA has opened an account in the name of the Myburgh fund with First National Bank.

Deposits can be made at ANY First National Bank branch into account No 4000025496, Hospital Hill.

Postal donations, made out in the name of the Tertius Myburgh Memorial Fund, can be sent to the National Cancer Association, P O Box 2 000, Johannesburg 2 000.

● Angels of Mercy: See Page 6

Caution greets lifting of ban

S/Times 16/12/90
Sunday Times Reporters

BUSINESSMEN yesterday welcomed the lifting of the EC's ban on new investment.

But they cautioned that the prevailing violence in South Africa could act as a deterrent to potential investors.

Said Standard Bank senior general manager Jimmy McKenzie, who recently returned to South Africa after meetings with several European bankers: "I believe that banking and financial institutions will now jump at the opportunity to invest as



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Deserved

The leaders concluded by expressing the hope that such steps would contribute to the acceleration of the process of change by "sending to all the parties involved a concrete signal of support".

A united, non-racial and democratic South Africa would "be able once again to take the place it deserves in the international community".

British Prime Minister John Major announced the lifting of the ban in Rome yesterday and said it was in recognition of the "huge changes" brought about by President De Klerk.

West German Chancellor Helmut Kohl said the declaration expressly honoured the progress made in talks between the ANC and the government.

The final EC position on sanctions was thrashed out yesterday after a handful of countries had taken a tough stance against any relaxation of sanctions.

The decision comes as a major setback to the ANC which has campaigned hard for the retention of sanctions.

Mr Mandela personally wrote to the EC asking member nations to retain sanctions until advised by the ANC to drop them. The ANC's director of external affairs, Thabo

But they cautioned that the prevailing violence in South Africa could act as a deterrent to potential investors.

Said Standard Bank senior general manager Jim-Mckenzie, who recently returned to South Africa after meetings with several European bankers: "I believe that banking and financial institutions will now jump at the opportunity to support us openly, and to help us finance major projects which will not only foster growth, but also create the new jobs we so desperately need."

Sadek Vahed of the South African Foreign Trade Organisation said the development was "hopeful", but stressed that "economic and political stability was urgently needed".

Warren Clewlow, vice-chairman and chief executive of Barlow Rand, echoed the warning, but said the lifting of the ban showed "a positive response to the State President's reform initiatives".

Jan Sims, chairman of BP Southern Africa, saw the move as an "important step on the road back to international acceptance for South Africa".

"But foreign investors will want to see more evidence of positive measures, including programmes of strengthening and update the EC had assisted in their contribution to the establishment of a new constitution, the EC had support to the victims of apartheid" and to "send a message of political support to the victims of apartheid".

The statement added that, at the same time, in order to "encourage the complete abolition of apartheid, the EC has decided to present developments towards the complete abolition of apartheid, the EC has decided to recall all investments in South Africa."

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By MARION DUNCAN

Bank: eat news

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Caution greets lifting of ban

Sunday Times Reporters

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"It is going to need clear leadership from all political movements over the next year or two to satisfy investors that we are a stable, productive society."

Caution on EC move

From Page 1

foreign or domestic investment.

Anglo American directors, foreign investors might start to see South Africa as a second Beirut — and nobody wants to be coming the lifting of the ban as a move towards the step further. While well-known political for- growth needed by South Africa, he said it removed only a "political bar" to investment.

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A with the...

Reserve Bank: It's great news

STimes 16/12/90
THE European Community's decision to lift investment sanctions was "exciting", Reserve Bank deputy governor Professor Jan Lombard said last night.

"This is very good news indeed," he said.

"What I think will happen now is that investors, such as financial houses and brokers, will probably feel free to make a market for South African issues.

"This is also the time when the reputation South Africa has built up for itself as an honourable debtor nation will stand us in very good stead.

"We have carried out our obligations under the Interim Debt Arrangement in such a way that our creditors are most

By MARION DUNCAN

impressed.

"We have built up, under investment constraints, a name for South Africa as a country that meets its obligations, even to the detriment of its domestic activity, and that is going to be very important to us in the years ahead."

Professor Lombard added: "At this point, the lifting of the ban is more symbolic than anything else — it is a matter of principle rather than practice.

"But it will certainly free international financial institutions to deal more openly with us.

"The importance of the development cannot be underestimated."

Sanctions

FROM PAGE 1.

cific reforms.

These were the repeal of the Group Areas and Land Acts — something President de Klerk is widely expected to do early next year.

They also want all political prisoners freed.

"We are against the immediate lifting of sanctions," said a Dutch source.

"A lot of people, including our government, are also taking seriously (ANC deputy president) Nelson Mandela's call to delay the lifting of sanctions for a few months."

Speculation yesterday was that if the summit decides to relax sanctions, the bans on new investments, as well as importation of gold coins and iron and steel would be the first to go.

The carrot for President de Klerk would be a promise that the lift-

ing of more sanctions would follow further reforms next year.

The question of sanctions was due to be discussed by EC foreign Ministers over a working dinner last night, with a decision expected today.

Diplomats said the lifting of the ban on new investments was the most likely course of action.

This would give encouragement to President de Klerk, without alienating the ANC, whose deputy president, Nelson Mandela, has pleaded for a delay in the relaxation of sanctions.

Moreover, allowing new investments in South Africa would help provide jobs.

This would help stabilise South Africa during the period of transition.

"Mr Mandela's argument was very convincing, but we know that there is a strong section within the ANC wanting the ban on investment lifted," said one diplomat.

Europe set to ease pressure

ROME — The European Community is set to relax investment sanctions against South Africa today as a result of strong pressure from Germany and Britain.

Late last night it emerged from diplomatic sources that the 12-member Community was divided 9-3 in favour of lifting some sanctions in recognition of reforms which have taken place in South Africa.

According to diplomats here, only Denmark, Holland and Ireland stood between the partial lifting of sanctions becoming a reality.

Ranged against them are Germany, Britain, Belgium, Luxembourg, France, Portugal, Greece, Italy and Spain.

British government sources said Britain would stick to its position that it was necessary for the Community to make "a gesture to President de Klerk".

"We are also putting forward our view —

MIKE SILUMA

which is well-known — that sanctions against South Africa have, in any case, already begun to crumble," said a British source.

Germany's Chancellor Helmut Kohl has already let it be known that he believes that, when they disperse from Rome today, EC leaders should have sent an unequivocal message to President de Klerk "acknowledging" political changes which have taken place over the past year.

With Chancellor Kohl having emerged as the EC's most powerful politician, the German stance is regarded as crucial in tilting the debate in favour of a relaxation of sanctions.

But the Dutch were still adamant yesterday that any major change in the EC's sanctions policy should be linked to spe-

TO PAGE 2.

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Weekend
FOCUS
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The 12 leaders of the European Community are set to throw their most precious heirlooms and treasured national powers on the bonfire in the hope of emerging more like a United States of Europe, ROBIN SMYTH writes from Rome.

THE 12 leaders of the European Community are gathering in Rome this weekend to divest themselves of powers which for centuries have been state heirlooms.

The intention of the community members is to rewrite their 33-year-old treaty of Rome so that they emerge with some of their proud, rough edges knocked off, looking more like a United States of Europe.

The prime ministers will launch the process in two conferences devoted to political and economic union. They will bargain their way to a conclusion, probably in the late summer of next year.

The negotiations have some of the euphoria and pain of an American Indian potlatch. As in a potlatch, an asset-stripping contest between rival Indian braves alternately throwing their most treasured possessions on a bonfire, it is the participant most attached to national goods who is the loser.

BRIITAIN has already, before the fall of Margaret Thatcher, protested fiercely against the prospect of losing the pound sterling and the authority of the Bank of England to a single European currency and an independent central bank for all the participating nations. Political surgery now looms and finds Britain in an equally unsubmitive mood.

Community members are not being asked to sacrifice their national parliaments. But these institutions will dwindle in importance, and large areas of government administration will fall into the communal domain, if Germany is successful in persuading its partners to build up the authority of the now hardly more than ornamental European parliament in Strasbourg.

Germany and Italy are the leaders of the federalist camp which covers the whole community, except for Britain and France. Mr John Major will be making his first bow as Britain's Prime Minister in summit diplomacy. He is determined to make a more winning impression than his sponsor and predecessor Mrs Thatcher, who was marginalised by her obstinately negative attitude to efforts to draw Europe together.

MR MAJORS break with the past has not been helped by a joint Franco-German letter published last week setting out guidelines

Rewriting

the treaty

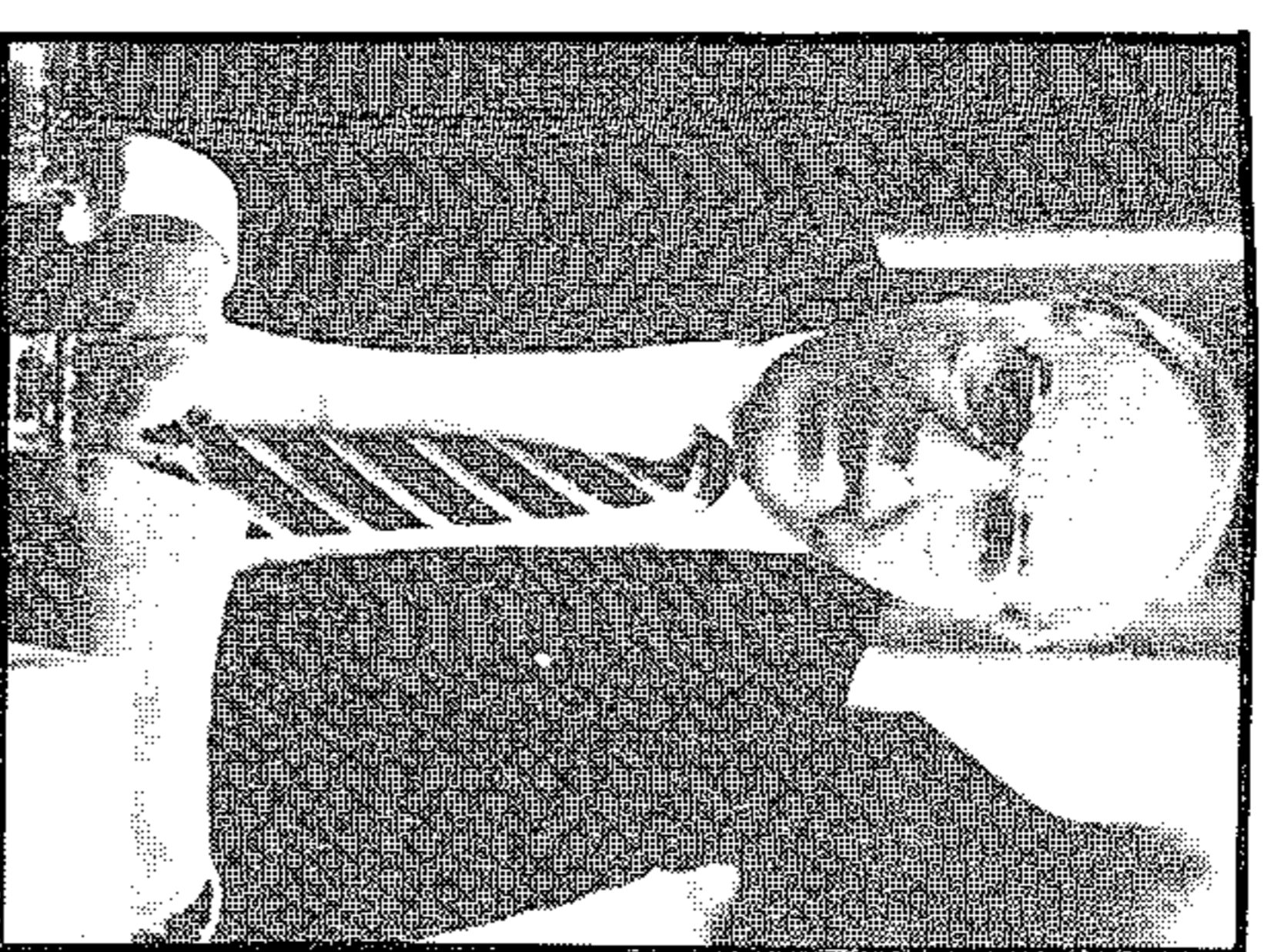
of Rome

EC leaders prepare for a bonfire of vanities

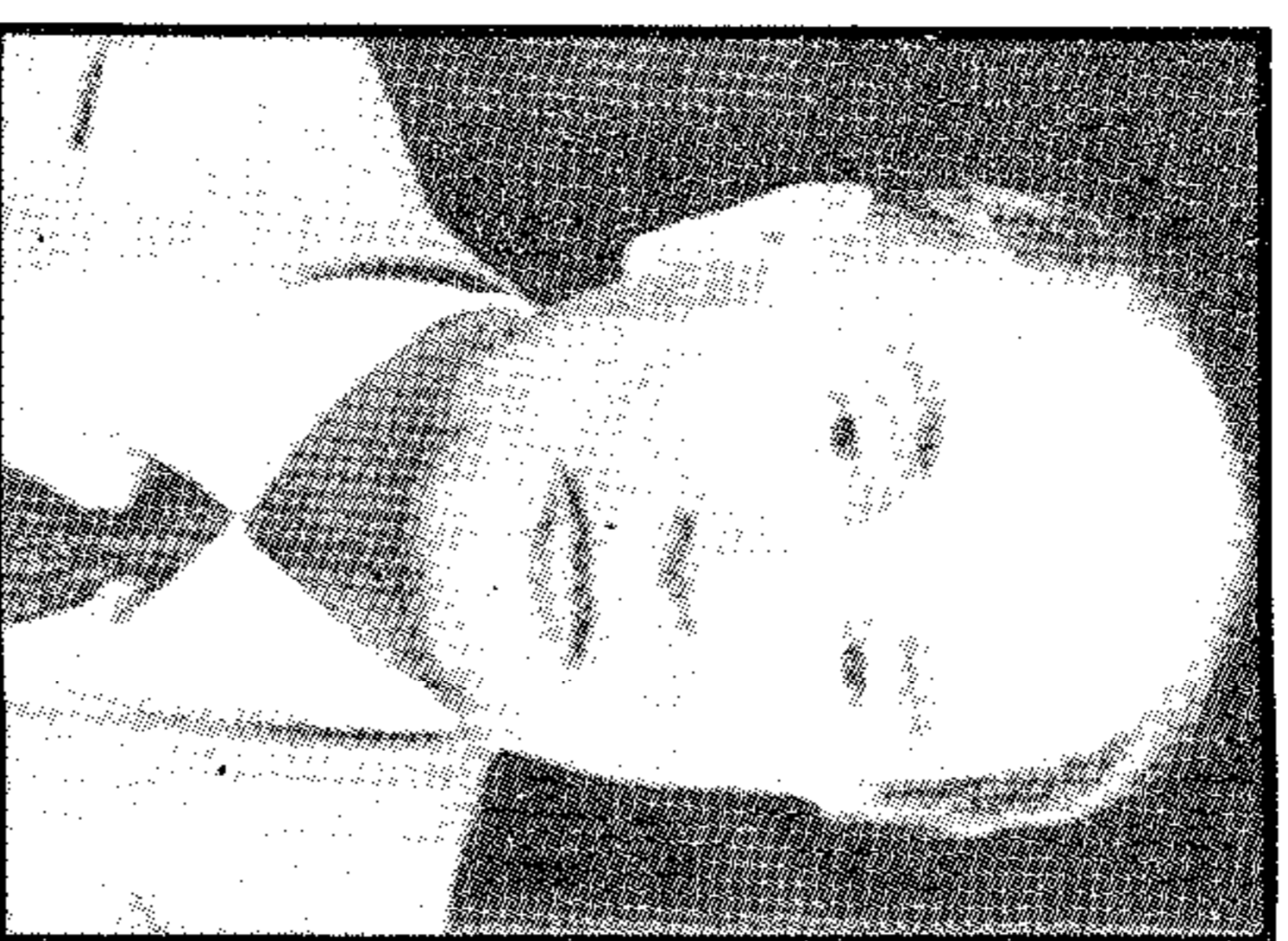
for the summit. Implicit in the short document is the determination of the two leading European powers to forestall any attempt by Mr Major to cause trouble.

The extent of European integration foreseen by President Francois Mitterrand and Chancellor Helmut Kohl goes a good way beyond the concessions which Mr Major seemed about to yield. Britain also suspects Italy, which is hosting the meeting, of wanting to cut discussion in order to secure an impressive result to crown Italy's six month presidency of the community which runs out at the end of the year.

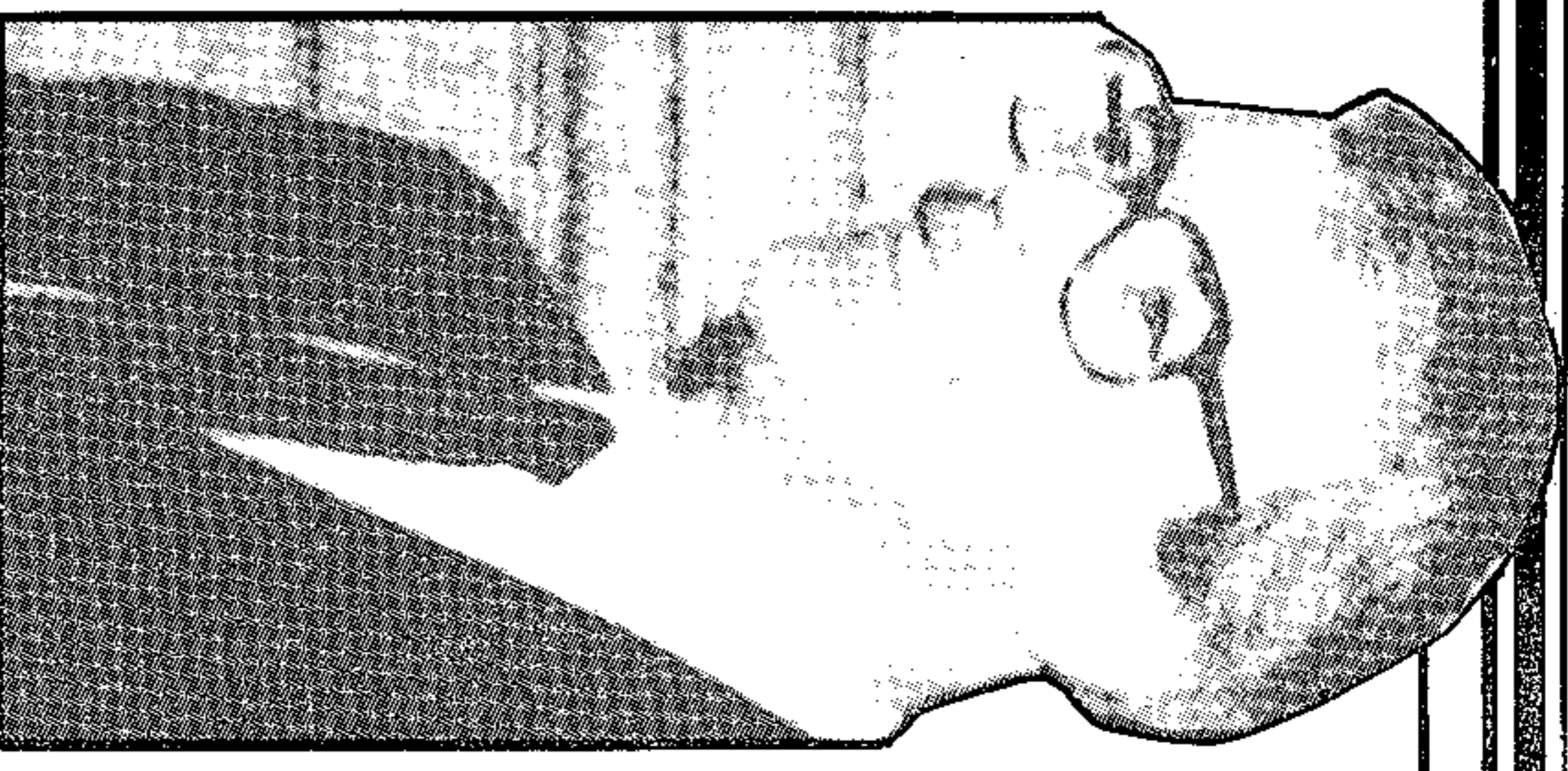
Caught in an expansive mood, Italian and German officials will readily agree that their taste for federalism is connected with the recent growth or unwieldiness of their democratic



Helmut Kohl
Chancellor of Germany



Francois Mitterrand
President of France



John Major
Prime Minister of Britain

institutions. Endemic Italian cabinet crises and impotent governments fuel Italy's yearning to be folded in the arms of some larger entity.

GERMANY'S regional identity in the Lander, which have a strong local patriotism and a large measure of self government, is more deeply rooted than the national parliament in Bonn which dates only from the end of the war. The incorporation of impoverished East Germany is another strain on national identity, while having the contrary effect of feeding Europe's suspicions that Germany is set for a new era of dominance.

Emerging victorious from the first all-German election since 1932, Mr Kohl comes to Rome determined to convince his partners that he is a loyal and boldly constructive member of

the European family. He has already pledged to sink the powerful D-Mark in Europe's future common currency. Now Mr Kohl wants assurances from his partners that they will make equally impressive gestures when it comes to forging political unity.

Mr Mitterrand has succeeded in his most urgent task of anchoring the new Germany in Western Europe. Now he is starting — ambiguously and gently — to slow down the sacrifices of national authority. What matters most to the French president is that Europe will continue to be ruled by the nations it comprises.

IN his joint letter with Mr Kohl he secures his side of the compromise which is that power in Europe will be held by the Europe Council — the heads of government.

The line of sovereignty and accountability on which all depends will not pass, as Mr Kohl would have liked, from the voter to the candidate for the European Parliament, and on up to the European Commission in Brussels led by the French socialist bureaucrat Mr Jacques Delors. It will pass from the voter to the national parliament and through the national government to the Council of Prime Ministers.

Mr Mitterrand and Mr Kohl are now agreed that Europe will move towards a common foreign and security policy, which in certain areas will no longer be bound by the rule of unanimity. How far majority voting will prevail is not clear and will be contested all the way by Mr Major.

London Observer Service.

Kohl urges leaders to acknowledge FW's efforts

Europe moves to relax sanctions

Star 14/12/90

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ROME — European Community leaders have signalled willingness to relax sanctions against South Africa, in response to an appeal from Chancellor Helmut Kohl that Europe should acknowledge steps taken by President de Klerk to abolish apartheid.

Mr Kohl told Giulio Andreotti, the Italian Prime Minister and host to the European summit, that he would raise the issue of offering support to South Africa when the 12 leaders gather today.

Another option may be to step up financial aid for the black community.

It seemed last night that setting a timetable for such an initiative had already received the unofficial blessing of all six Christian Democrat leaders of the Community, including Mr Kohl and Mr Andreotti.

There would be some irony in the timing of any decision to ease sanctions, coming so soon after the resignation of Margaret Thatcher.

She had been urging the other EC states for months to ease sanctions, which include a ban on new investment in South Africa and an embargo on trade in iron, steel and gold coins.

The move would also run counter to a public request made to the Community by the African National Congress to postpone any decision until next year.

An Italian spokesman said the Twelve might consider "different types of sanctions to indicate satisfaction at the signs coming out of South Africa".

A somewhat different assessment was given yesterday by the spokesman for the EC presidency, Pio Mastrobuoni.

He told a press briefing that in spite of his recent reforms, President de Klerk had not done enough to earn the total lifting of sanctions.

He added: "There are still issues to be tackled in South Africa which are viewed seriously by European governments."

Mr Mastrobuoni said any judgment of Pretoria's performance would have to take into account the fact that there was still no democracy or human rights in South Africa. — The Independent News Service and Star Foreign Service.

● A great adventure — Page 11.



Back home . . . Under the watchful eyes of the world media, police and security officials, prepare to venture into South Africa after 30 years in exile. The Tambo received probably

Tambo jets in for indaba

Political Staff 14/12/90

11A

More than 1600 ANC delegates today gathered at Nasrec outside Johannesburg for the first national consultative congress since being unbanned in February.

High on the agenda of the three-day congress will be the party's attitude to continuing negotiations, the armed struggle, the intensification or relaxation of sanctions, the party's internal organisation, and the return of exiles and release of political prisoners.

Much of the congress proceedings are being held behind closed doors, but the approved direction of the party is expected to become clear at a rally in Soweto on Sunday.

Arriving Mr Tambo returned to a tumultuous welcome from thousands of supporters in what airport officials described as probably the biggest reception seen at Van Smuts Airport.

An elated Mr Tambo acknowledged the rousing welcome with continued clenched-fist salutes. He did not address the crowd.

Mr Tambo and his lifelong friend Mr Mandela, stood side-by-side, waving and smiling at the ecstatic crowd from a balcony.

Police and ANC marshals jostled well-wishers and journalists who crowded around the Mercedes-Benz transporting the two leaders.

When Mr Tambo was helped out of the car — aides

Catching the first glimpse of the legendary leader, the crowd responded with a thunderous "Viva!" and chants of "Oliver, Oliver".

Addressing the crowd, Mr Mandela described Mr Tambo as "one of Africa's greatest heroes".

Mr Tambo's plane touched down shortly before 1.30 pm. He was met by ANC executive members, diplomats and resistance leaders. No Government representative attended the reception.

Asked how he felt, the ANC president answered: "Fine, fine, fine."

He spoke slowly and deliberately and one side of his mouth drooped slightly when he smiled. He walked with a limp and used a stick.

EC urged 'maintain sanctions pressure'

Sowetan 14/12/90

SOUTH Africa's largest labour organisations, Cosatu and Nactu, have urged the European Community to maintain sanctions despite movement away from apartheid by State President FW de Klerk.

A statement issued on Wednesday by the Johannesburg-based Co-Operative for Research and Education said a Cosatu/Nactu delegation had met Italian premier and current president of the Council of Ministers of the European Community, Mr Giulio Andreotti, earlier this week to discuss the EC's attitude towards sanctions.

Issues

The EC heads of government met in Rome yesterday to discuss wide-ranging issues, including their attitude towards South Africa.

According to the statement, the South Africans

SA PRESS ASSOCIATION

recognised that while there had been some changes in South Africa, the main pillars of apartheid - the Population Registration Act, the Land Acts and the Group Areas Act - still remained intact.

They insisted "the much-publicised changes in South Africa have not had a real impact on the lives of black workers".

Andreotti, the statement said, committed himself to convey the trade union message to the summit participants.

The union leaders had earlier attended an international conference on labour in Tokyo.

THE GATT BREAKDOWN F/M 14/12/90

NOT FREE TO CHOOSE56A
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The persistence of selfish protectionist tendencies — especially in the EC and Japan — will most likely place a further and unnecessary restraint on already declining business activity in the major Western economies.

The interruption (some would say breakdown) of the Uruguay round of talks under the General Agreement on Trade & Tariffs (Gatt) will, by allowing an already high level of protectionism to persist, have a much more profound influence on trade than a similar occurrence would have had 40 or 50 years ago.

The reason is that rapid technological advance and the general growth of trade have meant that few economies have anywhere near the same level of self-sufficiency now than they had at that time. An increasingly higher proportion of their requirements needs to be imported and, correspondingly, they need to export more to pay for them.

However, while the adjustment of the Western economies to a prolonged period of real growth and consequent shortage of capacity will now be more difficult, the impact of the Gatt breakdown on the developing countries will be even greater. It will mean that their exports, especially textiles, will continue to be denied markets in Europe because they are cheaper than anything Europeans can produce.

But, perhaps more important, the impetus that rational agricultural policies in Europe would have given to the predominantly agricultural Third-World economies will retard the resuscitation of farming in many of these once prosperous countries. So European farmers, protected by subsidies and tariffs, will continue to produce mountainous food surpluses which will be allowed to rot so that prices are artificially kept up. And Third-World farmers will lack the stimulus of the European market to seek out investment in their own lands that will return some of them to their earlier status of food exporters.

Their farming outputs will be correspondingly circumscribed — possibly not even meeting their own national needs — and employment on the land will continue to dwindle as millions starve.

Those in Western countries who propound protectionist policies — who tend to be on the political Left — usually conveniently forget that they do so at substantial cost to the poverty-stricken Third World.

There is a lesson, too, in the Gatt breakdown for both SA policymakers and those in other southern African countries. It is that while the planned barrier reductions of 1992 may be good for the Europeans, they are not necessarily going to have any advantage for non-European countries, despite various accords that will give some indigent countries privileged access.

Certainly, 1992 is not going to lead to a general reduction in protectionism among Western trading nations. In fact, that protectionism is likely to increase, if not overtly, through the extension of barriers around a larger trading bloc, then covertly, through artificial currency arrangements.

For while the last vestiges of exchange controls will be dismantled, the currency value linkages in Europe, through the European Monetary System (EMS), will inhibit price flexibility in trade between individual European nations and their non-European trading partners.

The EMS exists predominantly to assist Germany keep inflationary pressures down, by avoiding hot money flows into Deutschmark securities, without inhibiting its own international trading advantage by allowing its currency to become too strong.

The proposed hard European Currency Unit (ecu) is an artificial currency that lacks both widespread acceptability and the backing of a national legal jurisdiction. And the European Monetary Fund proposed to administer it will require, if it is to be successful, the surrendering of a substantial amount of sovereignty from nations which, for more than a thousand years, have not been able to get on with each other.

Indeed, the EC was conceived not to promote trade, but as a political device to prevent Germany after World War 2 ever again dominating the industrial heartland of Europe. But Germany already does so. If ever there was a case of closing the stable door after the horse has bolted, it is the current attempt to galvanise the national states of Europe into one European nation for that purpose. History is not on the EC's side.

Those who make the mistake of talking glibly about a southern African common market should keep in mind the history and the motives of the European market. It has nothing to do with the extension of world trade and the maximisation of economic growth. It has everything to do with mercantilism, which is still far too prevalent among the mistaken socialist ideologies that persist among the failed post-colonial economies of this region.

What is needed in Europe — and, indeed, in southern Africa — is not the surrendering of national identities to those who enjoy the superior economy of the region, but the simple freedom of trade and exchange. Bureaucracies, which are automatically limited by those freedoms, have opposed them in Europe and will do so with greater vigour in southern Africa. Governments, especially *uhuru* governments, still cling to the belief that freedom has to be imposed by those who believe they know what it is about.

Of course, freedom is an abstract term that is much abused in Africa. But to those who don't have it, it is very real. And as the exodus from eastern Europe has shown, those who don't have it will make sacrifices to get it.

In this region, we will inevitably feel the impact of the Gatt breakdown and Europe's celebrated 1992 European barrier reductions — and it will be detrimental. We don't need, in a post-apartheid era, to lapse into a mercantilist bloc that would simply increase our economic problems.

Southern Africa does not need a common market in the European sense to facilitate regional co-operation. That will come easily with the freedom of trade and exchange. ■

EC likely to praise FW, but stop short of lifting sanctions

ROME — While a majority of EC leaders agree President F W de Klerk's reforms need visible acknowledgement, a final decision on lifting sanctions cannot be made until further serious issues worrying the EC have been tackled in SA.

This was the message from an Italian government spokesman last night, the eve of the summit of the 12 EC heads of government. Italy currently holds the EC presidency.

Anti-sanctions lobbyists are hoping that the EC will agree to relax some measures, but do not expect the EC's 1986 sanctions package — principally a ban on importing Krugerrands, SA iron and steel — to be lifted yet.

They point out, however, that European trade and investment sanctions are already crumbling.

Italian EC presidency Pio Mastrobuoni last night confirmed in Rome that SA was definitely on the summit agenda, but indicated sanctions were more a sideline issue compared with the Gulf crisis, Soviet famine aid and discussions on European economic, political and monetary union.

Asked what the conclusion on SA was likely to be, he said: "The EC cannot make a judgment (on sanctions) in final and definite terms until there are full human rights and democracy (in SA)."

SA diplomats in Rome declined to comment on a likely outcome, saying they preferred to wait and see.

European diplomats have pointed out that ANC deputy president Nelson Mandela's appeal to the EC this week, to postpone any decision on lifting sanctions for two or three months, had clear merit as a potentially acceptable solution all-round.

If the EC held off for a few months on a definitive stand, a situation could be reached where there would be no "loser" in the sanctions debate when restrictions were finally dropped.

The ANC's Rome representative, Benny Nato de Bruyn, is in SA for his organisation's conference this weekend.

The EC's position is likely to be formulated at the Foreign Minister's meetings today and finalised by the heads of government tomorrow. — Sapa.

● See Page 6

Traders stock up with cordless phones

56A

Monday 14/12/90
 Monday 14/12/90

EC tackles economic, political union

BRUSSELS — Leaders of the 12 EC countries will launch dual conferences tomorrow on economic and monetary union (EMU) and political union that could usher in a single EC currency and monetary regime.

At a two-day summit in Rome that begins today, the leaders are to agree also on an urgent food aid package for the Soviet Union.

The summit will be the first for UK Prime Minister John Major, whom EC officials hope will bring a more open, less contentious approach to EC issues, than his predecessor Margaret Thatcher.

The EMU conference, which can last from a few months to a few years, will rewrite the EC's founding Treaty of Rome to implement the single currency plan.

With more than a year to prepare, the 12 EC nations have already reached agreement on much of the substance of monetary union, leaving only the thorniest issues for the EMU conference.

The EC launched the first stage of monetary union last July. During this stage, remaining barriers to capital movements are to be lifted; members will step up coordination of economic policies, and all EC currencies will adhere to the European monetary system's (EMS) exchange rate mechanism.

EC leaders have endorsed January 1 1994 as the starting date for the second stage of monetary union, during which an EC central bank is to be formed.

In a third and final stage, exchange rates of EC currencies would be irrevocably locked and, eventually, replaced by a single money.

Still to be decided, though, are fundamental questions like what kinds of limits to impose on individual members' budget deficits; the exact role and structure of a

European central bank, and whether to have a single-track or multispeed monetary union.

Moreover, Britain has refused to endorse the goal of elevating the European currency unit (ecu) to the role of a single currency. Instead, Major has proposed making the ecu a 13th community money that could be used anywhere in the EC.

Other EC members hope to bring the UK into the consensus during the course of the conference.

The political union conference, meanwhile, will draft treaty changes to strengthen EC institutions. The nature of those changes are still vague.

The opening of the so-called intergovernmental conferences will be largely ceremonial. After a speech by Italian Premier Giulio Andreotti, economics and finance ministers will hold their first working session on monetary union, while

foreign ministers will meet on political union.

Separately, the leaders are expected to agree on a proposal by the EC Commission to ship up to 750-million ecus worth of food aid to the Soviet Union in 1991.

The commission proposed the food aid a package of material, technical and financial support to the Soviet Union worth about 1.75-billion ecus in 1991 and 1992.

"The community is prepared in this difficult period to help the reforms started by (Soviet President Mikhail) Gorbachev," commission president Jacques Delors said at a briefing on Wednesday.

For a broader, medium-term programme that could include direct financial aid, however, the leaders are likely to defer any decisions until they have read reports by the IMF, the World Bank and other institutions. Those reports are due next year. — AP-DJ.



Frank Sinatra sings at his 75th birthday celebration concert at East Rutherford, near New York. Picture: REUTERS



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INTERIM REPORT
 for the six months ended 31 August 1990

Sanctions: Europe's Big 12 set to toe the Mandela line

w/mand 14/12-19/12/90

56A

LEADERS of the European Community (EC) were this week reported likely to comply with Nelson Mandela's request for preserving sanctions against South Africa until President FW de Klerk implements all his promised reforms.

But Britain's new Prime Minister John Major intends echoing Margaret Thatcher's insistent calls on the EC to begin easing the economic boycott immediately by unbanning new investment in the Republic. Aides reported that Major shares the view of his ousted predecessor that De Klerk ought to be "rewarded" for launching his avowed policy of dismantling the apartheid system. Besides, these British officials said, Germany and France already are permitting their firms to sink money into South Africa.

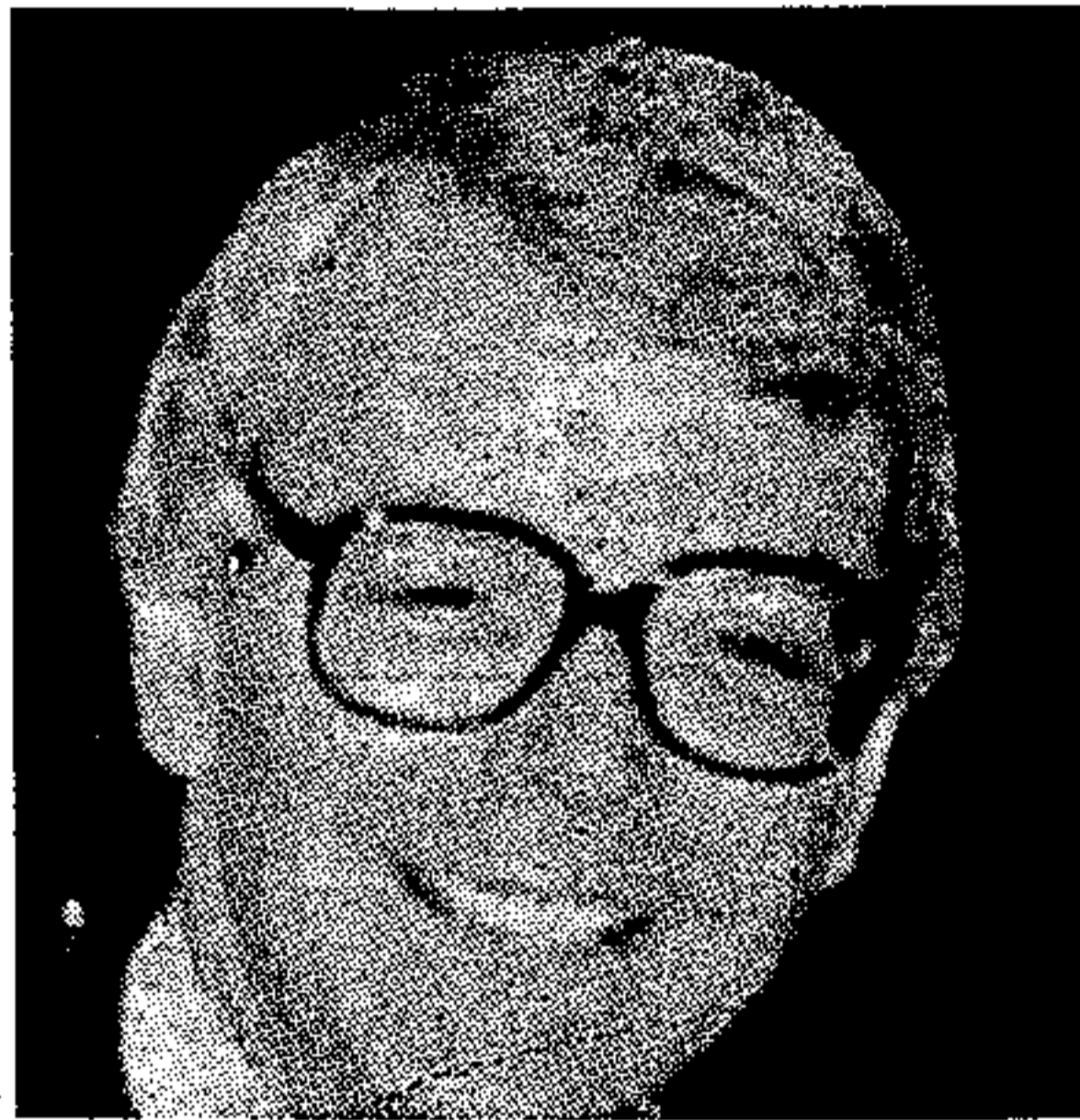
Discussion of the emotive issues will take place during the EC's two-day summit meeting which began in Rome yesterday. Although future European economic and monetary integration matters were likely to dominate the talks, the matter of South African sanctions will be decided upon by consensus rather than by a straight vote, which would probably find the EC's biggest member-governments in favour of lifting sanctions at once.

Denmark and Ireland are among the countries opposing what they would regard as a premature ending of the boycott. Their stance has been reinforced by Mandela's plea for a postponement of any action at least until early 1991.

Mandela's request was contained in carefully-argued letters addressed personally to the heads of the Community's 12 member-governments. In it he urged them to recognise the dangers of imperilling the peace process in South Africa by ending sanctions against African National Congress advice. He reminded them that the De Klerk government has yet to fulfill some of the promises it made to the ANC earlier this year. In this context he cited the fact that "the overwhelming majority of political prisoners have not as yet been released". And he added that another obstacle to peace talks has still to be removed when he mentioned that "people continue to be detained without trial".

South Africa will be on the agenda at the European Community's Rome summit, which began yesterday. And the consensus will probably be that sanctions remain.

By **ARTHUR GAVSHON** in London



John Major

Turning to unjust and discriminatory laws which still remain on the statute books, the ANC's deputy president mentioned the Group Areas Act and Land Acts — both pillars of the apartheid system. De Klerk has advised Mandela privately he intends asking parliament to repeal both next February, but Mandela made clear that until the repeal process gets under way sanctions should remain in place.

British officials reported Mandela's letter stressed that the ANC still is in consultation with like-minded organisations inside South Africa on the subject of sanctions and the timing of their removal. For the EC to pre-empt the outcome of those consultations, his letter argued, would be to "undermine the consensus" for which the ANC is working and would thereby introduce "an element of conflict" between the ANC, the trade unions and religious organisations seeking a unified position. In that way their position in the slated negotiations for a new constitution would be undercut.

There are, of course, other factions behind the Mandela intervention. The worldwide

campaign of sanctions against South Africa over the years seriously hurt successive apartheid governments and has been widely rated as one of the ANC's major achievements on the political level. For EC and other countries prematurely to call off their boycott before De Klerk has delivered his part of the bargain he concluded with Mandela would undoubtedly affect Mandela's standing at a time of some disenchantment with what is held to be his over-readiness to enter into compromises that benefit the government.

Most important of all, however, is the wish or consideration of the ANC leadership to at least share some of the credit that would be implicit if and when it joins in calling for a universal end of sanctions. If there is to be any question of the international community "rewarding" players on the South African stage, Mandela takes the view that the ANC has earned some of the political benefits that would be going.

Diplomats of several EC countries in this capital, British officials among them, acknowledged privately Mandela's main points were well taken and would undoubtedly influence the course of the Rome discussions. Countries opposing the immediate removal of sanctions, according to these informants, consider their arguments to have been fortified.

British informants meanwhile give this rundown of the likely lineup of opinion at the Rome summit:


- Germany, France and Britain want new investment unbanned formally and favour a complete lifting of sanctions as soon as De Klerk repeals other apartheid laws.

- Denmark, Ireland, Holland, Greece and Turkey feel the green light for the removal of all sanctions should be given by the ANC and its allies.

- Belgium and Luxembourg appear inclined to take their lead from Italy which, as the presiding country, already has begun playing a middle, broker's role in an attempt to produce a consensus.

- Portugal, with interests in southern Africa, would like to side with Britain but without alienating its remaining friends in Mozambique, Angola and in other African territories.

Back F.W., pleads Kohl

CAH Times 14/12/90 (56A) 

From KIN BENTLEY

ROME. — German Chancellor Mr Helmut Kohl last night called on the European heads-of-government summit here to give a "clear message of support" to President F W de Klerk by easing sanctions.

The most powerful of the 12 EC leaders made his position supporting President De Klerk clear during a meeting with Italian Prime Minister Mr Giulio Andreotti, current president of the European Council.

Mr Pio Mastrobioni, a spokesman for Mr Andreotti, told journalists at a formal briefing that Mr Kohl had emphasised that he wanted the Rome summit to send a "clear message" acknowledging Mr De Klerk's "efforts to abolish apartheid and create a democratic regime in South Africa".

During his meeting with Mr Andreotti, the German leader said he would personally raise the issue of sanctions in this context during the summit today.

Asked what steps Mr Kohl envisaged being taken, Mr Mastrobioni said: "There are numerous sanctions. And I believe that since there are signs coming from South Africa that there is a liberalisation of the regime, it might require some different sanctions. In other words they could be modified."

Expert observers at the summit said they interpreted the word "modified" as Mr Kohl's clearly expressed wish for the prompt lifting of some sanctions, namely the ban on new investment.

Mr Mastrobioni emphasised that the 12 EC states would "hold their judgment" on sanctions in general unless there was a "very sudden change".

Human rights

This means the EC will take its final decision on ending sanctions after President De Klerk's expected speech at the opening of Parliament in February.

Whether there was consensus within the EC on "doing something concrete", as Mr Kohl wanted, would emerge later at this summit.

Earlier Mr Mastrobioni indicated that while the EC was in favour of visible acknowledgement of Mr De Klerk's reforms so far, a final decision on sanctions was not possible until there were full human rights and democracy in South Africa.

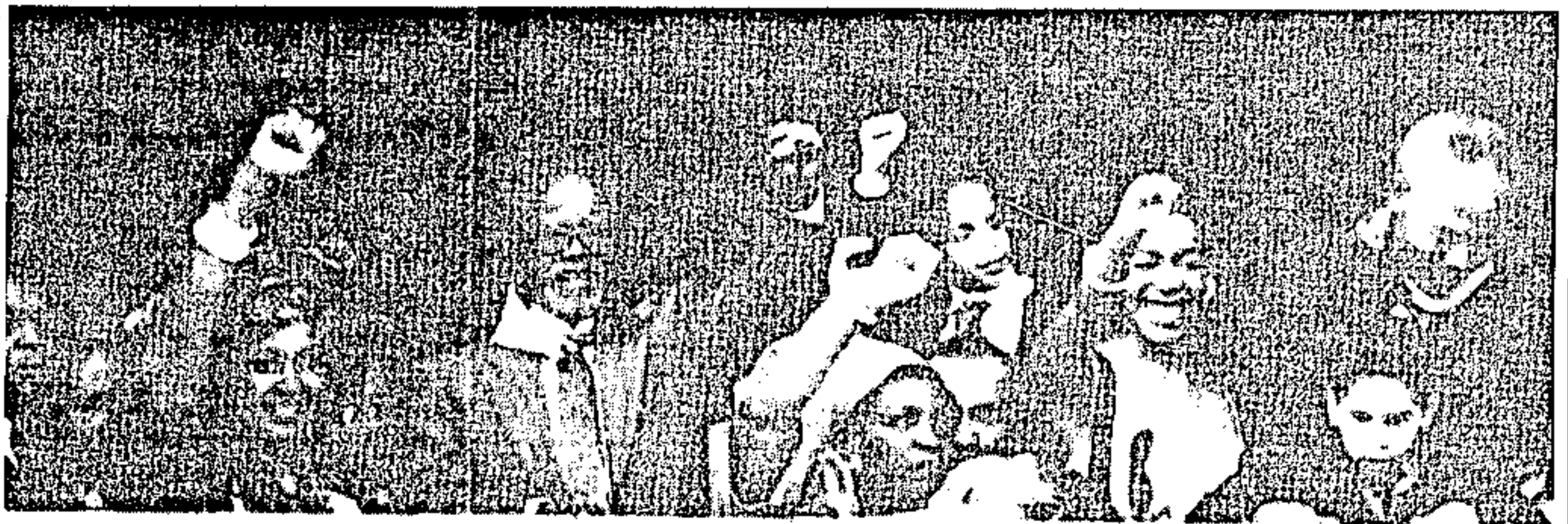
Asked what the impact would be of this week's appeal by Mr Nelson Mandela to the EC 12 to defer any decision on sanctions for two or three months, Mr Mastrobioni said the European Council would certainly acknowledge Mr De Klerk's reform efforts.

There was, however, a feeling among the 12 that there was a need to withhold judgment in case there was a change in South African policies.

"It is necessary to abolish apartheid. We would like to show our satisfaction (at reforms so far) by doing something more concrete, but this will be discussed and we should wait and see," he said.

The EC's Council of Foreign Ministers decided on October 23 to commission an investigation, in anticipation of this weekend's summit, on how the community should best respond in a positive way to Mr De Klerk's reforms, and it is this document that is expected to form the basis of discussions in Rome.

Thousands give Tambo a hero's welcome



TOP: Mr Oliver Tambo, with his family and Mr and Mrs Mandela, waves to the crowd yesterday. **ABOVE:** Mr Tambo is embraced on his return. On the right is Mr Nelson Mandela.

JOHANNESBURG. — ANC president Oliver Tambo returned home yesterday, ending three decades of exile, and was met by ecstatic cheers from supporters and embraces from his deputy, Mr Nelson Mandela.

About 5 000 dancing and singing supporters roared their welcome when his chartered plane touched down two hours late at an overcast Jan Smuts Airport.

"Viva Tambo, Viva ANC, Viva Baba (father)," chanted the crowd, held back from the terminal

building by dozens of heavily armed police, many with dogs.

Mr Tambo, a symbol of the fight against apartheid, smiled broadly as he descended the steps of the aircraft that brought him from Zambia, via a brief stop-over in Zimbabwe.

The ANC's welcome-home delegation, including

To page 3

● Key ANC congress starts today — Page 5

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14/12/90

World trade enters a new year in disarray

W/Mond 14/12/19 - 19/12/90
 By DAVID SMYTH: New York

AS 1990 drew to an end, world trade talks collapsed in ominous disarray and the global economy was doing a series of balancing acts that made New Year economic forecasts more than normally chancy.

In Brussels, where 107 member nations of the General Agreement on Tariffs and Trade (Gatt) gathered, negotiations collapsed in acrimony last week when the United States and the European Community (EC) refused to end their bitter dispute over proposed reductions in farm subsidies.

Uruguayan Foreign Minister Hector Gros Espiell called off the discussions after the EC rejected a compromise requiring deeper cuts in its extensive farm support programme.

Gros Espiell promised to restart the talks, possibly in January in Geneva, after further consultations to try to solve the contentious farm issue. But no one seemed in a hurry to get together again.

The failed talks, many feared, could result in increases in trade frictions, rising protectionism and possibly even an all-out trade war.

Meanwhile, there were ominous developments on other economic fronts.

The US economy teetered on the edge of a recession. The Middle East balanced precariously between peace and war. Eastern Europe stumbled uncertainly out of the 1989 collapse of communism toward a free market system amid inflation, stagnation and unemployment.

The Soviet Union also struggled on toward capitalism while separatist forces started splitting the Soviet economy into its constituent republics. As Moscow set up a stock market, Lithuania prepared to issue its own currency and the Georgian republic's parliament proclaimed itself sovereign.

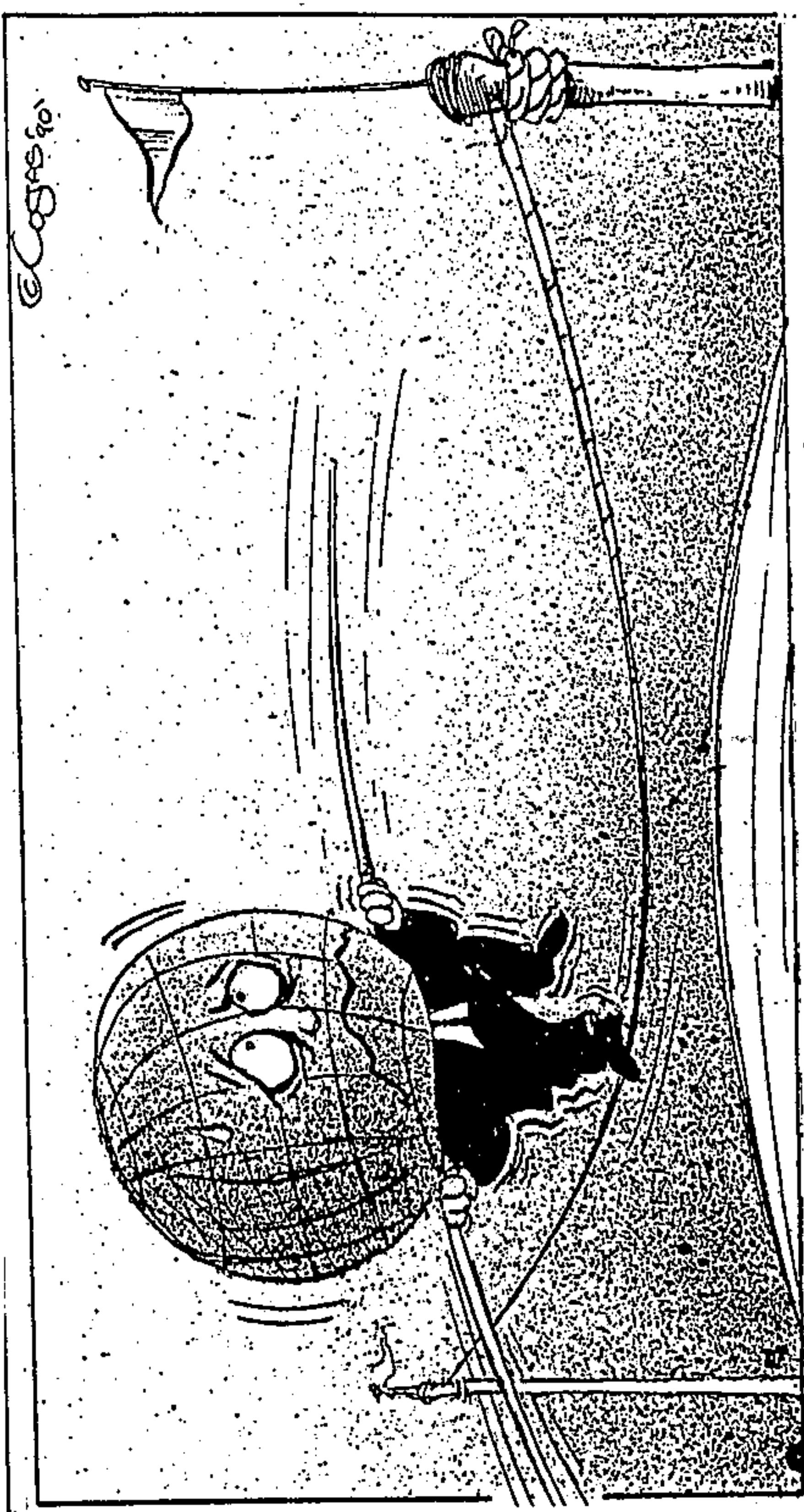
On the Indian subcontinent, Chandra Shekhar, a socialist and outspoken critic of big business, foreign investment, multinational corporations and international banks, took over the government. But he depended for support on former Prime Minister Rajiv Gandhi and a Congress Party that favours economic liberalisation and a greater opening to the West and Japan.

Saudi Arabia and other Opec members reaped a bonanza from rising crude prices after the Iraqi invasion of Kuwait in August. But the economic slowdown in the oil-consuming nations threatened Opec with the prospect of a shrinking market and another global oil glut.

In Australia, a 40 percent rise in oil prices after Iraq's takeover of Kuwait forced Finance Minister Ralph Willis to forecast higher inflation and unemployment for the coming months. Officials in the Philippines predicted a severe recession because of rising oil prices.

In other world regions the economic weather seemed more settled, whether the barometer was set at fair or stormy.

Latin America and Africa remained largely mired in debt and economic stagnation. For example, in Peru — a



In the balance ... The world economy is teetering on the brink of a recession

country burdened by a \$20-billion foreign debt and five-digit inflation — the economy shrank by 25 percent from 1989 to 1990.

World Bank vice-president for Africa Edward VK Jaycox said that "in the last 25 years Africa has cut itself off from the world economy" with inward-looking statist policies. But he noted that 32 of sub-Saharan Africa's 47 nations have entered into World Bank and IMF agreements requiring economic liberalisation, and there have been signs of improvement.

Progress continued, though at a reduced pace, in Japan and the Little Tigers of the Orient — Taiwan, Hong Kong, Korea and Singapore.

China remained the world's last major bastion of Marxist central planning. The country's future lies in perfecting

and expanding state ownership of the economy, not in privatisation, said Yuan Mu, chief spokesman for the State Council, China's cabinet.

Cuba, the only other nation of the crumbling communist bloc to cling to old-style Marxist economics, tightened its belt as Soviet aid dwindled.

In Western Europe, the dominant themes were the planned creation of a pan-European, trade barrier-free marketplace of 320-million consumers by the end of 1992, the unification of an already economically dominant Germany, and rebuilding Eastern Europe.

In Japan the government announced it was shifting the focus of its technological prowess from economic growth to a higher quality of life. The government's Science and Technology Agency said Japan has maintained a leading

position in the world's high-tech industries.

This compromise plan, said Russian Republic President Boris Yeltsin, was a "catastrophe" and "doomed to fail".

economic giant, producing 14 percent of the world's goods and services. Much of this was exported, producing huge trade surpluses. But now it will be concentrated at home, where the people "want to live their lives in comfort and fulfilment", the agency said.

In the Soviet Union, disarray prevailed in policymaking. The Russian republic voted to implement a plan of economist Stanislav Shatalin to move from a centrally planned to a free market economy in 500 days.

But Soviet President Mikhail Gorbachev merged that blueprint with a more cautious plan drafted by Prime Minister Nikolai Ryzhkov.

This compromise plan, said Russian Republic President Boris Yeltsin, was a "catastrophe" and "doomed to fail".



Division in EC over whether to lift sanctions

The Argus Foreign Service

ROME. — President De Klerk has not done enough to earn the total lifting of sanctions by the European Community, is the assessment by Mr Pio Mastrobuoni, a spokesman for the EC presidency.

Confirming that South Africa was one of the thorny issues facing EC heads of state when they meet here today and tomorrow, Mr Mastrobuoni said any appraisal of the South African situation would have to "acknowledge" progress made by Mr De Klerk in dismantling apartheid.

GERMANY

He said Germany's Chancellor Helmut Kohl had indicated that he wanted "a clear message from Rome to support Mr De Klerk in his efforts to bring about democracy".

Mr Mastrobuoni, also a senior official in the Italian foreign ministry, said any judgment of Pretoria's performance would have to take into account the situation as a whole, including the fact that there were still no democracy and human rights in South Africa.

But at the same time, Mr Mastrobuoni said there was a feeling within the community that sanctions should be "modified in the light of steps being taken to liberalise (the situation)".

Mr Mastrobuoni's comments seemed to indicate a division of opinion within the EC between those (including Germany) exerting pressure for a relaxation of at least some of the punitive measures against Pretoria, and those (Danes and Irish) who feel that such action would be premature.

Options open to the EC leaders include the lifting of the ban on new investments by European companies (as Britain has done) and a gradual relaxation of specific sanctions linked to particular reforms (suggested by the Dutch).

Alternatively, the EC could delay making a decision until early next year, as requested by ANC deputy president Mr Nelson Mandela in a letter to the heads of state last week.

This weekend's meeting is the most important on sanctions and apartheid since the last EC meeting in Dublin in June.

GATT FIM 14/12/90

56A

REAPING THE HARVEST

The decision to suspend final negotiations of the Uruguay round of the General Agreement on Tariffs & Trade (Gatt) in Brussels last week came as a merciful relief. They had degenerated into a bizarre spectacle: allies who shed blood for each other in war and now stand shoulder to shoulder in the Gulf crisis fought bitterly during five days of recrimination, obstinacy and implacable self-interest.

Trade ministers of 100 member nations, plus seven aspirants, have gone home to cool off and ponder the future costs of failure in the most ambitious attempt yet to shake off the shackles of protectionism, affecting an annual \$4 trillion in world trade. Gatt DG Arthur Dunkel has set another target date, March 31, for agreement to be reached. Talks will restart some time in the new year.

It mattered little that the plug was pulled by Argentina, part of the Cairns Group of 14 agricultural exporters (33% of world farm trade) with 227m employed on the land. The real cause was the scrap between the US and the European Community (EC).

The US, supported by the Cairns Group, came to the table with the basic demand that the EC cut its US\$53bn farm subsidies under the Common Agricultural Policy by 75% over 10 years. Within that total, the most contentious issue was \$14bn the EC spends on subsidising exports of its various food mountains, in competition with the rest of the world. America wanted that down 90%. The Europeans offered 30% overall, making no reference to export compensation. They then moved towards the US position, offering to effectively double the reduction but refusing to spell out specifics.

Japan, which supports and protects its farmers to the tune of \$7 000 a head, did not raise its voice but undoubtedly would have resisted any opening of its market to world-priced rice or beef.

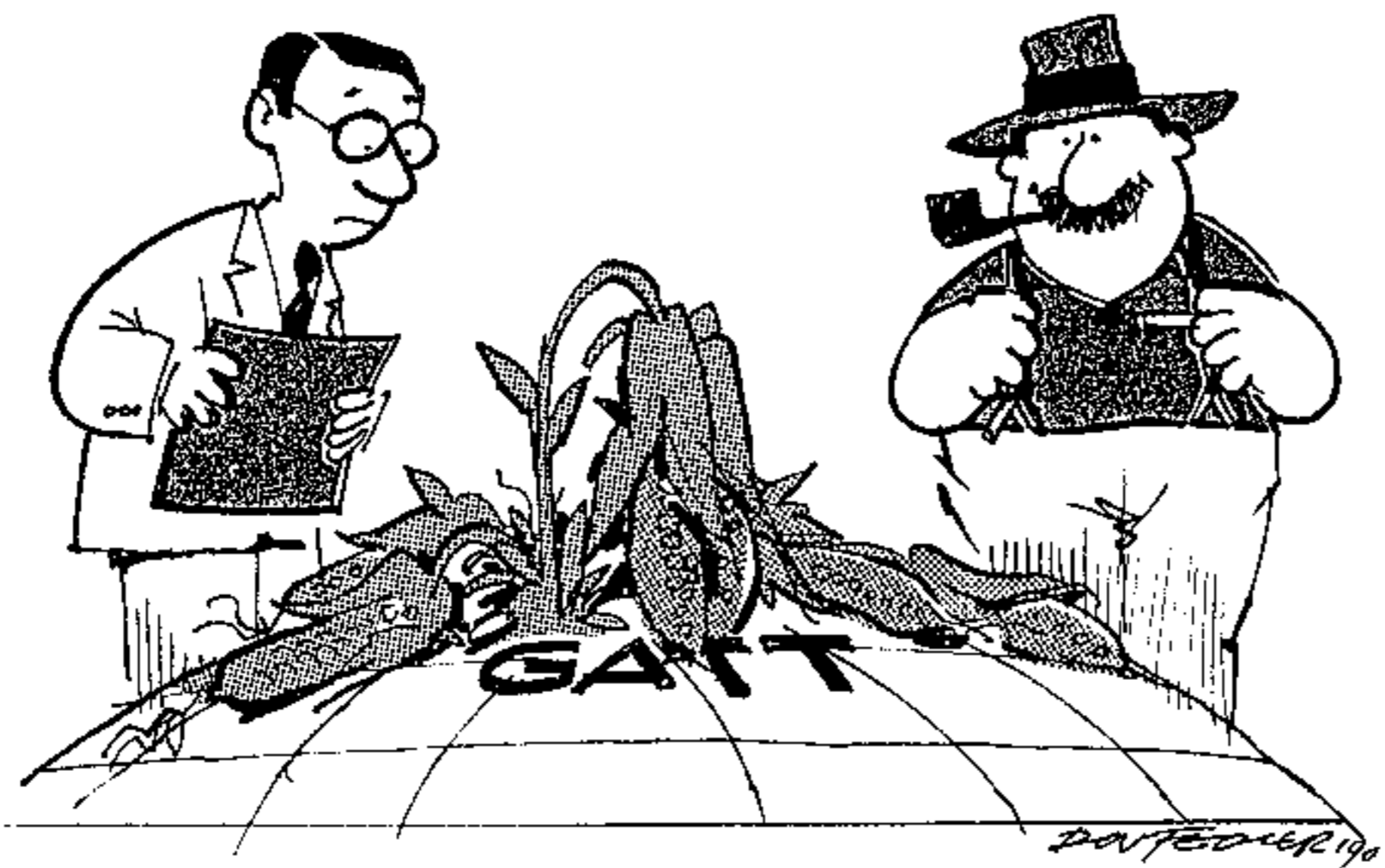
But the European position proved the *quietus* for the Argentinians. Recriminations flew thick and fast. The EC blamed the US for raising expectations to unrealistic levels and accused its trade representative Carla Hills of refusing to negotiate. Hills retorted that the gap remained too wide to present to a US Congress, already inclined towards protectionism, as the economy slides

into recession and is worried that the 1992 removal of internal EC trade barriers will create "fortress Europe" — inevitably including the former communist economies.

Put in perspective, the impasse seems even more absurd. "Western" trade in agriculture is 11% of the total.

The EC has nearly 11m employed in farming — about 3% of the population; America's 3,3m are less than 1,5%.

The four years of the Uruguay Round



brought substantial moves in 14 of the 15 sectors of trade involved. Those leaving Brussels last Friday said that, in spite of differences, enough had been done to secure agreement on breaking down barriers in all of them, even contentious areas such as textiles, and it needs only a compromise on agriculture to complete the package.

Europe, in particular, has passed up the prize of liberalisation of the \$680bn trade in services — banking, insurance and so on — which accounts for half its GNP. But there were many more, especially for the developing world whose enhanced growth would boost its propensity to consume and feed back into the industrialised economies.

What happens now the future is in limbo? The hope is that nobody will use the next three months to start brandishing a big stick.

There is no shortage of mini-trade wars waiting to break out between the US and Europe — Washington's grievances about the EC filled 11 pages of an official report on trade barriers this year. They range from complaints about the subsidisation of development costs of the Airbus, which threatens the US aviation industry, and help given the coal industries of Germany and the UK, to the loss of the \$420m Spanish market for feed grains when Madrid joined the EC club.

Then there are the EC's sanitary rules on meat imports, resulting in a ban on imports of US pork — from October 31 — which may be extended to all meat products. The

US has retaliated with 100% tariffs on some EC food products but there is a wide range of European offences which Washington could summarily punish as "unfair practices" under the "super 301" clause of the Trade Act which can be used without seeking the usual adjudication of Gatt.

But anxieties go much further: the world dividing into a series of walled trade blocs and a resurrection of the Thirties just as global politics move into an era of peace.

Before the Brussels meeting, Dunkel made an impassioned statement on why it should be a success: "Because the world economy is slowing down. Because reforms . . . in eastern and central Europe (and some developing countries) need to be inserted in a strong multilateral trading system.

"A signal of security and predictability is necessary to ensure that people, who produce, invest, sell and buy and invent, know under what conditions they can contribute, not only to economic, but also to social growth. The Uruguay Round is about creating jobs. If this vision does not prevail, everybody will be a loser."

In rejecting US and Cairns Group demands, the EC estimated 2m of its farmers would have to quit the land this decade — something the French, Germans, Italians and Irish refused to contemplate.

It will prove an ironic blow if December 7 1990 — 49th anniversary of Pearl Harbor and America's declaration of war on the Axis — turns out to be the day economic hostilities began. ■

Summit to settle sanctions issue

Star 13/12/90

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S6A

By Mike Siluma
Star Foreign Service

ROME — Two crucial days in Rome this week could determine the future of European sanctions against South Africa and test the international credibility of the ANC.

Heads of government in Italy, Britain, Ireland, Germany, Holland, Luxembourg, Belgium, Spain, Greece, Portugal, Denmark and France will decide tomorrow and Saturday if changes introduced by the De Klerk Government warrant the easing of pressure.

At their last meeting in Dublin in June, EC leaders resolved to retain sanctions until "irreversible" change had taken place in South Africa.

Since Dublin, however, there has been much re-thinking on the subject and speculation that the Commission may be on the verge of lifting sanctions, fuelled by the commissioning of a

report on the possible relaxation of sanctions.

ANC deputy president Nelson Mandela has called directly on EC leaders to keep sanctions in place at least until after the opening of Parliament next February. President de Klerk is expected to change security legislation and repeal the Group Areas and Land Acts then.

Mr Mandela's intervention is crucial for two reasons. First, it is likely to strengthen the hand of those within the EC who want to maintain the status quo.

Undermine

Second, depending on how the summit votes, it will provide a measure of the ANC's influence on the future direction and content of the sanctions campaign.

A decision to lift or relax sanctions despite Mr Mandela's call could seriously undermine the ANC's standing on the issue.

Up to now, the ANC has been a major contributor to positions taken by many governments and bodies regarding anti-

apartheid sanctions.

The EC foreign Ministers' failure last week in Brussels to reach a consensus after receiving the report suggested deep divisions within the EC, between a majority in favour of a change of policy and those preferring to hold out for more reforms by President de Klerk.

Among those pushing for the easing of sanctions are Britain, Portugal and Italy; Denmark and Ireland are sceptical.

EC economic sanctions include bans on new investments and loans, as well as oil, coal, iron, steel and gold coin imports.

While Britain has recently lifted bans on new investment loans, Denmark has taken the toughest line, maintaining a virtually total ban on economic ties with Pretoria.

● It is reported from London that South African trade union representatives have obtained a commitment from Italian Prime Minister Giulio Andreotti to convey their call for continued sanctions to the meeting.

Sanctions: EC summit pivotal?

CAP 7/6/85 13/12/90
Own Correspondent (S6A)

ROME. — Leaders of 12 European Community countries arrive here late today for what could prove a pivotal summit as far as sanctions against South Africa is concerned.

The general feeling among Whitehall spokesmen has been that sanctions should be allowed to "wither on the vine".

Early analysis suggests that the ban on the import of SA iron, steel and Kruger Rands will remain, while the ban on new investment could go.

The big issue will be whether the bulk of EC countries will be able to persuade Ireland and Denmark to accept a softening of sanctions.

● Sapa reports that SA's largest black labour organisations, Cosatu and Nactu, have urged the EC to maintain sanctions.

According to a statement, the unions recognised that while there had been some changes, the main pillars of apartheid — the Population Registration Act, the Land Acts and the Group Areas Act — still remained intact.

● Meanwhile, a majority of Dutch parliamentarians are urging Mr Hans van den Broek, the Foreign Minister, to call for the end of sanctions.

The ruling Christian Democrats (CDA) and the Conservative Party want a Dutch government to show greater support for President F W de Klerk.

SA mission is keeping silent over sanctions

LONDON - The South African Embassy in Rome has distanced itself from claims that the Italian Government will move to ensure that all European Community sanctions against South Africa are lifted.

An embassy spokesman said on Tuesday he thought such speculation was "adding two and two together and getting five".

"The embassy cannot speculate on what Italy plans to do. We would prefer not to make any

comment at this stage," he said.

EC heads of government meet in Rome later this week and there has been considerable debate on what steps would be taken on the sanctions issue.

Rome was initially persuaded to put sanctions on the agenda by Britain. The Italian Government is thought to be one of the majority in the EC who favour an easing of sanctions.

- Sowetan Foreign News Service.

Sowetan 13/12/90

SA

CME 7/1 ES 12/12/90

56A

Mandela asks EC: Don't lift sanctions yet

Own Correspondent

LONDON. — Mr Nelson Mandela has urgently called on European Community leaders, who meet in Rome this week, to postpone considering lifting sanctions against South Africa until he has held detailed discussions with them.

Mr Mandela says he wants to communicate a "common position" on sanctions "evolved" from discussions the ANC is having with "other democratic formations" in the country.

In a letter to EC heads of government on the eve of the Rome summit, Mr Mandela makes a "humble request" to the leaders to "postpone any decision on this matter (sanctions) until early in the new year".

The summit is expected to make an announcement on sanctions on Saturday.

Major changes

Mr Mandela asks whether the leaders would "find it within (their) power to direct a later meeting of (EC) foreign ministers in February or March to consider this issue and take decisions".

The ANC deputy president believes major changes will come in President FW de Klerk's speech at the opening of Parliament in early February, enabling the sanctions issue to be reviewed by EC foreign ministers soon afterwards.

Mr Mandela confirms in his letter that sanctions have been under serious review by the ANC, as was reported by the Cape Times last week following the leaking of a confidential ANC document on sanctions policy.

Despite the clamour by some EC countries, notably Italy and the UK, for the lifting of sanctions this week, Mr Mandela's appeal to the EC to wait a few more months could prove persuasive.

● The Minister of Foreign Affairs, Mr Pik Botha, said in reaction to the letter last night: "I do not think it will serve any purpose to respond to the ANC's lost cause."

Embassy mum on sanctions claim

Star Bureau

LONDON — The South African Embassy in Rome has distanced itself from claims that the Italian government will move to ensure that all European Community sanctions on South Africa are lifted.

A spokesman said yesterday he thought such speculation was "adding two and two together and getting five".

"The embassy cannot

speculate on what Italy plans to do. We would prefer not to make any comment at this stage," he said.

The EC Heads of Government meet in Rome later this week and there has been considerable debate on what steps would be taken on the sanctions issue.

Rome was initially persuaded to put sanctions on the agenda by Britain.

The Italian govern-

ment is thought to be one of the majority in the EC which favour an easing of sanctions.

It had been expected that the Rome meeting would take some action, probably favouring a step-by-step easing of sanctions.

However, there has been no clear indication yet on how the ANC's appeal to EC leaders to hold their decision for a few months has been received.

56R
12/12/90

Crucial days in Rome

Argus 13/12/90 (56A)
2-day European summit will decide on easing of sanctions

Unions urge EC to retain sanctions

Labour Reporter
TRADE union federations Cosatu and Nactu have called on the European Community to maintain sanctions against South Africa.

In a statement, the Johannesburg-based Co-Operative for Research and Education said a Cosatu/Nactu delegation had met Italian Prime Minister and president of the Council of Ministers of the European Community, Mr Giulio Andreotti, this week.

GROUP AREAS

The statement said the trade unionists recognised that while there had been some changes in South Africa, the main pillars of apartheid — the Population Registration Act, the Land Acts and the Group Areas Act — still remained intact.

They insisted "the much-publicised changes in South Africa have not had a real impact on the lives of black workers".

Mr Andreotti committed himself to convey the trade union message to the summit in Rome today.

The Argus Foreign Service
ROME. — Two crucial days in Rome this week could determine the future of sanctions against South Africa and provide a severe test of the international credibility of the African National Congress.

The heads of state of Italy, Britain, Ireland, Germany, Holland, Luxembourg, Belgium, Spain, Greece, Portugal, Denmark and France will decide tomorrow and Saturday if changes introduced by the De Klerk government so far warrant the easing of international pressure on the Republic.

At their last meeting in Dublin in June, European Community leaders resolved to retain sanctions until profound and "irreversible" change had taken place in South Africa.

Spurred into action

Since Dublin, however, there has been much re-thinking on the subject and speculation that the EC may be on the verge of lifting sanctions.

EC foreign ministers have commissioned a report on the possible relaxation of sanctions.

The prospect of a lifting of sanctions has spurred the anti-apartheid movement into action to try to reverse the

changing tide of international opinion, culminating in a direct call to EC leaders by ANC deputy president Mr Nelson Mandela to keep sanctions in place at least until after the opening of parliament next February.

President De Klerk is then expected to change security legislation and repeal the Group Areas and Land Acts.

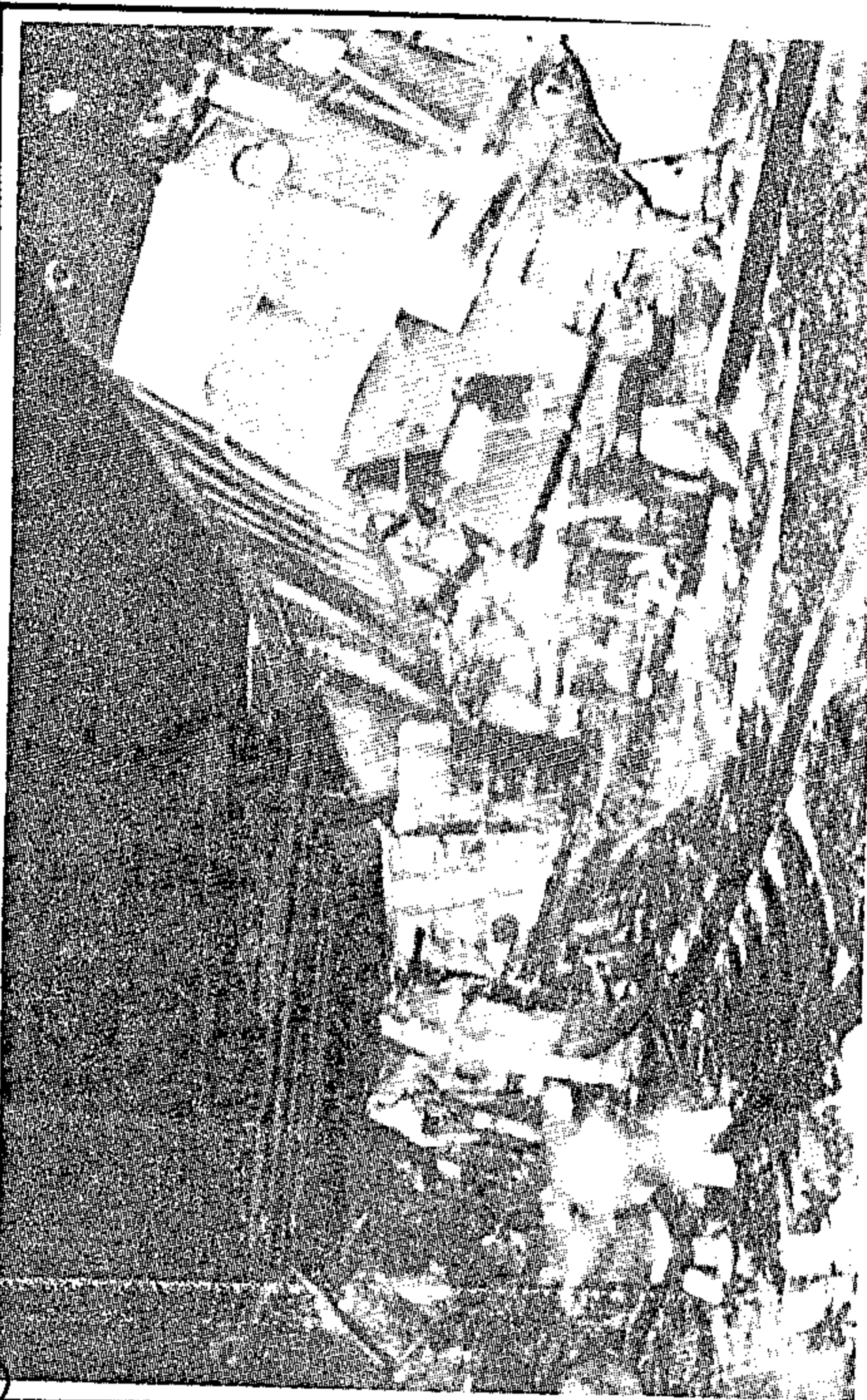
Mr Mandela's intervention is crucial for two reasons. Firstly, it likely to strengthen the hand of those within the EC who want to maintain the status quo.

Measure of influence

Secondly, the summit's vote will provide a measure of the ANC's influence on the direction and content of the international sanctions campaign.

A decision to lift or relax sanctions despite Mr Mandela's call could seriously undermine the ANC's standing on the issue. Up to now the ANC has been a major contributor to positions taken by many governments and bodies such as the United Nations and the OAU regarding anti-apartheid sanctions.

Of concern to Mr De Klerk will be the potential effect of township violence on the EC's assessment of whether sufficient progress towards democracy has been achieved.



WRECKAGE: The wreck of the Boston bound Amtrak passenger train from Washington lies on its side in a tunnel beneath Boston's Back Bay Station after it collided with a commuter train during morning rush hour.

200 hurt in
US train

Mirror, mirror on the wall . . . Three of the 10 Miss Matric 1990 finalists touch u club. Hoping to walk away with the R10 000 first prize are (from left) Melanie Sc (18) of St Andrew's School in Johannesburg and Taryn Webber (17) of Clarendon Gir

Mandela urges EC to keep sanctions

Star 11/12/90

56A

280

Nelson Mandela has made a last-ditch attempt to prevent the European Community easing sanctions on South Africa at this stage, just as Italy moves at the EC heads of government meeting in Rome this week to have them lifted.

Though there is doubt that certain EC countries are willing to lift sanctions — notably Germany, Denmark and Ireland — Italy is reported ready to move unilaterally if it fails to get the necessary unanimous EC vote to change the group's sanctions policy.

In a letter to EC heads of government, the ANC deputy president aimed to convince the European summit in Rome to stay the course on

sanctions until next February or March, by which time the ANC might be ready to see them lifted.

Mr Mandela warned European Community leaders in his letter that they risked "complicating the peace process within South Africa" by lifting sanctions without the ANC's approval.

In a significant passage, Mr Mandela pointed out that "we ourselves are discussing the question of sanctions . . . and we have begun consultations with other democratic formations inside our country, including the trade unions and the religious bodies", to reach a common position. — Political Staff-The Independent News Service.

SA Police find 13 more dead in township

Star 11/21/90

East Rand Bureau

Police found 13 more bodies in unrest-torn Tokoza township today. This brought the total number of people killed in the area since the weekend to 26.

Captain Ida van Zweel, police liaison officer for the East Rand, said the 13 died as a result of bullet or stab wounds. They were all found in the vicinity of the Tokoza hostel.

She said that a crowd gathered in Phola Park last night and opened fire on the police.

Hundreds of Tokoza commuters were without transport today because the main taxi routes in the township were barricaded.

SA confident GATT talks will be resolved

EDYTH BULBRING

ALTHOUGH talks on a new world trade deal have come to a standstill over agriculture subsidies, SA authorities remain confident that the US and the EC will compromise to reach an agreement before the final cut-off date in March.

A Trade and Industry spokesman said yesterday both parties realised that the alternative was too grim to contemplate.

Four years of negotiations on GATT were to have been concluded in Brussels on Friday, but a deadlock occurred over the agriculture sector.

The US has a mandate

from Congress to negotiate until next March, and will then have to pull out of the talks until a new mandate can be obtained.

The spokesman said if an agreement was not reached by March, the formation of trading blocs was a possibility which could take international trade back to pre-Second World War standards. (S6A)

However, the spokesman said he remained confident that the US and the EC would come to some agreement before the final cut-off point. "There is too much at stake," he said.

11/12/90
SIP

Frontline and EC in ugly row

Star 7/12/90

NEW YORK — An ugly row has developed between the European Community and the Frontline states at the United Nations over the timing and tactics for the lifting of sanctions against South Africa.

The EC is also insisting that the naming of Germany as the world's most serious sanctions-breaker is unacceptable.

The ANC, which recognised this week that sanctions may be gone in two to three months if the pace of reform keeps up, found itself torn between its erstwhile allies in the Frontline states and the Community.

Nelson Mandela is appealing to EC heads of state to hold off on a review of sanctions for two to three months. Diplomats have interpreted this as recognition by the ANC that sanctions will soon be lifted.

The EC is also angry at Tanzania and Zambia for referring to Germany by name in a resolution for breaking sanctions by selling submarines to South Africa.

Yesterday's row between

the EC and the Frontline states underlined the wide gap which has opened between the ANC and these African countries over the ending of sanctions.

Partly out of habit, but also because the Frontline states want to hobble South Africa through sanctions for as long as possible, they are insisting that a UN resolution should call for sanctions to stay in place until "the eradication of apartheid".

The ANC is willing to live with much more lax criteria; European diplomats are demanding that the draft resolution be changed.

A majority of EC countries believes that the changes already undertaken by South Africa are irreversible and that the time has come for sanctions to be lifted.

Mr Mandela's appeal to the EC heads of state is seen as an attempt to maintain the ANC's leverage over Pretoria, which is fast slipping away. — The Independent News Service.

● 'Halt swipes at SA' — Page 3.

Gatt talks failure a blow to SA exporters

SA

Star 8/12/90

NEIL BEHRMANN

LONDON — South African Exporters face worsening protectionism following the collapse of the Uruguay round of world trade negotiations in Brussels yesterday.

Attempts to restructure the world trading system were suspended when delegates failed to resolve a disagreement between the United States and the European Community (EC) over its excessive farm subsidies.

The US proposed that the EC cut its farm subsidies by 75 percent to 90 percent over 10 years. But the EC is only prepared to slash the subsidies by 30 percent. It failed to compromise with the United States which agreed to open up trade in services such as banking and insurance.

The General Agreement on Tariffs and Trade (GATT), which sponsored the talks, said the 107-nation Uruguay round of trade negotiations would be broken off in Brussels and will be pursued from now on in Geneva.

There could be a burst of protectionism with terrible consequences for world trade and the international economy, warned Sir Christopher Mallaby, British ambassador to Bonn.

He told a meeting of German businessmen that high European Community subsidies and the spending on its agricultural policies were a scandalous waste of money.

US trade representative Carla Hills said that a successful agreement could have increased world trade, currently worth \$4 trillion (R10 000 billion), by a further \$4 trillion (R10 trillion) over the next decade.

Meanwhile the world economy, notably the US, Canada, UK, Australia and some European countries are already in recession, whilst others are slowing down rapidly.

The collapse of the GATT talks could not have come at a worse time for South African exporters who are hoping that they will make inroads in international markets when sanctions are eventually lifted.

SA delegation

Only this week, a delegation of the South Africa British Trade Association (SABRITA) visited London, Scotland and the UK Midlands to improve trading relationships. They have followed a series of groups and individuals, including Dennis Worrall who did their best to renew old trading links.

It would thus be a great pity if their efforts are scuppered by European and subsequent trade wars which could bar their products even when South Africa is once again accepted in the international community.

A concerned Australian Premier, Bob Hawke, for example, said that Pacific rim nations might sign an alternative agreement with the United States if the European Community continued with its high subsidies for agricultural products.

As a result of its Common Agricultural Policies, the EC turned from a net importer of maize,

wheat and other grains to the second biggest exporter after the US. Mainly as result of the EC glut, grain prices have tumbled in the past few years. Sugar is another example. African and other Third World nations, that produce commodities mainly for export, have been badly hurt.

Mr David Woods, a spokesman for GATT said the Uruguay round talks would be resumed at an unspecified time next year under the direction of Arthur Dunkel, who is GATT's General-Director. Delegates hope that renewed talks will commence in January.

Talks were suspended yesterday when the European Community rejected a compromise proposal on farm reform. The proposal called for explicit commitments to cut agricultural export subsidies and reduce barriers to trade, something which the EC said it could not accept.

About 30 000 farmers from various nations in the Community have been protesting in Brussels. Many have been losing money because of previous cuts in subsidies and insufficient demand for their expensive produce which is well above world market prices.

The US and the Cairns Group of 14 farm exporting countries including Canada, Australia and Brazil, said an agreement in agriculture was essential to reaching an overall accord in 14 other areas under negotiation. In particular, they said any agriculture accord had to include commitments on export subsidies and barriers to trade.

Pik and Mbeki vie for support as curbs start to crumble

SANCTIONS: THE LAST GASP

S Times 9/12/90

Sunday Times Reporters

THE ANC — backed by two minor European countries — is fighting a last-ditch battle this week to shore up fast crumbling sanctions around the world.

Intense behind-the-scenes negotiations took place this week as the ANC's Thabo Mbeki, director of external affairs, tried to force the United Nations and EC members into holding the sanctions line — for at least a little longer. The South African government responded with its own lobbying campaign which included a private telephone call from Foreign Minister Pik Botha to US Secretary of State James Baker and a briefing for Western ambassadors in Pretoria on Wednesday. Little movement is expected at the UN or the EC Council meeting next week — but the political debates are being rapidly overtaken by a series of breaches in the sanctions dyke as businessmen and consumers leave the politicians behind.

Cheers! Europe is catching the spirit of new SA

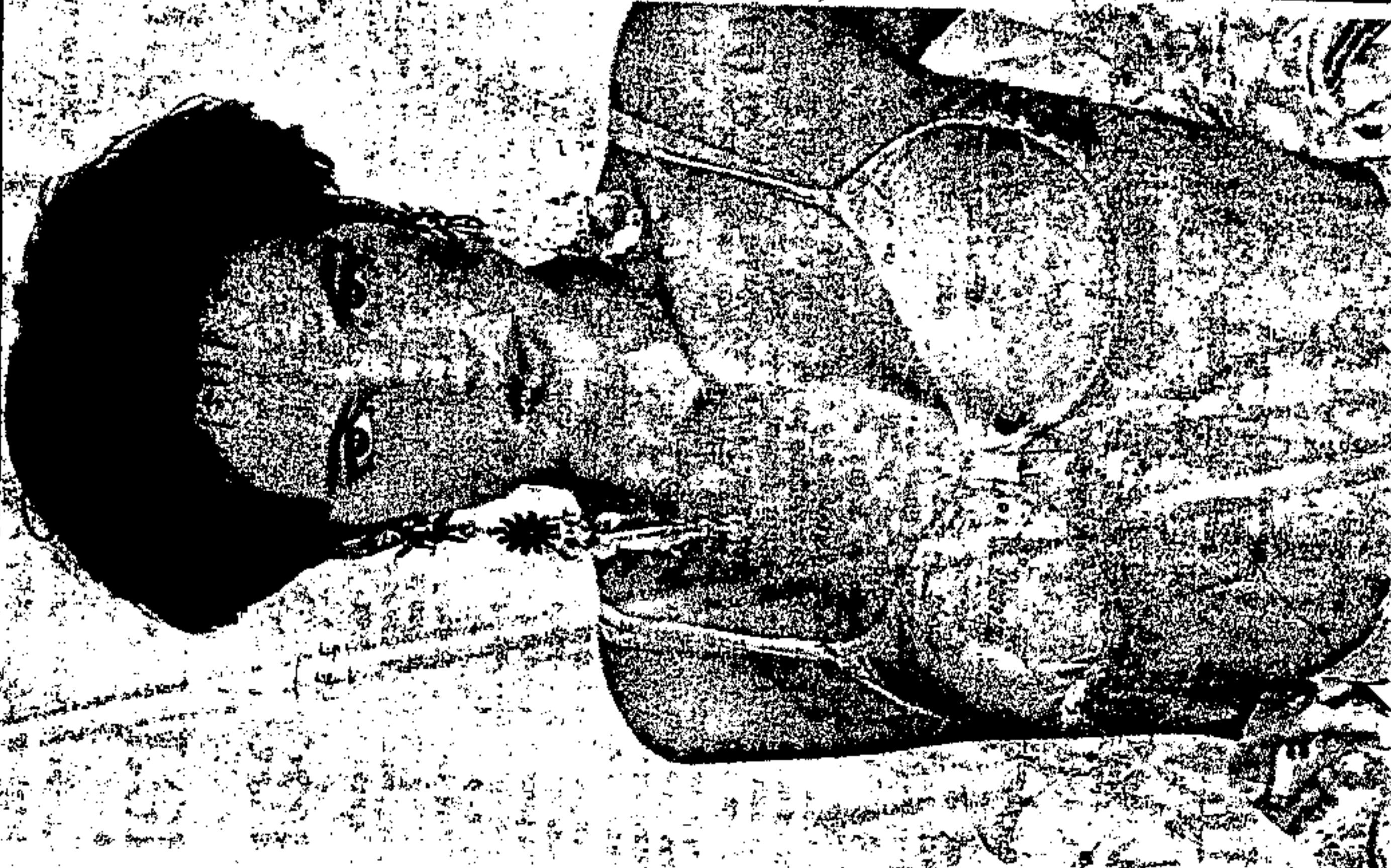
THE SUNDAY GAMING ASSESSMENT
by Jeremy Brooks and Isabel Conway

THE "new South Africa" is the toast of Europe as specialist imports of Cape wines, fresh fish and South African beers probe the market

Exiled group held up at Jan Smuts

By DRIES van HEERDEN
A GROUP of senior ANC officials were allowed into South Africa late last night after being holed up in the international transit lounge of Jan Smuts Airport for most of the day. The group of 25 include some of the movement's top diplomats due to attend this week's consultative conference of the ANC in Johannesburg. Some of them have been waiting in the lounge since Friday. ANC deputy president Nelson Mandela personally intervened after he was told that the group were not allowed to clear customs. Mr Mandela visited the airport, but could find "no one in authority" to deal with. He then left for Pretoria to raise the matter with senior government officials.

Home Affairs Minister Gene Louw and his director



Mr BOTHA: phone call to Baker

R66 666,66 up



NINE LUCKY READERS shared the R600 000 Sunday Times Charity Crossword prize. Yesterday Marja Hardonk celebrated

catching the spirit of new SA

THE SUNDAY MORNING
ASSESSMENT
by Jeremy Brooks
and Isabel Conway

THE "new South Africa" is the toast of Europe as specialist imports of Cape wines, fresh fish and South African beers probe the market.

Retailers, sensing an end to a decade when SA fruit, for instance, had to be labelled to disguise its origin, are emerging openly with promotions of new ranges.

In London, one company has already applied for a government licence to supply beers — mainly Castle — to at least six pubs in the city centre.

"There are many problems still ahead of us," said Castle promotions director Allan McCallum, who organised a live satellite broadcast of the Currie Cup final to a West London sports centre.

"Most pubs are owned by national breweries and getting them to supply South African brands will take some arm twisting. We hope to get the go-ahead by the end of the month."

Mr McCallum said his company had first identified bars in London frequented by South Africans, but eventually hoped to expand into the areas around those points.

In Holland, wine importer Hans Schuchard said the eight prosperous years he enjoyed before the boycott are about to return. He has bought himself a new luxury car.

S Times
9/12/90 **Imports**

"The tide is changing. Soon Dutch wine stores will be openly displaying my South African products again," he said.

Some outlets, he added, were already openly advertising in the media and circulating special offer promotions to customers.

The Dutch drank 400 000 litres of SA wine last year, a tiny part of the total 217-million litre consumption, dominated by French imports.

The South African share of the market — 0.28 percent — is still greater than that of California, Chile or Australia.

Mr Schuchard, who is hoping for a 50 percent increase in imports within the next 12 months, said he hated having to mix politics with business.

"Now that there are changes taking place and the debate is more open, I am reluctant about approaching new business with references to Mr De Klerk and his reforms.

"I feel my saying 'He's doing OK, isn't he?' might prompt disagreement and raise matters which have nothing to do with my wines and whether people want them."

Some bottlestores that openly displayed SA wines at the height of the boycott in 1985 were subjected to protests ranging from peaceful visits from anti-apartheid sym-

□ To Page 2

calls on the organisation to consider a phased roll back of sanctions;

● Business organisations of 12 sub-Saharan African countries have invited South Africa to send an observer to the Southern African Development Co-ordination Conference and the Southern and East African Preferential Trade Area meetings;

● General secretary of the National Olympic and Sports Congress, Mthobi Tyamazashe, said this week that "selective lifting" of the sports boycott had now become a strategy that should be "seriously considered";

Inflow

● South African agricultural products are back on the shelves in British and European shops;

● A UN Special Committee on Apartheid report revealed a wholesale contravention of that organisation's boycott measures by many countries;

● A greatly improved net capital inflow of R1.5-billion in the third quarter of this year — the first inflow in three years and the biggest since the last quarter of 1982.

Despite the fraying of sanctions world-wide, Ireland and Denmark took a tough line at the European Community's foreign ministers' meeting on Tuesday, forcing a consensual decision that sanctions be left in place — and some form of "statement of encouragement" on reform moves be issued.

The foreign ministers' meeting had three options before it: lift sanctions immediately, give credit for change already taken place and begin a selective process of lifting sanctions or undertake to lift sanctions when specified changes be made in SA.

Calls

Denmark and Ireland flatly refused to consider the first. France and Germany apparently failed to support the second option. The officials opted for the third option.

The decision now goes to the EC's highest body, the European Council, in Rome on Friday.

A Western diplomat predicted this would lead to the council coming out with "just another statement" on sanctions — one that would leave the present situation unaltered.

Foreign Affairs Minister Pik Botha called in European and some other Western ambassadors on Wednesday to tell them of SA's deep disappointment at the EC foreign minister's decision to stick to its sanctions policy — particularly when most of those countries acknowledge that sanctions are a

□ To Page 2

Sanctions crumble

S Times
9/12/90
□ From Page 1

dead letter.

The EC has obligatory sanctions on SA iron and steel and the importation of Kruger rands. The member states also subscribed to voluntary sanctions.

It is particularly in the voluntary category that the disintegration of sanctions has been most rapid.

Some Western diplomats said they saw the present dying phase of international sanctions as a period in which all parties — particularly the ANC — were struggling to have control of the lifting of the measures.

In the United Nations, meanwhile, debate on the Special Committee Against Apartheid's annual report, centres on whether the body should offer a relaxation of sanctions or take a hard line.

Mr Mbeki urged member states to adopt a consensus decision calling for the retention of sanctions.

Mr Botha, apparently concerned that the US would also support a hard line, called Secretary of State James Baker to complain. Sources in Washington said the call had angered the administration.

This weekend members of the UN General Assembly were still trying to reach consensus.

US calls on UN to halt swipes at SA

ster 7/12/90

Special Correspondent

NEW YORK — The United States pledged today to refuse to join in any UN resolution on the apartheid question that was not constructive and it called on the General Assembly to "encourage, not instigate".

Addressing the world body on the third day of the apartheid debate, John Moore said the US wanted a consensus resolution which reflected the current political reality of hope and not one which sought to castigate South Africa.

"The United States remains committed to seeking all appropriate means to hasten the end of apartheid," Mr Moore said.

Change should occur peacefully and all groups had to take responsibility to end violence and work together.

South Africa had not yet met the requirements set by the United States for the lifting of economic restrictions, but there was hope that these would be met as change continued.

In the meantime, he said, the

UN should be prepared to modify its stance.

"It is not our purpose to persist with measures that have ceased to be productive and would lead to the birth of a new South Africa in severe economic distress," he said.

Peter Wilenski of Australia said it was time for the international community to look forward to South Africa's needs after the end of apartheid.

Australia did not want to maintain sanctions for longer than was necessary.

Vieri Traxler of Italy, speaking for the other 11 members of the European Community, said the new post-apartheid South Africa should be able to avail itself of all economic resources, including access to external financing to ensure its future prosperity.

The European Community states were not inclined to easy optimism and did not underestimate the scale of the difficulties lying ahead, he said.

Hungary also opposed the tough sanctions resolution being debated by the General Assembly. Throughout the debate, scores of seats were unoccupied.

ANC hints on ending curbs

50wefam 7/12/90
NEW YORK - The ANC has for the first time publicly agreed to a timetable for the lifting of sanctions against South Africa and indicated on Wednesday that they could be ended within three months if the Government adhered to agreements on reform.

Deputy president Mr Nelson Mandela will appeal to next week's European Community summit for a decision to lift sanctions - which is favoured by a majority in the EC - to be put off "for two or three months".

By that time the obstacles holding up agreements between the ANC and the Government should have been cleared away.

Message

The Government might also have repealed its security legislation, the Land Act and the Group Areas Act.

The message from the ANC, delivered by the organisation's spokesman on international affairs Mr Thabo Mbeki at a closed-door meeting of diplomats at the United Nations, marks the first time that the ANC has presented a specific

timeframe for the removal of sanctions.

Mbeki denied in an interview yesterday that he had intended to signal a change of ANC policy and appeared to retract what he had said earlier at the meeting.

"What we are saying to the EC is that there is nothing that has happened so far in South Africa even to justify a review of the sanctions policy," he said.

Meeting

"We do not know what will have happened by next February. But it would be wrong to say, just because obstacles have been removed and laws repealed, that the ANC would advise lifting sanctions."

However, European diplomats who had attended the meeting said he had given them a different message.

"The clear implication was that, provided the timetable was adhered to and the reforms that President FW de Klerk had promised were addressed, but not yet completed, it would be all right to lift sanctions," one European delegate said yesterday.

The Independent.

Call for pollution think-tank

CHL-1047
7/12/90

SA

Municipal Reporter

A METROPOLITAN think-tank should be established to oversee everything that flows into False Bay, according to city engineer Mr Arthur Clayton.

He said yesterday he had approached the Department of Environment Affairs with this suggestion as an overall management plan was needed to co-ordinate separate efforts by various local authorities involved in monitoring waste and storm-water disposal.

Test results could then be exchanged and compared rather than duplicated.

Cape Town municipality, the regional water supplier, could play a major role in such a co-ordinating body.

Mr Clayton said he expected a meeting on the subject to take place in January or early February.

Meanwhile, the good news for holiday-makers is that virtually no storm-water flows into False Bay during the summer.

Mr Clayton said yesterday that stormwater — the rainwater run-off that goes down the drains — was the

major cause of concern in False Bay, rather than the extensively treated and carefully monitored effluent from the sewage plant.

Every two weeks water samples are tested by the Council at 20 points in the sea on the False Bay coast.

There would be no point in testing more frequently, since the results were consistently good, Mr Clayton said.

The Foundation for Research Development (formerly the CSIR) issued a statement yesterday in which it stressed that "in the light of present information, the water at all the recognised swimming beaches is safe for the public".

The FRS is the same body that this week identified 10 danger spots for bathers.

City Mayor Mr Gordon Oliver and senior council officials said at a press conference at the Cape Flats Wastewater Treatment Plant yesterday that the occasional brown colour of water in the surf area in False Bay was harmless.

The "brown water" phenomenon had no correlation to bacterial counts, as it was caused by a microscopic plant.

561

ANC 'keep-sanctions' plea to EC expected

LONDON. — The African National Congress is expected to ask the international community to keep sanctions in place for just another two or three months.

This was reported in the London Independent newspaper yesterday, while the ANC in Johannesburg tried to play down leaks of a proposed easing of sanctions as just a draft document.

The Independent correspondent in New York reported that ANC deputy leader Mr Nelson Mandela would appeal to the European Community summit in Rome next week to put off a decision on lifting sanctions — favoured by a majority in the EC — "for two or three months".

By that time the obstacles holding up

agreements between the ANC and the government should have been cleared away and Parliament would be repealing its security legislation, the Land Acts and the Group Areas Act.

Anti-apartheid movements in Britain and Europe have recently expressed what they termed "alarm" at confirmation that a majority of the 12-member EC countries are in favour of at least a relaxation of Europe's 1986 sanctions against South Africa as a concrete response to President F W de Klerk's reforms.

A leading London broker said yesterday the ANC discussion document would have a positive effect on overseas investor confidence.

Despite the ANC retractions, Mr John Taylor, South African analyst for leading brokers James Capel, said yesterday he believed the existence of the document was a positive sign which "will improve confidence".

He said there had been much disillusionment with the ANC in recent months.

An ANC spokesman said in Johannesburg yesterday the draft document would be circulated at all levels before being tabled at the national consultative conference from December 14 to 16.

He said the leakage of the document at this stage was "unfortunate". — Sapa, Own Correspondent

● Hungary fights sanctions — Page 5

EC in offer to save ailing GATT talks

BRUSSELS — Trillion-dollar GATT free-trade talks inched towards breakdown yesterday but the EC, under attack from the US, offered last-minute concessions to salvage the talks.

EC spokesman Nico Wegter told reporters on the penultimate day of the talks: "We are going to demonstrate this afternoon a certain degree of flexibility."

But US deputy trade representative Julius Katz said: "We heard nothing new from the EC today. It's a charade."

EC officials said the EC was prepared to offer increased access to its markets for imported food products to satisfy complaints from the US and most of the 107 GATT member nations that its markets are effectively closed.

It was also ready to offer concessions in the billion dollar business of soybeans and oilseeds.

The talks, supposed to crown the most ambitious free trade round GATT has undertaken, have been deadlocked since opening on Monday because of demands by Washington that Brussels make deep cuts in subsidies cushioning the 10-million EC farmers.

The EC has offered to cut 30% from its internal farm supports. The US and other major farming nations want a 75% cut in internal supports and 90% in export subsidies.

EC officials said yesterday there was no

question of altering the EC's stance on the depth of cuts to make specific commitments on export subsidies.

US trade representative Carla Hills told reporters that an adjournment of the talks, under way for four years, might be needed. "Clearly we're stalemated on agriculture," she said.

British Trade Minister Peter Lilley said it would be "tragic" if the talks, supposed to remove barriers on 15 sectors of trade from banking to patents, were suspended.

A deadline for progress on the EC subsidy offer, set by conference chairman Hector Gros Espiell of Uruguay, has expired. Ministers were due to review progress again yesterday afternoon.

Neither side wants to be seen to be responsible for a breakdown of a major advertisement for free trade at a time when Eastern Europe and many centrally planned administrations are embarking on the road to free markets.

The row over agriculture has eclipsed discussion of everything else, to the chagrin of Third World exporters who hoped the discussions would open markets for their exports.

Many officials fear a breakdown could increase trade friction and run the risk of a new bout of protectionism at the very moment when the slowing world economy needs a boost. — Sapa-Reuter.

B 10am 7/12/90

56A

EC discusses end of sanctions on SA

CAF Trip 5/12/90 (56A)

Own Correspondent

LONDON. — European foreign ministers yesterday discussed various options for lifting sanctions against South Africa during their meeting in Brussels.

They will now forward these options for discussion and an EC declaration during the European Council summit of prime ministers in Rome next week.

South Africa was not high on the agenda at yesterday's meeting, according to EC sources, with the pressing issue of aid to the Soviet Union dominating the day's events.

However, the president of the council, Italian Foreign Minister Mr Gianni Michelis, last night confirmed that preparations concerning the question of sanctions, as well as the EC's Southern African aid programme, were finalised with a view to the Rome summit.

Although he failed to elaborate, political sources say the foreign ministers assessed various options on how to respond to the reform process so that it will encourage South Africa to effect the final, "profound and irreversible" changes.

This was in line with the EC's Dublin declaration on South Africa, in which the council affirmed its willingness to consider a gradual relaxation of sanctions pressure "when there is clear evidence that the process of change has become irreversible".

However, the repeal by Pretoria of the remaining pillars of apartheid, and the start of negotiations for a non-racial democracy, remain the fundamental steps the EC is waiting to reward.

Concern was also reportedly expressed at the carnage in the township battles between the ANC and Inkatha.

Among key sanctions which the EC will consider lifting next week are the bans on the import of iron, steel and Krugerrands. The voluntary bans on new investment by member states are already "withering on the vine".

A symbolic statement on the desirability of resuming cultural, political, sporting and other contacts with South Africa, although not prevented by the EC, could also be forthcoming next week.

WORLD

Moscow warns on EC funding

6/12/90

BRUSSELS — Moscow yesterday told the EC countries they would be swamped with immigrants unless they invested more in the Soviet Union.

Soviet ambassador to the EC Vladimir Shemiatenkov said millions of his compatriots, from street sweepers to professional people, wanted to head west in search of work as soon as the Soviet parliament passed a law on free movement in a few weeks' time.

Shemiatenkov said it would be "morally obnoxious" for the EC to resist the migratory wave because the EC and the US had pressed Moscow to let its people travel freely for so long.

But he said more Western investment in his country "would considerably ameliorate" the prospects of harmful "superflows" of people across Europe's frontiers.

"It would be rather unwise to make people come to capital. It is better to bring capital to people where they are," he said.

"There is no great desire (by Western businessmen) to go to the Soviet Union and work there, so I think this situation should be changed for social reasons, including the imminent

transfer of people across the borders."

Shemiatenkov's warning coincided with intense debate within the EC on the scale and nature of help for the Soviet Union.

This is to be discussed by the summit of EC leaders in Rome on December 14 and 15.

Developing

He said his country was not formally requesting food aid but had supplied the EC with a list of scarce goods needed to relieve the supply crisis in some Soviet cities, including meat products, baby food and medicines.

Moscow appreciated foreign offers of emergency food aid but this was no substitute for co-operation in developing infrastructure, providing training and financially assisting perestroika reforms.

EC President Jacques Delors told EC foreign ministers on Tuesday the grouping should help stock Soviet shelves by providing food aid and extending credits.

He also suggested balance of payments support and funds to ensure the convertibility of the rouble. — Sapa-Reuter.

5/11/90

56A

ECC builds township creche

Own Correspondent

CAPE TOWN — There was a victory for peace in Khayelitsha at the weekend when young whites opposed to service in the defence force completed an alternative service project: the opening of a new creche in the township.

In spite of the curfew last week, and the presence of more than 100 troops in the area, there was laughter and singing at the Nokwe creche on Saturday.

Built by End Conscription Campaign members at weekends over the past two months, the creche, painted in bright primary colours, makes a striking contrast to the surrounding shanties.

Some of the material used to build the creche — such as the panels, which were from the old Crossroads clinic, originally started by Dr Ivan Toms — had been recycled.

The principal of the school, Agnes Tyolota, said she was delighted.

Star 2/11/90
56A

Lome is road to economic uplift

PETER FABRICIUS reports on South Africa's latest effort to get back into the international community — especially for the economic benefits.

THE news that South Africa has established a diplomatic mission in Lome, Togo, to lobby for admission to the Lome Convention has sent ripples of surprise, interest and not a little confusion through the diplomatic and development communities.

The announcement of the new mission follows Foreign Minister Pik Botha's appeal at an African Institute conference this week for South Africa to be reclassified as a developing country — and then be admitted to Lome.

Much scepticism has been expressed about the chances of South Africa being admitted, though some observers believe it is not as far-fetched as it first sounds.

But all are agreed that membership, if possible, would bring great benefits.

The Lome Convention is an agreement signed between the 12 nations of the European Community and 68 developing nations of Africa, the Caribbean and the Pacific (the so-called ACP countries), which provides them with EC development aid and highly preferential trade terms. Namibia is about to become the 69th member.

The Lome Convention started in 1967, succeeding other similar conventions regulating trade and aid between the European Common Market countries and their former colonies.

All of the ACP members now in Lome are regarded as developing countries.

These circumstances raise doubts about whether South Africa could qualify.

A source said South Africa could not be regarded as a developing country.

Rean Botha, of the Department of Foreign Affairs, a legal consultant on EC matters, said the original idea that Lome was essentially a relationship between the EC's former colonies, which would exclude South Africa.

Dr Eric Leistner, director of the Africa Institute in Pretoria, initially expressed great doubt about South Africa qualifying, on the grounds that it was not a recent former European colonial dependant and because it was not a developing nation.

But after further investigation, Dr Leistner said that it seemed that the country could perhaps qualify in theory.

Italian diplomatic sources said that there were no specific qualifications — such as a maximum per capita income — for admission.

Leo Tindemans, a former Belgian Foreign Minister and present EC parliamentarian involved with Lome, said that opinions varied on whether South Africa would qualify. But he believed application for membership would be "seriously considered" when apartheid had gone and a democracy installed.

Benefits would include Stabex — a programme to stabilise fluctuations in Third World commodity prices; Sysman, a programme assisting mining, and several protocols under which the EC undertakes to buy products at fixed prices. □

Plan to block easing of sanctions

LONDON — The European anti-apartheid movement is to launch a campaign to halt the possible "premature" relaxation of sanctions against South Africa by the European Community.

Senior representatives of the anti-apartheid movement in Italy, Britain, Belgium, France, Germany, Denmark, Ireland, Holland, Portugal, Greece and Spain this week made an urgent appeal to the EC's political

MIKE SILUMA

SBA

committee against the relaxation of sanctions.

In October EC foreign ministers meeting in Brussels asked the political committee to draw up proposals which could represent a signal of encouragement to the South African government for its reforms.

The recommendations of the political committee are to be considered

by EC foreign ministers when they meet in Rome next week to prepare for the EC summit at the same venue on December 14, where a decision is likely to be taken.

An AAM spokesman said the group was "extremely alarmed" by the news that the meeting of EC foreign ministers in Rome next week would consider the relaxation of sanctions.

"Relaxing sanctions will be premature and

counter-productive to the process of securing a genuine end to apartheid. We will be campaigning vigorously over the next few days against any such moves either at the (foreign ministers') meeting or the Rome Summit," added the spokesman.

The AAM had, however, received assurances from Brussels that the EC had no intention of establishing a diplomatic presence in South Africa.

Star 1/12/90

SA must get in step with Gatt

W/Mail 30/11 - 6/12/90

TRADER and Industry Director General Stef Naude explains that the current Uruguay Round, of the General Agreement on Trade and Tariffs (Gatt) is the most comprehensive and ambitious ever and makes new demands on South Africa.

Negotiations are taking place in 15 negotiation groups, which apart from the traditional and important subject of reductions in custom tariffs, also include "new" subjects like trade in services, intellectual property rights and trade-related investment measures.

After four years of negotiations the round is now drawing to a close and in theory the meeting in Brussels in December is the official end to the current round.

The parties contracting to Gatt, including South Africa, expect an average tariff reduction of one third will be offered in the Uruguay Round.

During the so-called Kennedy Round participants agreed on a reduction across the board — and South Africa was among the few countries which Gatt regards as developed countries which did not reduce its tariffs linearly. In the Tokyo Round which followed, only Iceland, New Zealand and South Africa didn't participate in linear reduction — with much reproach from their trading partners.

Soon after the Tokyo Round, the European Community (EC), in bilateral negotiations with South Africa, made it clear this country would have to cut tariffs on a linear basis. Naude says the EC argues, quite correctly, that the substantial tariff cuts other participants made after the previous round were also applicable to South Africa, because of the "most favoured nation" principle.

South Africa, therefore, enjoyed the fruits of the other participants' tariff cuts, but did not fulfil its part of the bargain.

The EC indicated that if South Africa did not accept big tariff cuts in the cur-

Reports have been that South Africa has come under pressure to lower protection in recent talks from the General Agreement on Trade and Tariffs, the forum for the Uruguay Round of multilateral trade negotiations now taking place. **REG RUMNEY** reports

rent round of Gatt it would withhold the application of its tariff cuts to South Africa and other countries which did not make the necessary cuts.

The EC is South Africa's most important trading partner. Some 63 percent of South Africa's goods in 1988 went to the EC and 44 percent of imports came from there. The percentages for Japan were 12 percent and 13 percent respectively, and for the US 10 percent and 11 percent.

The level of South Africa's Gatt "bindings" — undertakings not to increase customs tariffs above certain levels — are much lower than those of South Africa's most important trading partners, points out Naude.

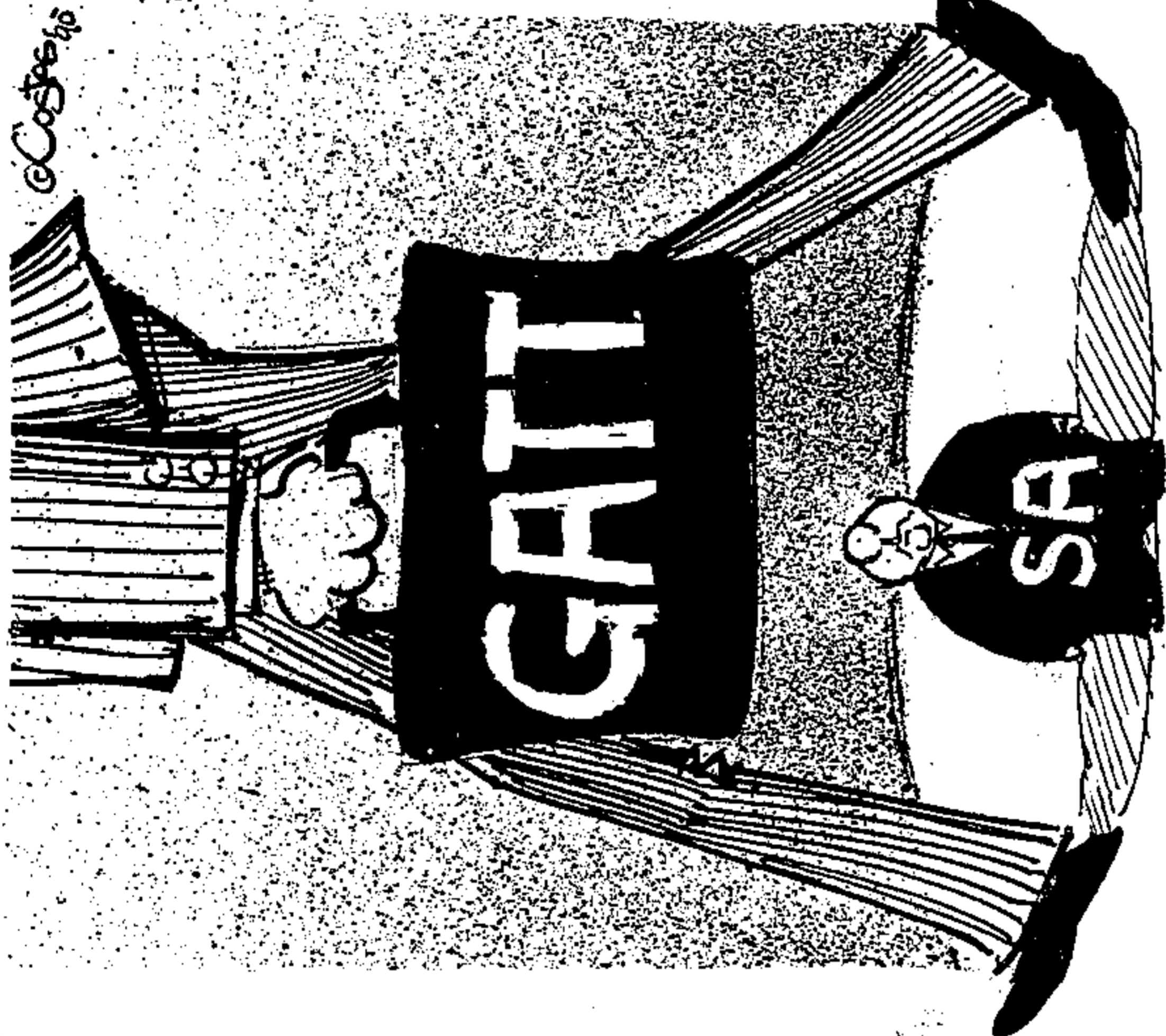
The percentage of bindings which apply to industrial products are: EC 99 percent; United States 100 percent; Japan 86 percent; South Africa 18 percent.

During bilateral negotiations in Geneva with the EC and Switzerland this year a package of tariff proposals devised by the Board of Trade and Industry was put to these countries.

They rejected it because it took in only 2 700 items out of a total of 11 300 in the industrial sector. Secondly, certain items were offered at high rates of duty (or "tariff peaks"). Countries are expected to bind all their tariffs against an increase in duty.

The government had to come up with a new proposal fast but the Industrial Development Corporation had handed its report on tariff protection to Trade and Industry Minister Kent Durr.

Care had to be taken not to prejudice or



with industry. Always conditional is the performance of other members of Gatt in terms of the agreements on protection.

However, South Africa did lower at the Uruguay Round the "tariff peaks" present in its earlier proposals (tariff peaks are tariffs on certain items much higher than the norm, say 40 percent). Its adjusted tariff offer consists of 4 700 items (just over 40 percent of the 11 300 items). With existing bindings only 55 percent of South Africa's customs tariffs on industrial products will be bound.

Naude says this falls somewhat short of the expectation that all tariffs must now be bound, but South Africa can do no better in the current round, and has

preclude government policy decisions. Other factors which had to be taken into account, says Naude, aside from the need to comply with Gatt's demands to retain one's own privileges in terms of Gatt were the demands of one's own economy. South Africa's trade is still limited by sanctions. Also, we are now undergoing a delicate phase of constitutional development, and this means trade liberalisation must be promoted with circumspection.

The South African Customs Union has four other countries whose economies are at an early stage of development with infant industries which could be affected by decisions on protection made by South Africa.

So tariffs to be scrapped will be phased in over five years and discussed

with industry. Always conditional is the performance of other members of Gatt in terms of the agreements on protection.

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The main fear of many industrialists was competition from "dumping" — the selling of goods on foreign markets at a low profit or even below cost for various reasons, often to get rid of the goods.

The "formula duties" which are used by South Africa against dumped goods are frowned on by Gatt and will have to go. But industrialists want the certainty that there will be proper procedures to protect them against dumping. Naude says the government is taking steps to put that in place. It realises a single shipment of dumped goods can disrupt a market. "The country needs an effective system appropriate for our country with its manpower."

It has also been reported that South Africa will disregard surcharges (not tariff protection) for countries that ignore sanctions. Turkey, for instance, has been one of those countries which has a special dispensation from South Africa.

Naude reminds that with Turkey a quota system applies. He won't comment in detail on special preferences given to certain countries. But he does say: "As our trade position in the world rapidly normalises it is reasonable to assume that the need for bilateral trade agreement which doesn't give equal benefit will disappear."

Finally, why does South Africa belong to Gatt? There has been the feeling that Gatt places unfair demands on South Africa, particularly in the light of sanctions, which seem to cut across free trade.

Naude stresses that each obligation in Gatt for South Africa is balanced by an advantage. "Precisely because export-led economic growth is of critical importance for our country, entry to other markets is necessary."

Naude says he knows of no country which has let its Gatt membership lapse. But there are many who want to join.

Uruguay Round: Still 'unfinished symphony'

By RONALD FARQUHAR: Geneva

MARATHON talks for freer world trade are nearing the finishing line, but the 107 nations involved are still uncertain exactly what prizes await them, or how many extra laps their negotiators might have to run.

Wide gaps over key issues still divide teams of diplomats as they packed their briefcases and prepared to head for Brussels where government ministers are due to wind up the Uruguay Round of trade negotiations at a five-day session starting on Monday.

Despite four years of complex bargaining in Geneva, major traders, including the United States, Japan and the European Community, are far apart over how deeply to cut farm subsidies and by how much to open up international markets for commercial services such as telecommunications, banking and insurance.

Agreements on these and other unresolved problems are vital for the Uruguay Round's overall objective — a web of interlocking accords that would boost world trade in everything from machine tools to maize and microchips now running at a record annual value of \$3 100-billion, and strengthen, modernise and extend the rules that govern it.

The talks, named after Uruguay where they were launched in 1986, are the eighth and most ambitious and complex round of negotiations ever conducted under the auspices of the General Agreement on Trade and Tariffs (Gatt).

But progress has been sluggish and work has fallen far behind schedule.

Negotiators were still arguing in minute detail how to achieve an overall average 30 percent cut in tariff duties on imports, a main means of protecting domestic industries from foreign com-

petition.

Haggling was expected to continue through the weekend preceding the Brussels ministerial meeting.

"The round is in a crisis, and the negotiators have to get out of this crisis in the first hours and days in Brussels," Gatt Director General Arthur Dunkel told a news conference in Geneva this week.

The draft of a pact to phase out restrictions on trade in textiles and clothing, a major objective of Third World exporters, lacked crucial timetables and deadlines.

Industrialised and developing countries have been unable to agree on the terms of an accord that would improve conditions for foreign direct investment by banning or easing restrictions some governments impose on firms setting up shop on their soil.

Attempts to redraft rules that allow governments to impose offsetting duties on imports dumped on their markets at unfairly low prices were deadlocked by fundamentally opposing approaches by Japan and other Asian exporters on one side, and the United States and the 12-nation European Community (EC) on the other.

So, instead of being presented with a set of blueprints for agreement, trade ministers face a heavy workload of negotiation.

A senior EC negotiator described a 391-page report setting out the results of the bargaining in Geneva as "an unfinished symphony" with far too many alternative scores.

The technical details of the problems are so complex that even if the ministers work out political solutions that will make agreements possible, senior officials will probably have to return to Geneva afterwards to fill in the legal fine print. — Sapa-Reuter

Govt sees breakthrough in trade with East Europe

(56A) (404)

B/Dig 30/11/90



Andrei Chernuchin, leader of this week's Soviet delegation to SA and a Soviet Council of Ministers member.
Picture: ROBERT BOTHA

PRETORIA - Dramatic breakthroughs in SA's trading relations with Eastern Europe had been achieved, Trade and Industry director-general Stef Naude said this week.

However, a large amount of groundwork would have to be done to explore the market potential in the region more fully, he said in an interview.

This week, Soviet and Bulgarian delegations arrived in SA to explore trade possibilities. Their visits followed similar missions from Hungary and Poland, and visits by South African groups to Eastern Europe.

The development coincides with SA trade with Europe that has generally expanded.

On the potential for increased trade after Europe united in 1992, Naude said that during 1989 six European countries were included in the top 10 of SA's most important trading partners.

The 12 EC countries were traditionally SA's largest trading partners.

In spite of political sanctions imposed in 1986, trade between the EC and SA had increased. It would become easier in a united Europe with the elimination of frontier controls between member states.

The department's representatives at the SA mission to the EC in Brussels was closely monitoring the situation in the community.

Naude said organised trade and industry

GERALD REILLY

would be kept well informed of developments that could have an influence on SA exports.

Although the market potential of eastern Europe had not been fully investigated, preliminary studies indicated interesting trading prospects.

In many cases the Eastern European economies were complementary to SA's. The countries were interested in SA's raw materials and in certain manufactured goods.

However, the potential for SA exports in these markets was hampered in some cases by shortages of foreign exchange in the emerging democracies of eastern Europe.

Naude said the department had established the SA Counter Trade Association to assist exporters in counter trade transactions.

On strengthened trade representation in Africa and abroad, Naude said the department had offices in five African countries - Zimbabwe, Zaire, Mozambique, Malawi and Namibia.

Consideration was now being given to opening offices in the Ivory Coast and Mauritius. The Mauritian office would also promote trade with Madagascar.

The department had 39 offices in 24 countries outside Africa where 60 officials were promoting SA trade.

the September 1990 quarter. The financial...

Germany's stance is crucial

EC decision on sanctions expected soon

BRITAIN will again push for an early lifting of sanctions when EC foreign ministers meet in Brussels next Tuesday, but SA officials have warned against having inflated expectations.

Although up to eight EC members have indicated support for partial lifting of sanctions, Germany, which holds a pivotal position in the EC, is holding elections on Sunday and has failed to take a stand.

SA officials believe next Tuesday's meeting comes too soon after the German elections for that country to take a firm decision on sanctions.

However, by the time European heads of state meet on December 14 or 15 they believe Chancellor Helmut Kohl, who is expected to be easily re-elected, could join those countries which believe some gesture has to be made to support changes introduced by President F W de Klerk.

Kohl's decision would be crucial, officials said, as it would influence the French who have also not taken a firm stand.

Meetings between SA foreign affairs officials and political directors of the 12 have failed to produce a conclusive position on sanctions. Ireland and Denmark have led opposition to lifting sanctions while the remainder, with the exception of Germany and France, have indicated they favour at least a partial lifting of sanctions.

The political directors were asked by the foreign ministers on October 22 to review

MIKE ROBERTSON
and KIN BENTLEY

EC sanctions policy and make proposals that would represent a signal of encouragement to the SA government.

All EC political decisions are made on the basis of consensus and the opposition of just one member to lifting sanctions would be enough.

A reliable Whitehall source confirmed yesterday that the new British Prime Minister John Major was unlikely to substantially alter British policy on SA sanctions from the well-known stance taken by his predecessor, Margaret Thatcher, who favoured their early lifting.

Meanwhile, an EC spokesman in Brussels confirmed yesterday that the 12 EC foreign ministers would also consider a plan to open a "technical office" in SA to administer the EC's special R150m-a-year programme to help victims of apartheid.

A British Foreign Office spokesman said while it was unlikely the foreign ministers would agree to lifting any of the sanctions measures on Tuesday, it was possible consensus could be reached through negotiation.

The matter comes up again at the European Council meeting of heads of state in Rome on December 14 and 15, at which a formal declaration on SA can be expected

□ To Page 2

2

BUSINESS DAY, Friday, November 30 1990

Sanctions

to spell out any relaxation of sanctions.

While a formal relaxation of sanctions has not materialised, SA officials say that in reality they are crumbling.

After De Klerk's last meeting with Thatcher, her Press office said voluntary investment sanctions and other measures were "withering on the vine".

US President George Bush recently called on the EC to take steps to relax sanctions, arguing that his hands were tied

by the Democratic Congress majority.

Among symbolic "rewards" being suggested are the partial lifting of the sports boycott for integrated sports codes in SA, with the same proviso of integration applying to the lifting of the cultural boycott.

Another early step would be the relaxing of the strict visa policy towards SA visitors to many EC countries and the lifting of remaining bars on religious, educational and scientific contact with SA.

□ From Page 1

Develop but do not destroy the environment

ties in the management of wildlife resources, particularly in rural areas where wildlife utilisation on a sustainable basis represents a significant and viable land-use option. The ANC is in agreement with the policy approach of some of the neighbouring states which advocates full community participation in management of wildlife resources and the economic benefits flowing from this resource.

The ANC will therefore explore to the fullest the various modalities for rural development projects in these regions based on controlled rational harvesting of wildlife for supply of raw materials (ivory, skins) to be fabricated into finished products in rural-cooperative industries.

South Africa's marine resources are enormous.

W.M. and 16/11/90

From PAGE 30

ous, surrounded as we are by two major oceans (the Indian and the Atlantic) with extensive fish resources. But, like in many parts of Africa, the high pollution levels and degradation of coastal ecosystems threaten the life-support capacities of the oceans and undermine their role in the food chain.

The problem may be expected to be particularly acute around the highly populated and industrialised coastal zones. More than three-quarters of marine pollution is estimated to come from land-based sources, via rivers and direct discharges. The rest comes from shipping, dumping and oil production. The environmental challenge

There is to control and decrease marine pollution and establish regimes of environmental management of the oceans and coastal regions around South Africa.

A post-apartheid government would need to institute policies and measures aimed at preventing practices harmful to marine ecosystems. Such policies would include:

- Control of the discharge of industrial effluents and sewage
- Prohibition of dumping wastes, including hazardous and radioactive materials as well as disposal of hazardous residues and wastes from ships
- Regulations regarding spills from tankers and off-shore platforms
- Promotion of land-based technology for disposal of hazardous wastes.

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Blue chips not necessarily the best

study

A NEW study has shown that contrary to conventional wisdom, second-tier JSE equities perform as well as many of the primary blue chips which make up the bulk of institutional portfolios.

The study, commissioned by Investec Bank and conducted by Michael Page, a senior lecturer at UCT's Graduate School of Business, concludes that actively managed portfolios of smaller companies' shares can, and should, yield a competitive return.

Traditionally, institutional investors have chased top tier, blue chip equities and tended to ignore the smaller second- and third-line counters. It is normally assumed that this has resulted in a self-fulfilling prophecy in which demand for scarce blue chip stock has driven up its market value.

However, Page's study challenges this assumption by showing that between 1980 and 1989, portfolios of

smaller industrial and financial equities outperformed the larger equities on investment return and risk criteria.

Institutional investors often bypass the second- and third-line counters because they believe their price movements are more volatile than those of the primary equities.

In Page's study, primary and secondary shares in industrial and financial portfolios performed competitively in terms of average annual investment return. Ironically, when price volatility was factored into the calculation, the smaller equities in these portfolios outperformed the blue chips.

In the industrial portfolio, the blue chips showed an average annual return of 27,7%, compared with a return of 27,06% from the smaller stocks and 25,6% from the industrial index. But when the risk factors were included, the big and small equities yielded 16,03% and 19,24% respectively.

The industrial portfolio was the most comparable, with size the main difference between primary and secondary shares. In the financial portfolio, overperformance by the secondary shares in the first five years of the investment period more than compensated for underperformance in the five years to 1989.

Selection of equities for the study was based on market capitalisation and tradability. First tier, or primary investment holdings, were defined as companies with market capitalisation of more than R1bn, while the second tier consisted of companies with market capitalisations of between R100m and R1bn.

Given the limited trading volume on the JSE, a further filter resulted in the selection of only those companies where annual trading exceeded 2%.

The final database consisted of 130 companies, 42 in the primary tier with a total market capitalisation in excess of R220bn, and 88 in the second

tier with a market capitalisation of just more than R32bn.

A number of different portfolios were created on the basis of sector and price-earnings ratios.

Page said that when selected equities were ranked by trading volume, there was greater proportional tradability within the second-tier grouping. The most frequently traded of the large firms had a volume of 29,6%, compared to 32,8% for the small firms.

Page said this suggested that a significant proportional holding in the second-tier companies could be more readily acquired over time, not only because less capital was required but also because of the more frequent trading of the equity in the market.

Page concluded that the competitive performance, with the substantial reduction in funds needed to acquire significant holdings in the smaller companies, increased the potential for portfolios of this type.

LESLEY LAMBERT in Cape Town

In the financial portfolio, the smaller equities' performance was even more impressive, yielding an average annual return of 26,84%, compared with 24,50% from the larger shares and 23,08% from the financial index. When risk was introduced, the returns were 14,62% and 8,95% respectively.

However, a different picture emerged from the mining portfolio. Primary equities yielded 26,54% returns and secondary equities yielded 21,23%, compared with a yield of 23,5% from the all gold index. Risk factors reduced the respective returns to 9,59% and 5,23%.

Page ascribed smaller mining shares' relatively poor performance to the effect of a declining gold price on smaller marginal mines.

Poor nations fear being left in the cold

The dispute is threatening to scupper four years of hard negotiating, delegates say.

If no agreement emerges, the result could be a bitter transatlantic trade war waged by wealthy nations using subsidies which Third World exporters could not match.

"We feel that our interests have been set aside, particularly at the 11th hour," one Malaysian diplomat said.

"There's a lot of horse-trading by the majors and we are afraid that our interests will be compromised."

Agricultural produce is the biggest source of hard currency for many developing nations.

Farmers in countries such as Brazil, Argentina and Uruguay — whose governments cannot afford subsidies — are unable to compete with their EC and US counterparts, depriving

Poor nations fear being left in the cold

their states of urgently needed foreign exchange for debt payments and development.

One Filipino diplomat said: "It is important that there will be a moratorium on export subsidies."

"The EC and the US can afford to subsidise their exports but countries like us cannot. We always lose out."

The subsidy war has prompted threats by some countries to block results in other areas dear to the US and the EC like opening up trade in services and protecting copyrights.

The agriculture ministers of Argentina, Brazil, Chile, Paraguay and Uruguay met last week and said their countries would walk out of the GATT talks unless the EC changed its stance.

"The agriculture question is vital," Argentine Agriculture Minister Felipe Sola told a news conference.

mits advanced countries to shelter their ailing domestic industries under a web of bilateral agreements curbing textiles and clothing shipments from the Third World.

"We would want the shortest possible period for textiles to be integrated into GATT," Zutshi said.

But the industrialised countries say they want the accord dropped later rather than sooner.

Although the US has ceased calling for global quotas on textiles imports, the EC still says GATT rules must be tightened to prevent Third World exporters unfairly undercutting its textile industries.

The developing countries, which see this as a ploy to maintain barriers, are aggressively fighting off a move to allow countries to restrict imports from individual suppliers when sudden surges damage or threaten domestic industry.

They say any restrictions must be imposed on all exporting the goods in question. — Sapa-Reuter.

BRUSSELS — The world's poorest nations fear they will be ignored when 107 countries gather in Brussels next week to wind up four years of talks aimed at setting rules governing trade into the next century.

"We are not very confident. We are not very happy with the way things have happened," said B K Zutshi, India's envoy to the Uruguay Round of global trade talks being held under the auspices of the Geneva-based General Agreement on Tariffs and Trade (GATT).

Developing countries went to the talks, which began just over four years ago in the Uruguayan resort of Punta del Este, with high hopes that markets for their agricultural produce, textiles and minerals would be enlarged.

But the talks covering 15 sectors of trade have become bogged down in the home stretch in a row between the 12-nation EC and the US over how fast and by how much to slash farm subsidies.

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Poor nations fear being left in the cold

By Alan 27/11/90
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"The agriculture question is vital," Argentine Agriculture Minister Felipe Sola told a news conference.

"We will not accept anything that maintains the current status quo."

His Brazilian counterpart, Antonio Cabrera, said: "We cannot accept results from long and difficult international negotiations which are mediocre or which worsen conditions for producing and selling."

Industrialised countries' reluctance to drop barriers to imports of cheap textiles has been another source of chagrin for export-minded developing nations.

India, Pakistan, Korea and Hong Kong, which earn a quarter of their hard cash through exports of low-cost textiles and clothing, hoped the \$180bn a year sector would be brought under GATT's free trade umbrella.

Their exports are restrained by an international accord — the Multi-Fibre Arrangement — which per-

mits advanced countries to shelter their ailing domestic industries under a web of bilateral agreements curbing textiles and clothing shipments from the Third World.

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REVIEW

FIM 9/11/90 (56A)

the (Conservative) party to which I once belonged."

The former minister of health (under Macmillan) concedes that by joining the Exchange Rate Mechanism (ERM) and anchoring the pound to the Deutschemark (within a 6% range either side of DM2,95), Thatcher has taken a step which "is not logically compatible with national independence." He argues that the exchange rate of the D-mark is a political decision and "it would have been less inconsistent to peg the price of the pound to that of turnips grown in Siberia." But, he argues, "she had committed herself and it hung over her. Going into the ERM was a tactical move and not a change of heart or abandonment of the Bruges speech."

Powell sees no inconsistency between his view of economic sovereignty and Chancellor John Major's plan for a hard European Currency Unit (ECU) which could be used in parallel with national currencies. Major has conceded that if ECU usage became widespread, a de facto common currency would exist and national denominations could ultimately wither.

"If a new currency is invented, it does not diminish sovereign responsibility, which is not impaired simply by the creation of a different voucher acceptable as payment for goods," says Powell.

As for the damage caused to Thatcher's electoral prospects by Howe joining powerful Tory malcontents such as former Chancellor Nigel Lawson ("he was sacked for creating inflation") and Michael Heseltine on the back benches, Powell asserts: "Geoffrey Howe's resignation has strengthened rather than weakened the government. The Labour Party is stuck with European political and monetary union and they would be deeply discredited by following that policy now that the electorate is more likely to be presented with the choice of recovering its independent parliament."

Powell did not know the impact of the Howe desertion on the opinion polls when he spoke. *The Independent on Sunday* poll showed a five-point jump to 17% in the gap between Labour and Conservative voting intentions (49% against 32%), and also that 64% believed Thatcher should resign before the next election.

It also claimed that while a majority would prefer a pan-European currency in tandem with the pound, 62% felt that if the rest of the EC adopted a common unit Britain should join in. And the *Sunday Times* poll showed most people favouring an integrated European defence force (61%), a common passport (57%), and a single central bank (52%), but they were against giving more powers to the European parliament (56%).

Powell, however, has always scorned the opinions of any poll or institution other than an elected majority in the House of Commons, the ultimate constitutional authority and preserver of Britain's independence (see *People*). ■

FIM 9/11/90
EUROPEAN COMMUNITY (56A)

DEFENDING THE PEOPLE

The glint in Enoch Powell's eye last Friday was one of eminent satisfaction. "I will remember I was in Johannesburg when the good news came," said the stormy petrel of British politics, at the end of the *FM* Investment in 1991 conference.

Sir Geoffrey Howe's resignation as UK deputy PM (he had been the last survivor of Margaret Thatcher's original 1979 Cabinet) and the issue of European economic and monetary union which caused him to go, clearly pleased Powell. For Howe, as Minister of Trade & Consumer Affairs, was "the begetter of the Bill in 1972 in which the United Kingdom renounced parliamentary sovereignty to join the European Economic



Sir Geoffrey ... last of the first

Community," said Powell.

"He was the only person left in the Cabinet who would not be reconciled to the PM's Bruges speech and government policy" — of economic co-operation with Europe, but not political integration into it. "Now Cabinet has been consolidated. The essential unity of government policy has been re-established ... I am now confident about my country and its independence."

Personally, Powell sees Howe's departure as symbolising the end of a 16-year political exile, during which he has preached against the bureaucrats of Brussels like some Old Testament prophet. But he prefers another simile: "I feel like a ship-wrecked mariner who can see smoke quite clearly. Relief is approaching. Again I find myself at one with

Resolving integration must be party priority

LONDON — European integration derailed one prime minister. For her successor, resolving the Tory splits on Europe has to be an immediate priority.

John Major has only a few weeks before the intergovernmental conferences on economic and monetary union (EMU) and political union begin in Rome.

In that time, he will want to hammer out a British policy based on his own convictions but drawing maximum support within his party.

The extremes are wide. His victory yesterday was based largely on the support of the many "Euro-sceptics" in the Conservative Party who fear further erosion of British sovereignty to Europe. They included the former trade and industry secretary Nicholas Ridley.

At the same time many senior Conservatives, some of whom he is likely to want in his cabinet, are urging a more constructive approach towards European integration. Their concern is of Britain becoming isolated as other EC members progress towards EMU.

Major's task will be to find a package of proposals on political and economic union by which Britain can join less reticent EC partners in making progress but without losing too many of his party colleagues.

On economic and monetary union, his policy as chancellor centred on the "hard-ecu" plan whereby the European currency unit would be developed as a parallel currency to those of EC member states.

It was a policy around which he and Margaret Thatcher could unite, even if there were differences.

B1 Day 29/11/90
Folly

He stuck to the pre-agreed line that it could develop into a single currency if governments and people wanted; she did not believe a single currency would happen in her lifetime.

In his round of media interviews during the leadership contest, he showed little sign of waiving from the "hard-ecu" plan. "It would be folly to move at full speed ahead towards a single currency with no experience of it, and with all the economic disadvantages that it could bring," he said in one interview.

Where he signalled differences in style with his predecessor was in his likely tactics at EC summits. In an interview with the Financial Times, he said Europe had a "genius" for finding what "if you are polite, you can call a consensus, and if you are impolite, you could call a fudge.

"I have no doubt that when we go through this conference, it is possible to negotiate a treaty that will be acceptable to the House of Commons that will move Europe forward and keep it forward together." — Financial Times.

EC warns SA to shape up in GATT talks or face the consequences

56A

THE EC has warned SA that its contribution to the Uruguay Round of GATT talks will be carefully scrutinised and, if found lacking, the EC will consider the possibility of withholding certain benefits.

Speaking at Saffo's AGM in Sandton yesterday, Trade and Industry Minister Kent Durr said that since the end of the Tokyo Round in 1979, the EC had "reminded" SA of its limited participation in that round and said that SA would be expected to make a substantial contribution in the Uruguay Round.

The EC had argued that SA would benefit from making a substantial contribution through the EC's most-favoured-

nation principle.

Durr said SA was participating in the current round, where negotiations were being conducted in 15 negotiating groups.

He said SA's position on the Negotiating Group on Tariffs merited special attention. The principal task of this group was to lower tariffs with the emphasis on especially high tariffs and tariff escalation.

He believed SA's proposal, which consisted of 4 700 items out of the total of 11 300 industrial items in the customs tariff, would be acceptable.

The tariff reductions would be phased in over a period of not less than five years. In the case of sensitive items even longer

ZILLA EFRAT

phase-in periods would be negotiated.

This proposal was a combination of submissions made by the Board of Trade and Industry and a sub-committee of the standing advisory committee on GATT issues. The private sector had also been consulted.

Durr said all participants were expected to cut tariffs by 33% on a linear basis and to bind 100% of their tariffs against increases.

For various reasons, it was not possible for SA to make such a linear cut and SA had informed the GATT of its reasons.

In addition, although the Industrial Development Corporation (IDC) had completed its study on the restructuring of the SA Tariff Book, government had not yet decided on its recommendations.

Durr said certain macro-economic conditions would have to be in place before the IDC's recommendations could be implemented on a packaged basis. As a result, it had not been possible to include in any major way the recommendations in SA's tariff proposal.

With this possible restructuring of SA tariffs on the cards, it was extremely difficult to make a more substantial contribution to the GATT negotiations at this stage,

he said. But made a "useful" contribution to the negotiations.

Participating in the negotiations, Durr said that SA's contribution was a "useful" one.

Durr also said that SA's contribution was a "useful" one and that it was a "useful" one.

With this possible restructuring of SA tariffs on the cards, it was extremely difficult to make a more substantial contribution to the GATT negotiations at this stage,

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COMMON AIMS?

FIM 23/11/90
 The London-based Commonwealth Secretariat has launched a wide-ranging study on manpower development for a post-apartheid SA. An expert group held the first of three sessions this month to discuss documentation prepared for it on the country's current economic and demographic conditions, with

CURRENT AFFAIRS

FIM 23/11/90
 skills profiles and overviews on education and training. Nowhere in the group's work is the word "sanctions" officially mentioned.

The group is charged with identifying priority sectors for advanced education and high-level training, and with generating ideas on how to mobilise greater support throughout the Commonwealth and the international community to meet SA's human resource needs. Its interim report will be submitted to the Committee of Foreign Ministers on southern Africa which meets in New Delhi next month. The group's final recommendations will go for action to the 1991 Commonwealth summit in Harare.

The experts include UCT economist Francis Wilson and Papi Moloto, the administrative secretary of the ANC's department of manpower development. They are the first home-based South Africans to serve on an official Commonwealth expert group since SA's departure from the organisation in 1961. A Canadian, John Harker — vice-chairman of the SA Education Trust Fund — is chairman of the group. Other members are drawn from Nigeria, Botswana, Australia and Britain.

The documentation presents a stark picture. Though the number of black primary school pupils has increased over the past 40 years, from about 1m to more than 7m, education is still not compulsory in many areas. The number of illiterates is put as high as 11m (mainly blacks), 39% of the total African population.

Disparities in government per capita spending on white and black education, poverty, language policy and school boycotts are some of the factors held to be responsible for this. At the other end of the scale, only 1,04% of all South Africans receive a university education; in other countries of the South African income level the figure is 1,65%.

The Commonwealth documentation underlines the negative economic implications of such a lopsided system. Until 1988, shortages of graduates were exceptional, but one study predicts a shortage of 200 000 workers with degrees, diplomas or comparable qualifications by the end of the century.

This does not include the teacher shortage which — assuming full compulsory education — will by then amount to 350 000.

There was a tenfold expansion of black university enrolment between 1977 and 1988, when a third of university students were black, the experts were told.

FIM 23/11/90
 But most blacks were studying education; very few graduated in key professional subjects. In 1985 only 7,4% of accountants, 0,1% of engineers and 8,1% of graduate medical personnel were black. In 1987 only 26 Africans graduated in engineering and 13 in computer science.

The substantial support given for non-governmental education projects — particularly by Anglo American, Barlow Rand, Gencor and through the Urban Foundation — is acknowledged, as are the in-service training schemes operated by employer associations eligible for tax concessions. But employers spend only 2% of their overheads on training staff.

A more rapid movement is required towards the equalisation of earning opportunities for all.

The key question of course is how it is to be financed. One paper — *Economic and Demographic Trends in the SA Economy*, by Auret van Heerden — estimates that to establish parity in education spending between whites and blacks in 1990 would have cost an additional R25,56bn.

The group is examining a variety of options, including the reallocation of many budget amounts (for example, reductions in expenditure on defence) but acknowledges that priorities will have to be worked out.

Commonwealth Secretary-General Emeka Anyaoku emphasised that there has been close consultation with groups inside SA and he has called for further co-operation between the group and relevant SA



UCT's Wilson ... one of two South Africans to serve in group since 1961

institutions.

Proposals for Commonwealth contributions include a large range of scholarship and exchange schemes at all levels, as well as co-operation between professional associations, research institutions and other groups.

New mechanisms for mobilising Commonwealth and other international support are also under consideration.

SA bid for EC trade coup



Star 1/11/90

By Graham Linscott
Political Staff

Trade mission established in Togo

South Africa has established a mission in Lomé capital of the West African state of Togo — to lobby for admission to the Lomé Convention, which is due for renegotiation.

Acceptance of South Africa into the Lomé agreement could pave the way for preferential trade ties with the European Community and possible economic aid from the EC.

Only this week Foreign Minister Pik Botha urged a change in South Africa's classification from a developed to a developing coun-

try, drawing attention to possible aid benefits.

In addition to the lobbying purpose, South Africa's Lomé mission has been set up to oversee a South African-sponsored development project.

The convention is an agreement between the countries of the European Community and African/Caribbean/Pacific (ACP) developing countries. It gives the ACP countries preferential trade access to the EC and substantial development aid. The ACP countries are mostly former dependencies of Britain, France and Belgium.

At a conference sponsored by the Africa Institute in Pretoria this week Mr Botha called for South Africa to be recognised as a developing country and for its admission to the convention.

The mission in Lomé does not have consular status but "representation of interest" and is manned by staff from the Department of Foreign Affairs.

Rusty Evans, Deputy Director-General (Africa) at the Department of Foreign Affairs, said the mission reflected South Africa's strategic priority of achieving

closer co-operation between the states of Southern Africa.

He said the objective was trilateral co-operation in the region — South Africa providing the infrastructure and expertise for development projects and the EC providing the finance.

"The convention is an association with considerable financial resources. In terms of the trilateral concept we would like to plug into that rich vein."

He said many of the convention signatories — the Caribbean and Pacific island states in particular — had been extremely hostile to

South Africa in the past and had taken very little notice of recent reforms.

"But we are working on it, through our missions in Lomé and in Brussels. It will break down. A greater sense of reality will soon prevail."

Mr Evans said another priority was for South Africa to join the Southern African Development Co-ordination Council (SADCC). This would depend on internal political progress.

Namibian President Sam Nujoma had, however, made it known that a chair for South Africa could be waiting when the SADCC met in Windhoek in February.

Mr Evans said South Africa had also received approaches suggesting it join the Preferential Trade Agreement (which involves the states of East and Central Africa).

"The region is a developing one. The whole reason for the Lomé Convention is that the North should help the South. South Africa too has development needs and South Africa is the springboard to the region.

"If effective development is to take place, South Africa's participation could be very positive."

Mr Evans added that regional economic association was the most powerful idea of the 1990s. Examples were the EC and the enlarged Europe. No country would survive individually.

By the era of Kama



Sanctions: EC move 'unlikely'

Cape Times 30/11/90

slat

Own Correspondent

LONDON. — Sanctions against South Africa will be reviewed by European Community (EC) foreign ministers when they meet in Brussels next Tuesday, but a British Foreign Office spokesman said "substantial movement" should not be expected.

The reason is that decisions of the Foreign Affairs Council have to be taken by consensus — and at least three EC countries are still expected to oppose any relaxation of sanctions.

A reliable Whitehall source confirmed yesterday that the new Prime Minister, Mr John Major, was unlikely substantially to alter British policy on South African sanctions from the well-known stance taken by his predecessor, Mrs Margaret Thatcher, who favoured their early lifting.

Meanwhile, an EC spokesman in Brussels confirmed yesterday that the 12 EC foreign ministers would also consider a plan to open a "technical

office" in SA to administer the EC's special R150 million-a-year programme to help victims of apartheid.

The three countries reported by diplomatic sources still to be opposed to relaxing sanctions are Ireland, Spain and Denmark. France and Germany are reportedly undecided.

Meanwhile, following two extensive visits to Europe this year by President F W de Klerk, voluntary investment sanctions and other measures are already weakening.

President George Bush recently called on the EC to take the first steps in relaxing sanctions, arguing that his hands were tied by the Democratic Congress majority.

Meanwhile, the Liaison Group of Anti-Apartheid Movements in the EC met Mr Gunter Burghardt, the EC's Director of Political Co-operation, in Brussels last Tuesday to "urge the EC to remain firm in opposing any relaxation of sanctions until there is profound and irreversible change leading to an end to apartheid".

CMA-Trip 16/11/80 (S6A)

Focus on SA at Gatt talks

THE EC has cautioned SA that its contribution to the Uruguay Round of Gatt talks will be carefully scrutinised, and if found lacking, the EC will consider the possibility of withholding certain benefits of the Round from SA.

Speaking at Safto's general meeting in Sandton yesterday, Trade and Industry Minister Kent Durr said since the conclusion of the Tokyo Round in 1979, the EC had "reminded" SA of its very limited participation in that Round and that SA would be expected to make a substantial contribution in the next Round.

The EC's argument was that SA benefited from its substantial contributions through its

most-favoured-nation principle.

SA was participating in the Uruguay Round, where negotiations were being conducted through 15 negotiating groups, Durr said.

Durr said SA's position with regard to the Negotiating Group on Tariffs merited special attention. The principal task of this group was to lower tariffs with the emphasis on especially high tariffs and tariff escalation.

He believed SA's proposal, which consisted of 4700 items out of the total of 11300 industrial items in the customs tariff, would be acceptable.

He said the tariff reductions would be phased in over a period of not less than five years. In the case of sensitive items even longer phase-in periods would be negotiated.

This proposal was a combination of proposals made by the Board of Trade and Industry and a sub-committee of the Standing Advisory Com-

mittee on Gatt Issues. The private sector had been consulted.

Durr said it was expected from all participants to cut tariffs by 33% on a linear basis and to bind 100% of their tariffs against increases.

He said it was not possible for SA for a variety of reasons to make such a linear cut and SA had advanced the reasons to the Gatt in its submission.

In addition, although the Industrial Development Corporation (IDC) had completed its study on the restructuring of the SA Tariff book, government had not yet decided on its recommendations.

Durr said certain macro-economic conditions would have to be in place before the IDC's recommendations could be implemented on a packaged basis. As a result, it had not been possible to include in any major way the recommendations in SA's tariff proposal.

Namibia joins EC aid programme

Star Foreign Service

BRUSSELS — Namibia has formally joined the European Community's Third World aid programme and will gain preferential treatment for its exports and EC grants and soft loans to develop industry and infrastructure.

Namibia's signature on the latest Lome Convention applying to 60 African, Caribbean and Pacific states and the 12 EC states comes after protracted talks undertaken since its independence.

Manuel Marin, European commissioner in charge of the talks, said yesterday: "It has not been easy to (get) this far. But I am convinced that the specific arrangements will make a very positive contribution to the development of Namibia."

Signatories to Lome qualify for duty- and quota-free access to the EC market for a range of products, though quotas are established for agricultural products.

EC plans SA office for 'victims of apartheid'

The Argus Foreign Service
BRUSSELS. — The European Community's executive commission is planning to open an office in South Africa, but a formal decision has been delayed by infighting among officials over its status.

The EC's plan is to open a "technical office" to handle its special R150-million a year programme to help "victims of apartheid" and channel aid to refugees via church and trade union groups.

But a formal meeting of the EC's top officials has decided to ask EC foreign ministers for their approval before going ahead with the plan because of the need for "political caution".

'URGENT, ESSENTIAL'

It is understood that EC commissioner for development issues Mr Manuel Marin clashed with the foreign affairs commissioner Mr Frans Andriessen during a recent meeting of the commissioners. It was subsequently decided not to publicise the plan to open a South African office.

EC foreign ministers are expected to give the plan the go-ahead when they meet at the beginning of next month. They are expected to stress that the office would not be a political or diplomatic delegation.

Mr Marin is understood to believe that the office is "urgent and essential" for efficiently managing the aid programme. Although no staffing or location has been decided, it is expected to be partially staffed by locally recruited personnel.

The European Parliament, which has backed the move to set up an office in South Africa, is also thought to be concerned that the move should not be seen as a prelude to diplomatic contact with Pretoria.

R150-MILLION

Since 1986 the EC has spent R350-million on 329 projects in South Africa. The 1991 programme alone is set to cost R150-million.

Mr Marin has proposed that the programme be steered more towards education and training, rural development and health care projects.

Infighting delays EC office in SA

BRUSSELS — The European Community's executive commission is planning an office in South Africa, but a formal decision has been delayed by infighting among officials.

The EC's plan is to open a "technical office" to handle its special R150 million-a-year programme to help "victims of apartheid".

It is understood that EC commissioner for development issues, Manuel Marin, clashed with the foreign affairs commissioner, Frans Andriessen, during a recent meeting.

Mr Marin is understood to believe that the office is "urgent and essential" to co-ordinate spending, but the European Parliament believes the move should not be seen as a prelude to diplomatic contact with Pretoria.

Since 1986, the EC has spent R350 million on 329 projects in South Africa. The 1991 budget is R150 million. — Foreign News Service.

56A

Develop but do not destroy the environment

W/Mand 16/11/90 - 22/11/90
(suppl) ● From PAGE 30

ties in the management of wildlife resources, particularly in rural areas where wildlife utilisation on a sustainable basis represents a significant and viable land-use option. The ANC is in agreement with the policy approach of some of the neighbouring states which advocates full community participation in management of wildlife resources and the economic benefits flowing from this resource.

The ANC will therefore explore to the fullest the various modalities for rural development projects in these regions based on controlled rational harvesting of wildlife for supply of raw materials (ivory, skins) to be fabricated into finished products in rural-cottage-co-operative industries.

South Africa's marine resources are enormous, surrounded as we are by two major oceans (the Indian and the Atlantic) with extensive fish resources. But, like in many parts of Africa, the high pollution levels and degradation of coastal ecosystems threaten the life-support capacities of the oceans and undermine their role in the food chain.

The problem may be expected to be particularly acute around the highly populated and industrialised coastal zones. More than three-quarters of marine pollution is estimated to come from land-based sources, via rivers and direct discharges. The rest comes from shipping, dumping and oil production. The environmental challenge

here is to control and decrease marine pollution and establish regimes of environmental management of the oceans and coastal regions around South Africa.

A post-apartheid government would need to institute policies and measures aimed at preventing practices harmful to marine ecosystems. Such policies would include:

- Control of the discharge of industrial effluents and sewage
- Prohibition of dumping wastes, including hazardous and radioactive materials as well as disposal of hazardous residues and wastes from ships
- Regulations regarding spills from tankers and off-shore platforms
- Promotion of land-based technology for disposal of hazardous wastes.

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sta- 31/10/90 (SbA) (2/3)

Pik: list SA as a developing country

Pretoria Correspondent

South Africa's classification should be changed from a developed country to a developing country, Foreign Affairs Minister Pik Botha said yesterday.

Speaking at a Pretoria conference, "Southern Africa towards the year 2000", Mr Botha said such a classification should be seen against the background of the European Community's Lome Convention which covers a range of issues, including development aid to African, Caribbean and Pacific countries.

Mr Botha said the majority of South Africans suffered backlogs which the Government was committed to erase and the country should therefore qualify for development aid in terms of the Lome Convention.

Opening

Present world trends were not only favourable to closer co-operation but made closer co-operation in Africa essential.

The economic unification of Europe in 1992 had caused concern in Africa because the opening of markets in the USSR and eastern and central Europe might draw investors away from Africa and reduce interest in the continent, he said.

Mr Botha expected that the transfer of public funds to Africa would decrease and more reliance would be placed on the transfer of private funds.

Private investors, however, did not invest in regions where there was unrest and political systems were not in line with the private sector in Europe.



Pik Botha . . . South Africa is still a developing country.

"I never believed in the superiority of whites or the inferiority of blacks," Mr Botha said, adding that if the human infrastructures in Africa had been better developed at the time of these countries' independence, the continent would not find itself in such a dire state now.

He said South Africa had a vital interest in helping its neighbours achieve prosperity but had no intention of dominating their economies.

"South Africa is part of Africa and must live or die in Africa," Mr Botha said.

A development programme for southern Africa needed to be co-ordinated, he added.

The European Community's contribution to such a programme included:

- Acknowledging that South Africa had an essential contribution to make.
- Pursuing policies supportive of South Africa's efforts to evolve a domestic social and political order acceptable to the majority of South Africans.
- Granting and/or mobilising funds for the modernisation of the region's infrastructures.
- Assisting southern African governments to create economic conditions which would attract private investments.
- Instituting training programmes.
- Considering other appropriate measures to stimulate growth in the region.

Although South Africa had a contribution to make to such a programme, it was limited by inabilities such as unemployment and lack of education, housing and health care, Mr Botha said.

New investment

He said the time for sanctions was over and if Europe delayed lifting sanctions, especially the prohibition on new investment, history would one day judge them as having damaged the prospects of the majority of black South Africans and South Africa's neighbours.

Addressing himself to the ANC, Mr Botha said the organisation's trump card was gone and it was only making it impossible to achieve a growth rate for ANC followers.

It was essential for the region to pool its resources and to present a stable market to the world, Mr Botha said.

EC's readiness for unity questionable

Down Correspondent

56A

LONDON — Margaret Thatcher must be right. The EC as a whole is not ready to abolish national currencies at the speed envisaged in the Rome agreement.

Two of its existing members have not yet even taken the leap into the Exchange Rate Mechanism. The premature insistence on a formal timetable at an unnecessary "summit" in Rome was an Italian attempt to wring achievement from what has been, by all accounts, a pretty shambolic turn at the EC presidency. But Britain, which is so good at posing awkward questions, has now itself been posed one — will the UK board the monetary union train? Does it want to catch it at a later station, "when the time is ripe"? Or is it going to proceed into the 21st century on its own?

The starkness of Britain's isolation in Rome will, no doubt, be blurred by debate when the Inter Governmental Conferences start in December. Thatcher is not, after all, the only one in Europe with reservations. West Germany wants to be clear it risks no loss of price stability; others wish to guard against the danger of becoming a deserted industrial outback.

As Thatcher said, in weekend criticisms of her EC partners, it is silly to take a decision before examining the details. But that is an argument which works against Britain, too. If London is not prepared to admit even the possibility of a single currency, what is the point in debating it?

A single currency means national currencies would be fused into a European one. If British notes bore the head of the Queen on one side, they would bear an ecu value on the other. This would offer continental-scale advantages to business: it would save currency transaction costs, and ease financial planning. But it would have profound political implications.

What Rome has made crystal clear is that the other 11 members want to see a single currency come about. They may still, once the debate descends from the lofty ignorance of heads of government to the nitty-gritty of finance ministers, opt for elements of an evolutionary approach.

But if Britain rejects the final ambition, it must start planning for a different life.

If the others agreed, Britain could follow Norway and Austria in having a kind of associate membership of the union. — Daily Telegraph.

28/10/90 (56A)

'Huge sum' from EC for ANC exiles

THE European Community (EC) will fund part of the ANC's exile-repatriation programme, said Dr Wim Blonk, director-general of the development division and head of the southern Africa department of the EC.

Speaking from his Brussels-based office, Blonk confirmed the EC had in principle decided to fund strictly developmental operations in South Africa and would gradually phase out all other projects.

The decision to sponsor the return of ANC exiles is almost certain to cause dissension among member states of the EC. It is thought the British government in particular will have problems with this decision.

Blonk could not say how much would be made available for exiles, but said it would be a "huge sum".

He promised that all affected projects would be consulted about developments, but emphasised the EC's financial involvement in South Africa was being re-directed away from projects perceived to be politically orientated. - Sapa

African rethink on monetary union date

6104 30/10/90
NAIROBI — East and southern African states have abandoned ambitious plans for monetary union by the year 2000, saying that national differences in economic development demand a more gradual approach to co-operation.

Finance ministers from the 18-nation Preferential Trade Area (PTA) said a new mood of pragmatism had emerged at talks which ended at the weekend.

"What we're trying to do is inject realism into our discussions," Zimbabwean Finance Minister Bernard Chidzero told journalists after the weekend talks had ended.

"You cannot overlook the fact that we are at different stages of development in the PTA, and to start with monetary union now would be putting the cart before the

horse," he said. ~~2/2/90~~ S6A
The ministers decided on a step-by-step approach to economic links and aim to co-ordinate reforms to spur growth.

International monetary experts say the trade area, Africa's biggest trade bloc, may now be making a fresh start after nine years of limited progress.

"These guys looked serious, but they've got a long way to go," an international observer at the talks said.

One spur to greater regional co-operation is the fear Africa will be left out in the cold by powerful trade blocs such as the EC and the US/Canada free trade zone.

In the past, Preferential Trade Area attempts to negotiate preferential tariffs ignored basic economic barriers to trade, economists said. — Reuter.

NOW F.W. MUST WAIT ON BROEK

STW 28/10/90

WHEN the leaders of the 12 European Economic Community nations meet in Rome on December 15 to review their joint South African sanctions policy, 10 of the 12 heads of governments will have met President F W de Klerk.

They will sit down to their deliberations — which could boost the SA economy by easing trade restrictions — having taken a personal measure of the man leading SA into a new order.

This, simply, has been the point of President De Klerk's two-stage European campaign that ended this week.

For the 12 leaders will base their policy review on what is essentially a subjective judgment.

Their joint policy commits members of the EEC to a review when they deem changes in SA to be "profound and irreversible".

Their face-to-face meetings with the man who has ushered in the changes up to now, and will manage those

to come, will be a critical factor in a decision in Rome that could regain international acceptance for SA.

All indications are that Mr De Klerk made favourable impressions on government heads in his campaign that started with his "nine nations" tour in May — in which he met eight EEC leaders.

In the Netherlands and Luxembourg this week he met two more. The two countries with whom he has not had personal contact are Ireland and Denmark, both vociferous opponents of SA.

Upgrading

However, Denmark has already signalled a softening in its attitude by upgrading its diplomatic mission in SA to embassy status with an ambassador.

There are many indications, too, that the Rome review will entail the lifting of some sanctions provisions.

Dutch Foreign Minister Hans van den Broek has said

publicly that the time has come for practical encouragement of reform in SA.

Diplomats expect British Prime Minister Margaret Thatcher to take the strongest position in Rome, calling for an immediate lifting of all sanctions.

It is likely, though, that the lifting will be incremental.

After Mr De Klerk had met Dutch parliamentarians in The Hague this week a Dutch government source said Holland may call initially for the

lifting of the ban on new investments.

The source said Mr Van den Broek has also indicated Holland could resume cultural, educational and scientific ties unilaterally as they are not part of the co-operative European package.

The timing of this week's visit fitted in well with Mr Van den Broek's obligation to report to the Dutch parliament on sanctions in mid-November, as a precursor to the Rome summit.

The change in Holland's stance will have a significant impact on the Rome deliberations because that country has been recognised as one of the firmest advocates of sanctions against SA.

During his tour, President De Klerk used his now-tested manner of pointing to his track record of unbroken promises, spelling out carefully the nature and timing of future undertakings and being open and frank about SA's problems and the government's own weaknesses and worries.

BARRY STREEK

LONDON — President F W de Klerk left Europe last night predicting that the Continent would adopt a more reasonable attitude towards SA.

He left Luxembourg for Senegal shortly after Luxembourg Prime Minister Jacques Santer announced that the grand duchy had committed itself to assisting a peaceful transition towards a democratic constitution in SA.

De Klerk yesterday held talks with Santer who will play a key role in shaping European sentiment towards the SA peace process. Luxembourg assumes the presidency of the EC in January and is heading the committee of European foreign ministers reviewing their policies towards SA.

De Klerk told a Press conference he

FW buoyed by mood in Europe

(56A) believed SA would be judged "fairly and objectively" by the EC when it reviews its SA policies in Rome in mid-December.

He said SA's house was now in order and it had set itself acceptable goals. However, there was a residue of mistrust and suspicion which had to be attended to.

At a lunch held for De Klerk yesterday Santer did not raise the issue of sanctions but his remarks reflected support for government's reform process and the move towards negotiations.

De Klerk had Luxembourg's support in knowing that reconciliation could not be

□ To Page 2

Europe

achieved overnight, he said.

Santer concluded by saying the process of change was definitely launched on both sides and proposed a toast to De Klerk.

Coming after his warm reception in Holland, Luxembourg's similar approach can only be regarded as another indication that the EC will modify its policies towards SA when the 12 heads of government meet in Rome in mid-December.

De Klerk also said yesterday that all four of the international tours which he had undertaken this year had been aimed at removing misunderstanding and promoting the changes in SA internationally.

(56A) □ From Page 1

The EC would have to play a central role in promoting international attitudes towards SA in the years ahead.

He also said his visit to Holland was very important because in the past it had taken the lead in imposing restrictions on SA.

De Klerk and his party were due to land in Dakar, Senegal, late last night where he will have discussions with President Abdu Diouf and members of his cabinet. De Klerk believes the fact that he visited two countries in Africa and two in Europe is indicative of SA's steady return to the international community.

He is due to land in SA this morning.

● Picture: Page 3

Funds for political activity to be cut

(S6A)

Switch in EC policy on aid to SA groups

B Day 26/10/90



A SWITCH in EC political policy means the Kagiso Trust, which will fund projects worth R90m this year, will cease giving money to a number of civic associations, cultural organisations and five newspapers.

The funding, which the EC has supplied for more than 10 years, will be phased out over the next two years.

Organisations hardest hit will be those engaging in political activity.

The Kagiso Trust administers aid supplied by the EC. The trustees include Anglican Archbishop Desmond Tutu, Allan Boesak, SACC general secretary Frank Chikane and Catholic Archbishop Denis Hurley.

Trust executive director Achmat Dangor said yesterday that although the total amount of funding would not decrease, the trust had changed its focus to development projects and was in the process of reappraising projects funded at present.

He said about 10% of the projects currently funded — and possibly more — would lose their funding in the next two years.

Urban-based civic organisations would be affected and cultural organisations would face drastic aid cuts during the next 12 months, he said.

The trust would focus on supplying bursaries, rural development projects and squatter camp projects, he said.

In the past the Kagiso Trust has not released the names of projects it funds.

Dangor said the trust administration

TIM COHEN

was in favour of doing so and was in the process of negotiating with beneficiaries who were not in favour of the publication of the amounts they received.

It is known that the trust funds five newspapers: the New Nation, Um Afrika, South, Vrye Weekblad and the New African. Dangor said funding for these would be phased out over the next two years.

Funding for the New African formally ends at the end of this year, but Dangor said the trust would continue assisting the paper for another year.

He said the fact that the 1991 bursary programme budget was recently approved at R36m, an increase of R7m over 1990, demonstrated the fact that funds under the EC's Special Programme had increased over last year.

Dangor said the Kagiso Trust's change of focus towards development-orientated projects would of necessity mean a reappraisal of the projects funded by the group.

Particularly affected would be those that have traditionally only been engaged in "protest" against the system of apartheid, and are inherently incapable of changing.

"Increased demand for resources, particularly in the spheres of education, rural development and addressing the severe problems of squatter camps, does mean prioritising of funds. . . .

"Civic organisations being entities close to the people and in so much as such organisations can help build a civil society that

□ To Page 2

Kagiso

can address local problems in a non-partisan way, will continue to receive our support.

"Those that cannot or who are unwilling to shed themselves of narrow, party political attitudes obviously will not," he said.

EC Southern Africa department head Wim Blonk said from Brussels yesterday that the EC had in principle decided to fund strictly developmental operations in SA and gradually phase out all other projects which were politically orientated and which did not comply with the new criteria.

Blonk said the Kagiso Trust, SA Catholic Bishops' Conference (SACBC), SA Council

of Churches (SACC) and trade unions, which are partners of the EC in SA, would be responsible for implementing the new decision.

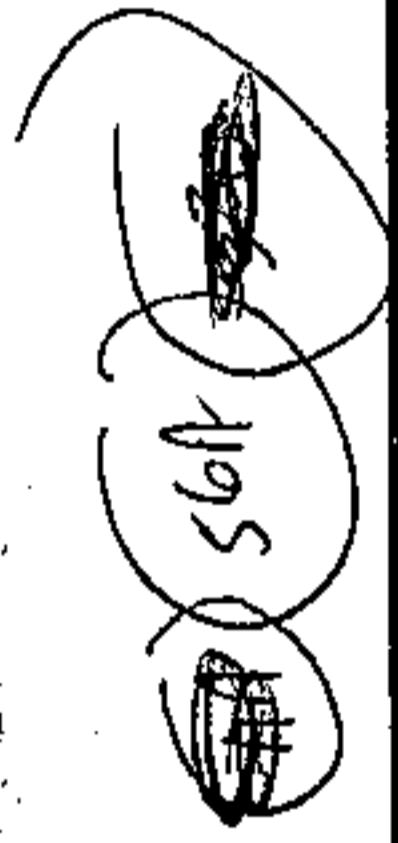
Sapa reports that Blonk confirmed that the EC would be helping to fund the ANC's exile repatriation programme.

Dangor said yesterday that a R20m plan to repatriate SA's roughly 20 000 exiles had been endorsed by the Kagiso Trust.

He said the plan, under discussion by the SACC, had been accepted in principle by the EC.

But the community had not as yet presented a budget, and the fund had not been formally accepted by the body.

□ From Page 1



EC's R20m fund for exiles

Own Correspondent

JOHANNESBURG. — A switch in European Community (EC) policy has forced the Kagiso Trust, which will fund projects worth R90m this year, to cease funding a host of civic associations, cultural organisations and five newspapers.

However, the EC is to fund part of the ANC exile repatriation back to South Africa, according to Dr Wim Blonk, director-general for the development division and head of the EC's Southern Africa department.

The trust's executive director, Mr Dangor, yesterday confirmed that a R20-million plan to repatriate South Africa's roughly 20 000 exiles had been endorsed by the Kagiso Trust.

He said the plan, under discussion by the SA Council of Churches, had been accepted in principle by the EC.

Mr Dangor said the funding for Kagiso's civic projects, which the EC has supplied for over 10 years, will be phased out over the next two years.

He said that although the total amount of funding would not decrease, the trust had changed its focus to development projects and was in

the process of reappraising projects funded at present.

He said about 10% of the projects currently funded — possibly more — would lose their funding over the next two years.

Urban-based civic organisations would be affected and cultural organisations formally supported would face drastic cuts during the next 12 months, he said.

The trust would focus on supplying bursaries, rural development projects, and squatter-camp projects.

Funding for the trust fund's five newspapers — the New Nation, Uma-

frika, South, Vrye Weekblad and the New African — would be phased out over the next two years.

Beneficiaries of the fund particularly affected would be those that have traditionally been engaged only in protest against the system of apartheid, and are inherently incapable of changing.

"Increased demand for resources, particularly in the spheres of education, rural development and addressing the severe problems of squatter camps, does mean prioritising of funds available to Kagiso Trust," Mr Dangor said.

EC to pay for exiles (56A)

Sowetan 26/10/90

BRUSSELS - The European Community will fund part of the repatriation of ANC exiles to South Africa, director-general for the development division and head of the southern Africa department in the EC Dr Wim Blonk has said.

Speaking from his EC office in Brussels, Blonk also confirmed the EC had decided to fund strictly developmental operations in South Africa and gradually phase out all other projects which did not comply with the new criteria.

He could not say how much the EC would make available for the repatriation of exiles, but said it would be a "huge sum of money".

This money will be supervised by the Kagiso Trust, the SA Catholic Bishops Conference, the SA Council of Churches and trade unions who are partners of the EC.

The decision to pay for the return of ANC exiles is likely to cause dissension among EC member countries. -Sapa.

Sanctions soon by

Christians?

CME Times
28/10/90
S6A

It is also significant that Luxembourg, which Mr De Klerk is visiting today, will hold the EC presidency during the first half of 1991 to be followed by Holland during the last six months of next year.

The Foreign Affairs commissions in both chambers of Parliament in Holland are investigating Dutch policy and are expected to report back in the middle of November to enable the Dutch Parliament to formulate its policies on SA.

At the same time the EC Council of Foreign Ministers, who met in Luxembourg on Monday, have also set up a special investigation into policy towards SA and are due to meet again before the summit of European heads of government in Rome in the middle of December.

The Rome summit will discuss a number of issues, including SA, and it is expected to approve the lifting of some restrictions on links with SA.

The Dutch Foreign Affairs spokesman said these could include cultural relations, scientific and education links, and, significantly, investment, as hinted this week by the Dutch Foreign Minister, Mr Hans van der Broek, in a radio interview.

The Minister of Foreign Affairs, Mr Pik Botha, confirmed last night that the Dutch government had been told the Group Areas Act and the Land Acts would be scrapped during the next parliamentary session, but no specific dates had been given. However, the laws would be scrapped during the next session, Mr Botha said. Mr De Klerk had pointed out in this week's discussions that the Population Registration Act could not be

THE HAGUE. — Investment sanctions against South Africa by the 12 European Community countries — together with bars on religious, educational and scientific links — could be lifted by the middle of December.

"It is time to open up," the Dutch Foreign Affairs spokesman said yesterday.

This was one of the benefits of the talks President F W de Klerk held with the Netherlands government during his two-day official visit — which has received splash coverage here.

Comparing him with President Mikhail Gorbachev, the Foreign Affairs spokesman said the public response to Mr De Klerk had been summed up in an off-the-cuff remark by Prime Minister Mr Ruud Lubbers that "he is the right man on the right spot".

He said that Mr De Klerk's visit had been "very helpful" — an official Dutch spokesman in fact described it as "excellent" — and said the SA president had made a favourable impression.

In particular, the fact that Mr De Klerk had given a schedule for the removal of the Group Areas Act and the Land Acts, the revision of the Internal Security Act, the release of political prisoners and the return of exiles and constitutional negotiations had helped influence Dutch policy.

Rome summit

The Dutch government also believed Mr De Klerk had introduced "very profound" change in SA, but although it welcomed and encouraged this, it was not sufficient to be regarded as "irreversible", the spokesman said.

However, he emphasised that the gradual lifting of sanctions would be part of a comprehensive EC package which still had to be negotiated with the other European countries.

Royal treatment for FW and Marike



AT THE PALACE... President De Klerk and his wife Marike at the Noordeinde Palace yesterday with Queen Beatrix (left) and Prince Claus (left).
Picture: REUTERS

Local firms seek foothold in Europe

AN INCREASING number of SA manufacturers are positioning themselves in tax-sheltered offshore bases to ensure a foothold in the EC before 1992.

Export companies in other countries began establishing European links during the 1980s in anticipation of new trading opportunities, but political considerations and sanctions inhibited similar action by SA companies.

An increasingly acceptable political environment has encouraged foreign countries on the lookout for new investment to start marketing to SA exporters.

Since March this year, a Madeiran company has been discreetly marketing the Portuguese island's 120ha industrial free trade zone which offers foreign

investors trade incentives, a zero tax rate until 2011 and access to growing European markets.

Property group J H Isaac's international division, in conjunction with Pivotal Projects, recently secured a 50-year lease on 150 000m² of industrial land in the Madeiran trade zone which it is developing into an industrial park with self-contained units of between 250m² and 9 000m².

According to JHI special projects broker Billy Rautenbach, 17 000m² of the area has already been signed up by SA manufacturers of building supplies, pharmaceuticals, wooden furniture, household appliances and plastic piping. A further 50 000m² is

being negotiated.

Luiza Pestana, a manager of the Madeira Development Company which is marketing the Madeiran free trade zone, has attracted two SA companies to the Portuguese island.

David Graham, an assistant GM at the SA Foreign Trade Organisation (Safto), says SA exporters are also considering Spain, Portugal, Malta and the Isle of Man, all of which offer some form of incentive.

"SA companies are no

longer looking at offshore operations to avoid SA origin sourcing. They are now doing it for strategic reasons — to get a foothold in the expanding European market before 1992."

Many of the local companies which establish offshore bases use them as final assembly operations for products which are partially manufactured in S.

Other companies establish licensing or subcontracting agreements with foreign operations.

LESLEY LAMBERT


56A
21/01/85
Footprint

Kagiso Trust funds 'not cut'

JOHANNESBURG. — The Kagiso Trust yesterday dismissed as untrue reports that the European Community (EC) was cutting funds to the organisation.

Executive director Mr Achmat Dangor said these speculations were prompted by the Durban Central Residents' Association.

Mr Dangor cited the trust's 1991 bursary programme budget, which he said was approved at an increase of R7 million to an overall total of R36 million. — Sapa

CAP 7121 25/10/90 (56A) 

CNA Trn/S 24/10/90 (56A)

Own Correspondent

DURBAN. — More than 20 anti-apartheid organisations in Natal face closure because of substantial cuts in funding by the controversial European Economic Community's Kagiso Trust.

Originally established in 1987 to "assist victims of apartheid", the Kagiso Trust has come under increasing pressure from lobbyists to move its funding activities away from political groups.

According to the Natal chairman of Kagiso, Dr Mike Sutcliffe, the trust is "restructuring and re-directing its operations toward developmental organisations".

He said international funders had decided to slash funding to organi-

Kagiso Trust cuts SA funding

sations with a "more political profile".

Most of the organisations facing possible closure were part of Kagiso's civic and advice centres programme in Durban and Maritzburg, including the Durban Central Residents' Association (DCRA).

Funding for the New African newspaper is expected by sources within Kagiso to dry up by the end of the year.

IN the long run South Africa is certain to be a preferential trading partner of the European Community — like other southern African countries — says Frame Group chairman Mervyn King.

And that's the message he'll be giving a regional development conference in Mauritius in November.

"We will obtain that (preferential trading) status on our own account because of the dire development need of our neighbours in southern

SA should get special links, says King

A BUSINESS TIMES FEATURE

in the group to hold the SABS 0157 listing — the others being Seltex II and Frametex Weaving.

Provided proper industrial strategies are adopted, Mr King is confident British industrialists will be attracted to the region.

"Some who know South Africa have looked at Eastern Europe and realised those countries will take 15 years to build the sort of infrastructure we already have here."

plants, the cost of updating plant, the rate of its depreciation, and regional co-operation in raw materials, labour and tariffs.

Meanwhile, the Frame Group has been moving determinedly to upgrade quality. Recently, two years of work at its Ladysmith No 1 mill was rewarded when the mill became the third plant

R50 000, whereas for me it has risen in the past five years to R250 000."

In the annual report of his group, Mr King called on major players in the "textile pipeline" and the Government to plan a strategy "to become a global player".

The strategy, he said, would have to address the improvement of skills and

with countries like Turkey, Thailand, South Korea and Taiwan, and sanctions destroyed our market in the US.

"I envy the textile manufacturer in Turkey who buys his unprocessed raw materials internationally — while I cannot do the same. And for him the price of a new imported loom remains

South Africa and the large number of British nationals involved in the economy.

He says South Africa's textile and clothing industries will find preferential status particularly welcome because inflation and sanctions has made exports increasingly difficult.

"In the EC we are simply unable to compete in price

Business Times. "The EC is going to work out that a trade opening for South Africa — despite its partly First World economy — will help uplift the whole region and save a lot of development aid."

Another reason for preferential status, he says, is the large European — particularly British — investment in

Real key to

SLA

By RON SGHURINK

LIABILITY of manufacturers for their products under EC rules is the basic reason why the SA Bureau of Standards' 0157 standard is a fundamental key to Western European markets.

"If manufacturers are to be held responsible when there are deficiencies, then the EC wants to know that they have quality systems in place which correct such deficiencies permanently," says chief director of the SABS' engineering departments Martin Kellermann.

"The SABS mark itself, so important here, doesn't carry weight there, but 0157 — as the equivalent of the International Standards Organisation's 9000 — certainly does." SABS director-general Jean du Plessis says that although, with only 471 companies holding 0571, there is a long way to go, manufacturers here are nevertheless ahead of their counterparts in North America.

standards through its ERNII programme.

Relations between the SABS and the ISO, both founded after 1945, have always been close. The SABS continues to provide the secretariats to a number of ISO technical committees, while representatives attend all ISO general assembly meetings and those of the international standards body for electrical products, the IEC.

The SABS has also served on the ISO council.

The first version of SABS 0157, based on the British standard, was introduced in 1979 and really began to take off when mining companies, led by Anglo American, began encouraging suppliers to become certificated.

In 1987, ISO 9000 was

issued as five documents — and 0157 was updated along the same lines and re-issued.

The "0157" companies are entitled to use the logo on letterheads and promotional literature, though never on products.

"0157 is essentially a measuring tool for quality procedures, so clearly a product mark would be inappropriate," says Mr Kellermann.

It takes between nine and 15 months for most companies to qualify for 0157. "It's not available off the shelf," quips Mr Kellermann. At any one time, the SABS may have between 120 and 150 staff assessing companies.

In the past three years, it has trained some 300 people in industry in the intricacies of 0157 and nearly 90 people to augment its own staff.

market

Attention

"On a recent visit, I gained the impression that many there are not aware of the emphasis the EC is placing on ISO 9000 and they will be in for some rude shocks," said Dr Du Plessis.

After Britain, South Africa has the longest list of ISO 9000/SABS 0157-accredited companies. The SABS men say Japan and West Germany have paid more attention to other quality systems and are now having to adapt.

Dr Du Plessis says that real application of standards for quality systems for industrial products dates back to the building of the US Liberty Ships in World War II.

"The US Defence Department realised a minimum standard for quality systems would be essential in the fast building of a large fleet of vessels that had to meet specified technical requirements.

"And quality achieved was so high that one Liberty Ship is still in use as a canning factory in Alaska!"

First

Quality system standards similar to those laid down by the Pentagon were adopted by Nato and so spread across the West. In the mid-seventies, BS5179 — the first civilian standard for a quality system as opposed to products — was published in Britain.

"Some 400 000 worldwide product standards can be accessed through us," says Dr Du Plessis. "We don't only have the original standard,

but also all amendments and can provide evaluation of differences between, for instance, a British, German or French standard and that of the ISO."

Subscribers to Beltel are able to access the data on SA

5/7 times
1-11/10/90

Exploit old trade links in new push

"TARGET EUROPE" was the message that went out to exporters and quality specialists at one of the largest gatherings of its kind ever held in SA.

The Europe 1992 - National Symposium on Product Certification was hosted in Pretoria by the SA Bureau of Standards. Despite a virtual fullhouse of 450 delegates, SABS director-general Dr Jean du Plessis was not satisfied; he told Business Times invitations went to thousands of exporting companies.

As keynote speaker, Minister of Trade and Industry and Tourism, Kent Durr congratulated the SABS on "maintaining an open door over the years to international and national standards organisations throughout the world". This meant a great deal to a country which had been isolated in many other ways and which has had to "focus as sharply on the opportunities of the future as on the perquisites of the past".

He announced that the president of the International Standards Organisation (ISO), Dr Lawrence R. Billings, would visit the SABS before the end of the year. The SABS would be a participant in the biennial Pacific Area Standardisation Conference to be held soon.

Mr Durr said the Advisory Committee on Quality, a fledgling body formed under the auspices of the SABS, was to drive the concept of "countrywide quality" while the Government had to be the prime mover, other participants would be chief executives in industry, commerce and the public sector, consumers, organised labour, and youth.

The Minister signed as a witness when the SABS became the first standards body outside the EC to sign a reciprocity agreement with the German association for the certification of quality systems, DQS. Main signatories were Dr Du Plessis and

PERCENTAGE SHARE OF MERCHANDISE IMPORTS

Source: World Bank

	1965		1987		1985		1987	
	Food	Fuels	Other primary commodities	Machinery and transport equipment	Other machinery and transport equipment	Manufacturers	Other	
Germany	22	12	8	10	21	8	13	
United Kingdom	30	12	11	14	25	11	15	
Italy	24	15	16	14	24	11	15	
France	19	11	15	11	13	5	25	
The Netherlands	15	15	10	11	13	5	28	
Denmark	14	12	11	8	9	6	24	
Belgium/Luxembourg	14	11	9	9	10	4	25	
Ireland	18	12	8	7	10	7	27	
Spain	19	11	10	16	11	8	35	
Greece	15	18	8	12	19	7	27	
Portugal	16	13	8	12	19	8	33	
EC AVERAGE	18.7	12.9	10.4	10.7	17.2	7.2	22.5	

EC IMPORT TRENDS 1965-1987: Food imports share down ± 30%. Fuel imports share static, but major differences: Primary products share imports down ± 60%. Machinery/transport equipment share up ± 35%. Other manufactures share up ± 25%.

Chief executive of the South African Foreign Trade Organisation Wim Holles brought clarity to the current situation when he said that exports to the EC under the quarter of SA's gross domestic product. The 40% growth in the rand value of those exports last year was a considerable factor in our positive current account balance.

SA contributed only 2% of the EC's imports, he said. Despite fears about "fortress Europe", however, the chance existed to increase EC exports marketed, since EC imports had grown at an annual average annual rate of 4.1% in the 1980s compared with 3.9% during the 1970s. What was worrying was that exceptional range of fabricated steel products, SA played only a minor role in the fastest-growing EC import sector - machinery, transport equipment and other manufactured products.

"Between 1985 and 1987, the share of food imports in total EC imports fell by 30% and primary commodities by 41%," he said. "However, our large and efficient ports enable us to send larger single shipments

to match larger EC purchases. Requirements for stock-holding for "just in time" purchasing was important, as had been shown by local coal exporters - rivals China and Colombia had lost out through unreliability in delivery.

Further positive factors were old trade links on which to establish wider distribution in the new Europe, while the need for costly multiple sales and distribution agree-

ments fell away. Greater environmental concern would be positive for platinum and for more advanced mineral, metal and chemical processing in SA.

Mr Holles said in the short term SA should rely more on GATT in its trade relations with the EC, but in the long run it should aim at a trade agreement linking an enlarged Southern African Customs Union to the EC.

SA MARKET SHARE IN EC IMPORTS FROM INDUSTRIAL COUNTRIES

Source: United Nations

	1980	1985
Metal ferrous ore	7.94	10.26
Textile fibres	7.05	6.68
Crude fertilisers	5.22	6.03
Other crude materials	3.93	3.9
Non ferrous metal	2.47	0.3
Cereals	1.6	1.16
Food, beverages, tobacco	1.09	0.07
Iron and steel	2.06	1.42
Other manuf goods	0.84	0.76
Oil seeds, etc	0.63	0.24
Mineral fuels	0.6	1.28
Chemicals	0.58	0.47
Clothing	0.33	0.18
Animal and vegetable	0.3	0.11
Other manuf metals	0.13	0.08
Textile yarn	0.13	0.13
Machinery	0.05	0.07
Passenger vehicles	0.04	0
TOTAL	0.92	0.81

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Consumers

Mr Durr said the Advisory Committee on Quality, a fledgling body formed under the auspices of the SABS, was to drive the concept of "countrywide quality" while the Government had to be the prime mover, other participants would be chief executives in industry, commerce and the public sector, consumers, organised labour, and youth.

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Dr Du Plessis said many industrialists might not realise that the SABS's close relationship with the ISO meant it could put forward their case even as international

the president of DQS, Dr Wolfgang Hansen.

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Dr Du Plessis said many industrialists might not realise that the SABS's close relationship with the ISO meant it could put forward their case even as international

New parties can select best tax system

S/Times 14/10/90
S6A

THERE is no doubt that the concept of a single market in Europe is attracting increasing attention from South African business as 1992 approaches.

Unlike Value Added Tax and customs duties where a substantial degree of harmonisation has taken place, little progress has been made towards the harmonisation of the varied systems which presently exist in each member state for direct taxes (both corporate and personal income taxes).

The message to the South African businessman, therefore, is that tax considerations are, and will remain for the foreseeable future, an important factor in locating in Europe.

Basic

The lack of progress towards tax harmonisation presents the South African businessman with the opportunity to choose the most favourable location, legal form and structure for establishing and financing operations in the EC.

There is no one location or structure which is best for all enterprises or even for enterprises conducting a particular type of business.

In an effort to make best use of local expertise and market knowledge, South African business should consider pursuing expansion into the EC by way of a joint venture with a local partner.

Selecting the form of organisation for the joint venture is the most crucial

step in determining its taxation.

In the United Kingdom, for example, there is a basic choice between a company or a partnership — although the latter may be limited. In Germany, however, there are numerous partnership forms, each with differing tax consequences.

Legislation introducing an entity known as the European Economic Interest Grouping, which provides a legal form for cross border partnerships with the EC, is currently being introduced into the domestic company law of each member state.

An EEIG must comprise at least two enterprises which carry out their principal activities in different member states. The purpose of an EEIG is to facilitate the economic activities of its members and to improve the results of those activities — not to make profits for itself.

Common

If a business is interested in international co-operation and pooling resources to mutual advantage, the EEIG may well be the appropriate vehicle. However, it does not offer participants a way round the various tax regimes that exist in the EC member states, so they must still comply with more than one set of tax rules for determining taxable profits or losses attributable to members.

It would now appear that it would be virtually impossible to set a single rate of corporate tax throughout the EC and instead recent measures — which are intended to come into force on January 1, 1992 — have been agreed upon by member states to exempt EC companies from the additional taxes they currently suffer when doing business in more than one member state. These measures include:

- A directive concerning a common system of taxation applicable to mergers and transfer of assets between companies from different member states. The directive will defer the payment of tax on capital gains arising from

these activities until the gains are actually realised.

- A directive exempting from withholding tax dividends distributed by a subsidiary in one member state to a parent company in another. Likewise, the parent company will not be taxed on the dividend received from its subsidiary in another member state. The rate of withholding tax on dividends currently levied by the member states ranges from 0% to 35%, depending on the particular country.

Slow

- A convention providing for the introduction of an arbitration procedure to eliminate double taxation of transfers of profits between associated enterprises. Some multinational companies currently suffer from double taxation because national tax authorities adjust transfer prices between subsidiaries in the group without a corresponding adjustment by the other relevant taxing authority. The objective is to eliminate such cases of double taxation within the EC.

- A proposed directive which would allow all companies to take into account, at the level of the parent company, the losses incurred by subsidiaries or permanent establishments — including branches — in another member state.

As plans for the harmonisation of direct taxes in the EC are making slow progress, and a number of member states are themselves presently in the process of domestic tax reform, tax planning will remain an important consideration for the prospective South African entrant into the EC for some considerable time to come.

Vast

There can also be little doubt that the vast discrepancies in corporate taxation between the member states — rates vary from 35% in the United Kingdom to 46% in Italy, including local taxes, and 60% in Germany, including the trade tax — will still play an important role in influencing investment decisions.

- Ray Eskinazi is a tax partner in Ernst & Young.

BACK-UP

ally a sine qua non for exports to back-up system outside the SA

ity had to be something coming imposed," says the chairman of Quality Suppliers, Robin Bullen, "of communication with both lifted companies' services."

panies which have 0157 accredited. Most are on the Reef, though 40 med a branch.

ALQS that accredited companies go on their stationery. Working SA Society for Quality and with leering and Research Services, gs at which quality experts are

ions to come on the scene, in the is a body of 15 large organisa- e range of products and services be of the best possible quality," e ultimate aim of all of them is titute.

editing of 0157-accredited manu- organisation would like to have

EUROPE 1992

EC will not be a law unto itself

S/Times 14/10/90 *(SBR)*

By RON SCHURINK

THE European Community is not going to be a law unto itself in standardisation.

This assurance to South African industrialists comes from the director of external trade relations in the Department of Trade and Industry, Henrie Geldenhuys. He heads up a 15-man section whose two sub-sections handle bilateral and multilateral (mainly GATT) trade relations respectively.

He quotes from a recent circular received from the EC Commission about the work of the European Committee for Standardisation (CEN) and the European Committee for Electro-technical Standardisation (CENELEC):

Impetus

"Only where international standards do not exist and are unlikely to emerge for the foreseeable future, do the members of CEN/CENELEC harmonise their standards. In fact, CEN/CENELEC have agreed to consult the International Standards Organisation (ISO) before starting on new work in order to see whether the same work could be carried out at an international level instead."

Spelling out the meaning of Europe 1992, Mr Geldenhuys recalls that after the EC's early impetus, trade between members became impeded by non-tariff protectionism. The Single European Act passed in 1985 aims at removing by the end of 1992:

- Physical barriers such as border controls.
- Technical barriers such as food and safety standards.
- Fiscal barriers relating to differences in rates

EC eyeing SA mission

By JOHN CAVILL: London

THE establishment of a mission in South Africa by the European Commission is being considered but the timing and conditions will depend on political developments.

On purely economic grounds, SA — a major source of raw materials, including platinum, chrome, vanadium and manganese — would almost automatically rank for inclusion among the 169 countries in which the EC is represented.

But the office of Fran Andriessen, vice-president of the EC in charge of external relations, said: "It is still a little premature to talk of it."

According to EC spokesman Nicolaas Wegter, the SA question has a bearing on European political co-operation and isn't "something the EC can decide by itself".

of excise duty and VAT.

An introduction to the EC circular says the commission is well aware of outsiders' fear that "the advantages of an integrated market in Europe will be reserved in a discriminatory way for Europeans and that access to the European market will become more difficult, rather than less, for outsiders.

The commission believes, on the contrary, that the Community's new approach to technical harmonisation and standardisation... will have the effect of making the Community market more transparent, coherent and accessible."

Mr Geldenhuys emphasises that, despite all the ballyhoo round 1992, no

new process has begun — only an intensification of an old one. "The DIN standards for steel tubes made in and imported into the EC have been around since 1960."

The task of keeping South Africa up-to-date on EC rules and regulations is in the hands of former teacher Johan Delpoit. One responsibility

is the country's most comprehensive library of EC documentation, growing at the rate of some 60 official circulars a month.

"We see ourselves as part of a chain of information, disseminating relevant matter to each of the industrial sectors — from agriculture to electronics," says Mr Delpoit.

Queries

The department finds it has most of the information needed to answer industrialists' queries — a recent one, for instance, concerned the rules governing packaging of health confectionery.

Matters needing further investigation, or — importantly — official negotiation, go to the department's four-man team in Brussels under Ambassador to the EC Dr Bhadra Ranchod. Of the four, one person is seconded by the Reserve Bank (with a brief to watch currency developments) and another by the Department of Agriculture.



Honnie Geldenhuys (right), director of external trade at the DTI, with Hardlo Vos, chief director of external trade

A growing world opens up for SA's exporters

S/Times 14/10/90

THE South African Foreign Trade Organisation and chambers of commerce supporting foreign trade links are facing new challenges as Europe moves towards 1992, Eastern Europe opens up and external attitudes towards SA change.

"Less than a year ago we were counting the markets we had and wondering where else we could break in," says Safto general manager Ann Moore.

"Now there are so many available that the question is which ones to focus on."

Like the Department of Trade and Industry, Safto feels 1992 has been over-dramatised. Nevertheless, it has made sure of having all the information that potential exporters will need by linking into the British database Spearhead, which collates all harmonisation measures within the European Community.

SA's exporters

"For instance, someone who wants to know about the marking of clothing can come to us and our researchers will consult Spearhead to find out," says Mrs Moore. A small number of companies are already making use of this service.

Diversify

She notes that one possibility for SA companies to consider is having a joint venture with an East European country — "much cheaper than setting up a base in Germany, for instance" — and benefiting from it as the country draws closer to the EC.

"Foreign trade now makes up 7-10% of GDP of these countries and is bound to rise towards the 30%

average of Western Europe," she says.

Within the EC itself, Portugal, Spain and Italy began looking for links with SA as early as 18 months ago — "perhaps seeking to diversify before harmonisation arrives".

Alan Tew, executive director of the SA-Britain Trade Association, says his organisation is re-shaping its role after being founded 25 years ago when trade difficulties first loomed.

However, it does not appear that a single market in Europe will lead to a single "EC" chamber of commerce in SA — for which, strangely enough, there has been only American pressure.

"There will still be contact with different regions of the EC and it

makes sense for different chambers to look after those contacts," says Mr Tew.

"The real effect here of the single market is that, for us, the 'other end' is opening up — a British buyer may mean EC-wide distribution."

What the coming single market HAS brought locally is approaches by "new" regions to be considered as entry points.

Alignment

"For instance, we have had an approach from Ulster, which points out that better margins are possible there through productivity higher than the rest of the Britain — as a result of a better standard of education and fewer strikes."

He points out that the wider market can only become simpler as currency alignment is carried forward, making costs and returns the same everywhere.

AN IDEAL

SABS 0157 — soon to be virtual the EC — has an extensive Bureau of Standards itself.

"We felt concern, for quality, out of industry itself and not from the Association of Listed Quality Smith. And we serve as a means the SABS and users of accredited

Some 250 of the 470-odd companies are members of ALQS. Natal members have now formed

It was at the instigation of ALQ became able to use the 0157 logo in close co-operation with the Users' Society for Engineering ALQS holds quarterly meetings invited to speak.

First of the three organisations late seventies, was USER. "Things which make use of a wide and are concerned for them to says chairman Jeff Leaver. To establish an SA Quality Inst

Mr Leaver points out that manufacturers is important and has a larger role in this function.

IN 1000

EC calls for SA presence

St Times 7/10/90

Business Times Reporter

56A

A PLEA for SA's private sector to "get aligned with the new Europe" was made in Pretoria this week by the Ambassador to the EC in Brussels, Dr Bhadra Ranchod.

"Business in every state in the US has set up its monitoring and lobbying office in Brussels, but the SA private sector is unrepresented," he told the SA Bureau of Standards Europe 1992 National Symposium on Product Certification.

The 450-odd delegates saw the signing of an agreement which makes the SABS the first standards organisation outside the EC whose certification will be recognised by the German certification body DQS.

Calling for the SA economy to be "relaunched" like Western Europe's, Dr Ranchod did not mention bodies which he felt could lighten the load of his mission's two officials dealing with trade matters. However, when the matter was raised in question time, he named the SA Foundation, the Chamber of Mines and the coal industry.

"The coal people have offices in London and Bonn, the Chamber of Mines an office in London and the SA Foundation offices in London, Paris and Bonn. They continue to behave as if Europe is still separate nations and not an integrated place with Brussels as its capital."

Power

A private-sector monitoring and lobbying office could, for instance, produce a monthly update on developments in the EC, for which his office did not have the capacity.

Stressing Brussels' importance, Dr Ranchod referred to power wielded by EC Commission president Jacques Delors. "As chief executive of the largest trading bloc in the world he holds enormous power."

"It was a major breakthrough for SA when State President De Klerk met Mr Delors when he visited Brussels in May."

Apart from that meeting and the visit of the Fact Finding Mission to SA in April, further evidence of an improving EC attitude towards this country was a statement last week by the commission's senior vice-president in charge of development. He had even called on the SADCC countries to address their task "in a renewed light with South Africa as a partner."

● Next week, Business Times will carry a special feature on Europe 1992.

France and Germany put up new plans ^{5/10/90} ^{So reform} ^{56A}

VENICE (ITALY) - France and Germany have put forward radical plans which could mean that a common European Community (EC) foreign and security policy will be decided by a majority vote. After a first day of informal talks between the 12 EC foreign ministers at Asolo near Venice, France's Roland Dumas said all but Britain and Ireland seemed to accept the need for the EC to embrace these new areas.

UK to raise sanctions at EC summit

LONDON — British Prime Minister Margaret Thatcher is expected to tell President F W de Klerk this weekend that a renewed attempt will be made to bury the "corpse" of sanctions at the EC summit in Rome on October 25 and 26. (SGA)

A Foreign Office source said yesterday Britain was trying to persuade Italy, which holds the EC presidency until the end of the year, to ensure that the Rome agenda included the issue of the sanctions.

Britain does not believe the EC needs ANC approval to lift sanctions. It is supported — in varying degrees — by Germany, France, Italy, Spain and Portugal.

British tactics towards lifting sanctions have switched from pulling from the front to nudging from behind.

"The whole thing is falling apart and unravelling and everyone in the EC can see that," the source said.

"It is now a question of motivating peo-

JOHN CAVILL

ple into taking a decision. This is where the ending of sanctions is being affected by the fortunes of international politics, from the Gulf to European monetary union.

"Sanctions are an issue of the past and have faded to the margins of other, more pressing imperatives and so tend to get overshadowed. But things are beginning to roll."

MIKE ROBERTSON reports that in addition to De Klerk's visit to Portugal and Britain — which he starts today — he will begin another visit to the Netherlands and Luxembourg on October 23.

A Foreign Affairs Department statement yesterday said De Klerk would meet Netherlands Minister President R F M Lubbers, Foreign Minister Hans van den Broek and the chairmen of the Dutch first and second chambers of parliament.

Sidney 11/10/77

CAT Tent 11/10/90

56A

Sanctions to be 'buried' at EC's Rome summit?

Own Correspondent

LONDON. — British Prime Minister Mrs Margaret Thatcher is expected to tell President F W de Klerk this weekend that a renewed attempt will be made to bury the "corpse" of sanctions against South Africa at the European Community summit in Rome on October 25-26.

The meeting of EC heads of government this month, however, will have other priorities, from the Gulf crisis to the reunification of Germany, which has enlarged the market, and the advent of Britain as a full member of the European Monetary System.

But a Foreign Office source yesterday said Britain was trying to persuade Italy, which holds the presidency of the EC until the end of the year, to ensure that the Rome agenda includes the sanctions imposed since September 1986.

Britain does not believe the EC needs to wait for African National Congress approval to start lifting sanctions. It is supported — in varying degrees — by Germany, France, Italy, Spain and Portugal. The attitudes of Holland and Luxembourg are likely to be affected by President De Klerk's visit there later in the month, which would leave the main hardliners, Ireland and Denmark, in the minority.

Call for private sector spearhead into the EC

SLA

1/20

PRETORIA — There was a crying need for a Brussels-based office representing SA industry and business, SA mission head to the European Community (EC) Bhadra Ranchod said yesterday.

Speaking at an SABS conference on "Europe 1992", Ranchod said a private sector lobby to promote SA's interests and monitor developments in a unified Europe would be vital.

"If such a lobby is considered critical to American, Canadian, Japanese and Australian suppliers, then there is no excuse for SA to sit back."

He warned that until a new SA was in place the country would experience a measure of discrimination in gaining access to new markets.

Ranchod said a frontier-free common market of nearly 350-million people provided additional exciting opportunities for SA.

For South Africans it was crucial

GERALD REILLY

to understand that the creation of a unified European market was well under way.

The EC was SA's number one trading partner and historically its principal source of capital and technology.

Ranchod warned SA exporters would have to become increasingly competitive to enter or remain in the EC market after 1992.

A robust single European market would mean many advantages for SA, which ranked as the EC's 13th most important source of imports and its leading trading partner in the southern hemisphere.

To take advantage of a prosperous united Europe, SA businessmen would have to adopt business strategies which gave them a competitive edge in a powerful EC.

2/10/90
Lod/S

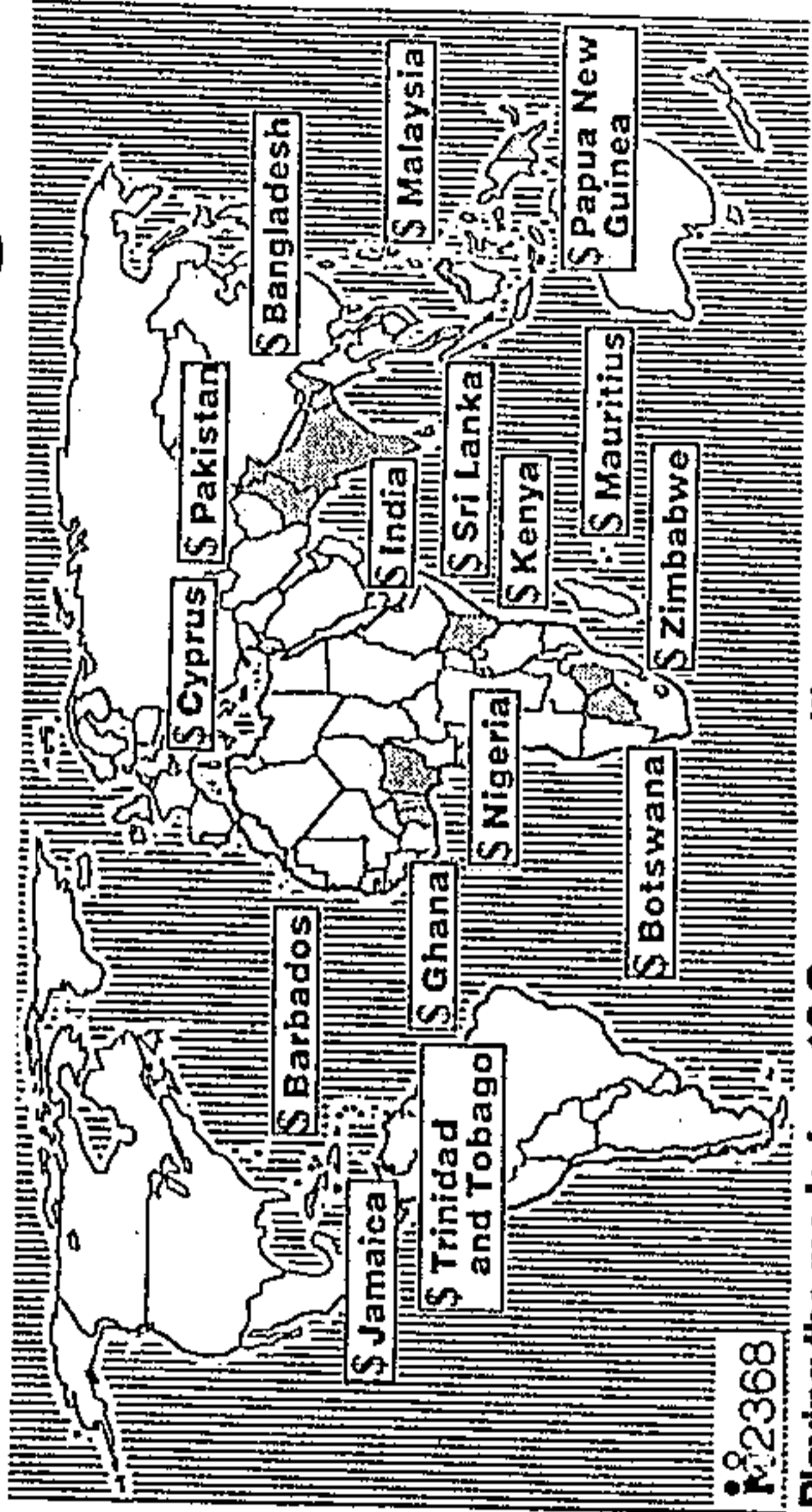
An equity fund to provide investment from Western stock markets to emerging Third World markets was rescued from near-collapse on the eve of the annual meeting of Commonwealth finance ministers in Port of Spain, Trinidad recently. The Commonwealth Equity Fund (CEF), backed by the ministers at their last meeting, had aimed at encouraging institutional investors to put money into emerging stock markets in the Commonwealth. Most of these markets have until now been inaccessible to foreign equity investment.

The project was stalled earlier this year when the lead underwriter for the fund, Nikko Securities of Japan, pulled out. The Tokyo-based securities house insisted its initial marketing push for the CEF had found little response. Nikko's effort was not helped when the Tokyo stock market suffered huge losses, lessening the lure of developing country funds for Japanese investors.

To save the Commonwealth finance ministers embarrassment on the eve of their meeting in Trinidad, 10 investment banks, including the International Finance Corporation (IFC), the private sector development arm of the World Bank, put their weight behind the fund.

In total, six American, two Canadian and one British bank made subscriptions totalling \$56.5-million. The fund had originally sought \$100-million. The idea of it grew out of the context of the Third World debt crisis of the Seventies and early Eighties. Stung by huge debt write-offs, Western banks have in recent years begun arranging equity funds for indirect investment worldwide through

Equity fund established to develop 16 Commonwealth stock exchanges



Playing the markets ... 16 Commonwealth countries have, or soon will have, their own stock exchanges aided by the new equity fund

also expected to provide training and expertise for the development of stock markets and capital growth in Commonwealth countries.

The CEF will first target funds at emerging markets in India and will then commit a further 40 percent of funds to smaller share issues in Malaysia. It will eventually invest in 16 markets within the 50 countries that make up the Commonwealth and which will soon create their own exchanges. These include Pakistan, Zimbabwe, Nigeria, Jamaica, Sri Lanka and Trinidad and Tobago.

Initially, shares in the CEF have not

will be no difficulties in the CEF acquiring shares in domestic companies, and that its exchange control policy is liberal.

As the finance ministers met in Trinidad, Persaud argued that Commonwealth governments were turning to financial markets as a means of development, even though earlier hopes that Western investment would fuel self-sustaining growth have been overtaken by the stark reality that much of the developing world is economically dependent on the West.

The difficulty the CEF had in raising funds as world stock markets fell underlines this continuing dependence on Western investment.

But Persaud insists struggling Commonwealth nations can no longer swim against the tide: "The attitude all over the world is moving to greater reliance on the private sector and on financial markets. The experience with statism and regulation just has not proved successful."

He believes it is unrealistic to call on developing countries to disengage their economies from stronger ones in the West. "There is no going back to statism policies," he says. "This means more reliance on financial markets for growth over the coming year."

Persaud argues that reformist Commonwealth governments today see self-reliance as the goal. Looking to the future, he believes the equity fund might be followed by a major thrust in providing start-up finance. Another area of interest would be joint ventures.

He added there was no decision yet on whether joint ventures would involve companies on a Commonwealth-wide or regional basis. — Gemini News

been offered to members of the public, but were instead placed by London-based brokers Barclays de Zoete Wedd with investment banks, mostly insurance companies or pension fund managers. Interestingly, the CEF gives observers a window on how individual Commonwealth governments regard the question of greater foreign investment in their domestic economies.

In Jamaica, for example, the finance ministry has confirmed that work has begun on securities legislation and on establishing a stock market there. The government of Botswana is insisting there

EC leads UN fight to give credit to SA

 SIMON BARBER

(56A)

WASHINGTON — The EC, largely unsupported by the US, was leading the fight yesterday for a UN General Assembly resolution that would "welcome" steps taken by Pretoria and leave open the door for the easing of sanctions.

This followed a statement on the EC's behalf by Italian representative Vieri Traxler that "rapid and important developments" in SA "clearly indicate that the end of apartheid is in sight".

In negotiations that lasted until 1.30am yesterday, the EC held firm against a draft prepared by the ANC's African supporters effectively stating that little had changed since last December's UN declaration and attempting to bind members states even more strongly to the maintenance of "existing sanctions".

Among the EC's demands was the substitution of the word "pressures" for "sanctions" and removal of a clause declaring that "a climate conducive to negotiations and an atmosphere of free political discussion have yet to be created".

It also called for the dropping of the term "regime" to describe the SA government. *1104 147190*

The US draft showed that, despite President F W de Klerk's forthcoming Washington visit, the US was not prepared to back the Europeans on most of these positions, including abandoning the word "regime".

It proposed declaring that "continued efforts are needed to produce a climate conducive to negotiations". This is significant, because the absence of such a climate is a major roadblock to the lifting of sanctions.

Negotiations were continuing last night in the hope of producing a document that could be adopted by consensus today.

THE UN General Assembly reached agreement last Friday on yet another resolution on SA. It was due to be adopted by consensus yesterday. The public debate which preceded it was, with certain exceptions, pretty fatuous. Rather more interesting were the behind-the-scenes negotiations in which it was crafted.

With carnage mounting on the Reef, battles over the precise wording and punctuation of a UN product may seem pathetically irrelevant. To a large extent, they are. They do, however, offer SA some small insight on who can be trusted to be helpful, and who cannot.

The EC behaved splendidly. The African bloc was dismally predictable. By letting the Africans act in this way, the ANC cast serious doubt on its own consistency and reliability. The US performance, on the eve of President F W de Klerk's visit, can only be described as abject.

The formal purpose of the debate was twofold: first, to acknowledge the report Secretary-General Javier Perez de Cuellar submitted to the General Assembly last July in accordance with December's Declaration on Apartheid and its Destructive Consequences in Southern Africa; then to decide the extent to which Pretoria had complied with the declaration's various demands.

The secretary-general's report, based on interviews with a refreshingly broad array of SA opinion, was a model of even-handedness. It concluded that developments since February 2 "hold the promise of profound and beneficial change". Perez personally hailed De Klerk's "bold and courageous leadership".

This undercut the ANC's insistence that it alone is responsible for anything worthwhile that happens in SA. Accordingly, the OAU's ad hoc monitoring group on southern Africa felt obliged to set the record straight with a counter-report based largely on submissions from the ANC and its related organs.

One of the African bloc's objectives last week was to have its report accorded equal status with the secretary-general's in the final resolution.

Americans sit in the stands as the EC goes in to bat for SA

561
SID 15/9/90

SIMON BARBER in Washington

A comparison of the various drafts put forward in the back-room negotiating sessions shows the Americans were prepared to accept this. The Europeans were not. They wanted any reference to the OAU report deleted and the secretary-general's effort "welcomed" rather than merely "noted". Unbacked by the US, the EC was forced to concede. The OAU got its specious text "noted". As for the real thing, it was granted "careful note" instead of a "welcome".

De Klerk will no doubt be thrilled to know that his hosts next week still regard him as the head of a "regime" rather than of a government. The Europeans went to bat to strike the tiresome "r" word from the resolution. Once again, the Americans declined to support them, even though the secretary-general used "government" throughout his report. A small matter, perhaps, but indicative of a craven habit of mind. "Regime", needless to say, stuck.

While the original African draft was clearly unpalatable to both the US and the EC, and only slightly less to the Commonwealth's Canada and Australia, there appeared to be no issue on which US was prepared to stand up and be counted. By and large, the Americans sought minor changes that the Africans were likely to accept, thus putting the onus on the EC in the event consensus could not be reached. The Europeans opted

for serious editing and were genuinely stunned by the wetness of the US.

Paragraph seven of the Africans' draft preamble was as follows: "Noting that while a number of measures in the right direction have been undertaken by the SA regime, such as the unbanning of the ANC, PAC and other political organisations and the release of some political prisoners, including Nelson Mandela, a climate conducive to negotiations and an atmosphere of free political discussion have yet to be created...."

Boldly, the US suggested: "Noting that while significant measures in the right direction have been undertaken by the SA regime such as the unbanning of the ANC etc, continued efforts are needed to nurture a climate conducive to negotiations and to contribute to free political discussion...."

Even the Canadians proposed a fuller rewrite. They wished to note "that a number of significant measures towards a climate conducive to negotiations have been undertaken by the SA regime...."

The EC wanted to throw out the entire paragraph, replacing it with: "Welcoming the significant changes that have taken place in SA since the adoption of the declaration, such as

the release of Nelson Mandela and of other political prisoners, the unbanning of political organisations, the substantial lifting of the state of emergency and the commitment by the government to abolish the apartheid system and to create a democratic nonracial SA...."

In the end, the US version prevailed, except that now only "some significant measures" were to be noted. The EC was given a clause including in these measures the "regime's declared commitment to abolish the apartheid system". A palatable concession, thanks to the insertion of the word "declared".

It was on the question of the Pretoria Minute that Washington's appeasing tendencies were at their most naked. The Africans, for whom read the ANC, were clearly unwilling to acknowledge the minute's existence since it would clearly undermine their contention that the "regime" would still be its old recalcitrant self but for the statesmanship and magnanimity of the ANC. Their plan was merely to "further note" the "ongoing talks between the ANC and the SA regime, aimed at eliminating obstacles to a negotiated settlement in SA".

The EC dismissed this out of hand. In its view, it was essential that the resolution not only refer to the minute but contain language from its key final paragraph. It therefore proposed "further welcoming the on-

going talks between the ANC and the SA government, and the results achieved, whereby the parties agreed that the way is now open to proceed towards negotiations on a new constitution, which represents a further significant step along the road to reconciliation in the country, and to the establishment of a united, nonracial and democratic SA".

Contrast this with the American offering: "Further noting the successful conclusion of talks between the ANC and the SA regime, aimed at eliminating obstacles to beginning negotiations towards a peaceful settlement in SA...." Where the Europeans sought specifically to bind the ANC to what it had agreed to in the minute, the US preferred merely to acknowledge that the talks leading to the minute had been "successful". There is a difference.

Unfortunately, while the final resolution does mention the Pretoria Minute by name, it avoids affirming, and thus holding the parties to, its contents. This is a significant lapse given that the ANC representative at last week's session, one Anthony Mongalo, contended that to read the minute's last paragraph as meaning that the "way is now open to proceed towards negotiations on a new constitution" — which is what it actually says — was to take the agreement "out of context".

On Friday, the Americans put it about that they intended to make up for their flaccidity in a statement to be delivered by their representative yesterday. Like the EC, the US was to accompany its vote for the resolution with an "explanation".

Surely it would have been better to seek a resolution than needed no explaining or, failing that, simply to admit that consensus was impossible, let the Africans have their way, and then either abstain or vote against. Had the US been willing to join them, that was certainly the European inclination.

De Klerk may like to ask President George Bush why it was not America's also. He will likely be told, as were the Europeans, of a breakdown in communication between the State Department and its UN mission. It's a nice story, but hardly the basis for renewed trust.

Zach puts education for masses high on his list



THEO RAWANA
 A SOUND education with a greater emphasis on technical education and training for the masses was needed for the creation of a climate conducive to free enterprise and growth, DP leader Zach de Beer said in Johannesburg last night.

Addressing the Islamic Business Chamber, De Beer said SA would need to rely more on manufacturing — particularly for export — for future growth, as the gold mining industry was on the wane and agriculture would always be limited by poor soils and inadequate rain. *6/10/91 26/1/90*

"First and foremost, manufacture demands an educated work force, and I need not tell this audience how far behind we are in this regard.

"Secondly, it demands excellent worker-manager relationships; and this presents an especially difficult challenge in SA.

"Thirdly, government must play the role of an expert coach while strictly refraining from taking part in the actual game; and this will demand from the future SA government behaviour quite different from that of its predecessors," De Beer said.

Long-term prospects for growth in SA depended on the way in which resources, human and material, were developed and deployed.

At the top of long-term requirements was a sound education for the masses, with the balance tilted more towards technical education and training than hitherto, said De Beer.

Next were housing and services planned and designed to provide a decent, secure quality of life.

"Third, an outward orientation in all that we do: free markets, minimum tariff protection; thorough market research to seek opportunities for exports; and intelligent international representation on the business as well as the political level.

"Above all, a unity of national purpose: the understanding that we are one nation and that we shall sink or swim together," De Beer said.



Archbishop Desmond Tutu receives an honorary doctorate of human letters from the University of Missouri, Kansas City. He is flanked by university president Peter Magrath, left, and chancellor George Russell.

Picture: REUTER

HARARE — The PAC was castigated by Zimbabwe's semi-official national daily newspaper The Herald yesterday for failing to take up President F W de Klerk's invitation to negotiations on SA's future.

At a weekend meeting in Harare, the PAC central committee and national executive deferred a deci-

sion on De Klerk's invitation until November, when it hopes to have the opinions of the organisation's members at its first national conference to be held in SA since it was banned in 1961.

President Robert Mugabe's ruling Zanu (PF) party has close and long-standing ties with the PAC and Senior Political Affairs Minister Didymus Mutasa caused a diplomatic sensa-

Commonwealth experts to probe needs of new SA

LONDON — The Commonwealth has set up an expert group to study the needs of post-apartheid SA, says Commonwealth secretary-general Chief Emeka Anyaoku.

The group, announced yesterday, will identify priorities for advanced education and work experience, says the Commonwealth. It will also recommend future actions for the Commonwealth and suggest ways of getting greater support from the Commonwealth and the international community.

The first meeting is scheduled for November in London. *6/10/91 26/1/90*
 An interim report will be made in December, while the final report is expected to be presented to Commonwealth heads of government at their summit in Zimbabwe in mid-1991.

The Expert Group on Human Resource Development for a Post-Apartheid SA is chaired by John Harker, vice-chairman of the SA Education Trust Fund, the Canadian branch of the Commonwealth-wide "Skills for SA" network, and will have two SA members.

The expert group was suggested by the Canadian government at the meeting of the Commonwealth committee of foreign ministers on southern Africa in Nigeria in May.

The group was endorsed by ANC deputy president Nelson Mandela, who was present at the meeting, the Commonwealth said. — Sapa-AP.

PAC is given some confusing advice

MICHAEL HARTNACK

an invitation, the PAC now did not seem to know what to do with it.

But apparently contradicting its advice to the PAC, The Herald also suggested: "The PAC can afford to procrastinate and watch the possibly devastating effects of the ANC's hurried agreement to 'suspend' the armed struggle."

EC to give Nigeria \$365m

LAGOS — The EC is to give Nigeria 365m ecu — about \$365m — under the Lomé IV Convention. (SGA)

This is regarded as the biggest single allocation to any member of the African, Caribbean and Pacific states (ACP). (226)

It is also the biggest made to Nigeria under any of the four Lomé conventions, an EC source said in Lagos yesterday.

The EC has provided to date 1.7bn ecu in development assistance and associated financing to Nigeria since the signing of the first Lomé Convention in 1975 in which it received about 9m ecu.

It got 50m ecu under Lomé II and 213.5m ecu under Lomé III. — ANO.

Blom 3/9/90

A cold wind threatens EC coal and steel

BRUSSELS — European Commission vice president Sir Leon Brittan wants the EC to scrap the treaty protecting its coal and steel industries, commission sources said at the weekend. (SBA)

The EC's coal and steel industries have had special treatment since the Paris Treaty — the foundation of the community — was signed in 1951. They were supported through slumps in world demand with price controls and quotas imposed by the EC's executive commission.

With a recovery in the steel industry worldwide, Brittan, the competition commissioner, believed the protection afforded by the Paris Treaty was no longer needed and the two industries could be exposed to international market forces before the treaty expired in 2002.

Brittan, a proponent of swift deregulation of European industry, is likely to encounter resistance from other commissioners and the coal and steel industries. — Sapa-Reuter

Mandela in clash on Zionism's role

OSLO — Jewish leaders defended Zionism against what they perceived as an attack by African National Congress deputy president Nelson Mandela during a debate on hatred at a meeting of world figures yesterday.

Mr Mandela had said the African National Congress condemned Zionism if the term meant the Israeli State had the right to occupy Palestinian lands and refuse to deal with Arab leaders.

But if it meant religious freedom, it was welcomed, he added.

The remarks drew a sharp reaction from Israeli Minister of Health Ehud Olmert, also attending the four-day conference on combating hatred.

He said he had felt "a little bit uncomfortable" when he heard Mr Mandela equating Zionism and racism.

"From a freedom fighter such as Mr Mandela I expected to hear an unequivocal refuta-

tion of that allegation against the Jewish people and the Zionist movement," said Mr Olmert.

The two men were among about 70 delegates gathered in Norway's capital for the seminar, called "The Anatomy of Hate."

Other world figures attending include Czech President Václav Havel, French President Francois Mitterrand, former US President Jimmy Carter and actor Gregory Peck.

Mr Mandela, concluding a keynote address on apartheid, added his view on Zionism, a movement established a century ago to promote the creation of a Jewish state in Palestine. After Israel was founded in 1948, the movement encouraged immigration.

Mr Ephraim Urbach, an Israeli scholar, urged Mr Mandela to "accept that Zionism is not a racist movement".

Mr Mandela criticised the leaders, and other delegates, for refusing to consider their

opponents' view in a conflict — a stance that could create "formidable problems".

Mr Olmert countered with an apparent reference to Iraqi threats, pointing out that "recognised Palestinian leaders are the first to embrace those who threaten to kill Jews with gas, so perhaps some people may understand our difficulty in negotiating with these guys".

Several Jewish leaders took a more conciliatory line, saying they would like Mr Mandela to come to Israel to express his views, even if they did not agree with them.

The ANC leader also said he wanted talks with the Government to continue, because "in South Africa, we are on the threshold of a historic and fundamental transformation".

SA Deputy Foreign Minister Louis Wessels, in his address, described apartheid as "a dreadful mistake. I was present at its birth in the 1940s and 50s. I also want to be present at its death." — Sapa-AP.

Hate specialists find no magic solutions

56A Sta 30/8/90

OSLO — A unique conference on hate ended yesterday with delegates confessing they had found no magic solution to human conflict, but offering ideas on the Gulf crisis and issuing a ringing declaration.

Human rights campaigner Elie Wiesel, co-organiser of the "Anatomy of Hate" conference with the Norwegian Nobel Committee, said the event had not solved the problem of worldwide hatred.

"I have found no answer to hate yet," Mr Wiesel said, adding that he would follow up proposals by some delegates to establish an ad hoc group to deal with conflict resolution.

"Perhaps out of this conference... we shall get in touch with some people and organise missions to crisis spots where an intervention could be useful," he added.

Mr Wiesel also proposed an

annual day when hate would be discussed in schools and universities around the world.

Palestinian delegate Hanna Siniora suggested sending a delegation to the Gulf for talks with Iraqi President Saddam Hussein.

Czechoslovak President Vaclav Havel, one of the world leaders at the Oslo conference, said he was willing to leave for the Gulf if asked.

Declaration

The hate specialists showed little love for President Saddam during the conference, condemning him for hostage-taking. One delegate argued that the United Nations should have the right to "eliminate" him.

The conference, which brought together about 70 politicians and writers including ANC leader Nelson Mandela,

former US president Jimmy Carter and French President Francois Mitterrand, agreed on a final anti-hate declaration.

The document, dubbed the Oslo Declaration, was philosophical rather than practical.

"Parents, teach your children that to hate is to mutilate their own future. Teachers, tell your pupils that hatred is the negation of every triumph that culture and civilisation may achieve," it read.

"We appeal to governments, organisations, the media and educational institutions to find measures to follow up the essence of this Oslo Declaration in ways which can help lead mankind away from hate and vanquish the indifference to hate."

The future of South Africa, racism, anti-Semitism, democracy in Eastern Europe, and the Middle East conflict were also debated at the four-day conference. — Sapa-Reuter.

BACKGROUND

SA set to fill the vacuum in aid

Neil van Heerden, South Africa's Director-General of Foreign Affairs, believes that as Western European nations withdraw in disillusionment from Africa, the economic gaps they leave could be entered by a South Africa cleansed, or being cleansed, of the stigma of apartheid.

He feels the formation of a southern African economic bloc including South Africa has become a more realistic proposition because of the decline of European interest in Africa coinciding with the improvement in the Republic's acceptability, as a result of President de Klerk's reforms.

In this situation, the European nations appear to be willing to use an apartheid-free South Africa as an "access platform" for investment of capital and technology in Africa.

"History is moving into what will be for us a more favourable phase," he said in an interview.

There appeared to be a growing fear in Africa of being ignored by the traditional donor countries of Europe and America as they grew tired of pouring aid into the continent to no apparent effect, he said.

Donors were now attaching conditions to aid, not only political conditions such as the adoption of democratic policies but also managerial ones such as insisting on joint control of aid projects.

"Africa has to take cogni-

sance of that and will have to work towards greater self-reliance, which means in our region the countries would be well advised to look to regional structures to foster economic development."

Mr van Heerden was sceptical about the Southern African Development Co-ordination Conference (SADCC) succeeding in its aim of promoting independence from South Africa.

Countries in the region had privately made it clear that while the organisation had brought marginal benefits, it would never be the key to a regional economic take-off unless South Africa was involved.

"As a result of what is now happening in South Africa, we have gained greater respectability. So the prospect of greater co-operation in our region is now becoming real."

This was enhanced by the prospect of the Mozambican and Angolan conflicts ending.

"Once we have got those two points stabilised, then the other irritations of the region, like the situation between Zimbabwe and South Africa, will probably also be addressed. As South Africa's standing in the rest of the world improves, there is no reason why Zimbabwe should remain outside; in any case, there are great signs of a commercial trading

interaction between Zimbabwe and South Africa which is increasing every year.

"So that those realities are there already: our interdependence, because we've got markets there and they've got markets here, which neither they nor we could easily replace. Why should we? We are right next to each other — it's a very good situation.

"I think this, together with our own domestic development, sets a very realistic scene for us to take up our role as an important African country...."

"We will have to be careful, of course, of the 'Big Brother syndrome' as we move into the new era and we will have to convince countries in our region that it is co-operation and not domination we seek."

Regional growth points would have to be created to obviate an unbalanced concentration of development in South Africa.

"Luckily I think this development comes at a time when many of the hangups of the past, whether they be colonial or imperialist, are being dis-



Fed up with pouring aid fruitlessly into Africa, Western nations are moving out. They may be quite happy to see an apartheid-free South Africa move in, says South Africa's diplomatic chief, Neil van Heerden (above). **GERALD LANGE** of The Star's Africa News Service reports.

Mozambique: 'You are not going to solve your problems by fighting; you are going to have to talk to Renamo'. And the same, of course, applies to the MPLA in Luanda."

The Namibian independence exercise had given South Africa good access to the MPLA government in Angola and it also had good access to the Frelimo

government in Mozambique. 'And we are telling each other: 'Look, let's face it, the road to progress means talking, opening up, dropping the now dis-

"We can tell them quite openly: 'This crazy policy of centralised economies is no good. You are going to have to look at examples in the world

that work and unless you do the world is going to pass you by. Nobody owes you a living and you can make it from here to there with a bit of food aid here and a bit of foreign aid there but in the end that is not your solution'.

"Now, with that whole philosophy coming through very strongly, that is what I mean when I say history is moving into what will be for us a more favourable phase. Because not too many people in Third World countries are going to be misled again by notions of Marxist centralised economies and one-party dictatorships."

Mr van Heerden did not subscribe to the belief that the prevailing poverty in Africa will militate against trade with South Africa even when it is reaccepted in Africa.

Many African countries had resources which, if properly developed and managed with the help of modern technology, should enable them to become viable, he said.

"Of course, this is not going to be an overnight thing. The misery is deep and wide. And there is great suspicion on the part of the wealthy countries of Europe and America.

"And that is where South Africa has a particular role in the sense that we can be an access platform for development,

at least with our southern African region but probably also with Africa further afield. Because we have a certain infrastructural base which has a certain viability, we could be the access point of foreign technology and capital which could also then permeate into the rest of Africa."

Foreign investors would be less reluctant to risk money in South Africa than elsewhere in Africa, Mr van Heerden said. The concept of South Africa as an access platform for regional development "is a notion which I think is becoming increasingly attractive, certainly to Europeans. This was quite clear from President de Klerk's visit to Europe."

Mr van Heerden said these developments coincided with a strong movement in Africa away from one-party rule towards multiparty systems.

He cautioned: "We are at the beginning of what could be a very long process, both politically and economically. Africa is not going to be that bonanza market overnight."

Asked if the withdrawal of European interest from Africa might leave an economic vacuum that could be filled by South Africa, he replied: "I want to state it hesitatingly, but an element of a vacuum is there."

But even if the French and the British did not pull out, South Africa would still be better placed to trade with, for instance, Angola, which had great potential wealth.

"We are seeing it now: the Angolans are keen to set up long-term commercial trading deals with South Africa because they see us as their closest market. It's actually a two-way street: they as a market for our consumer goods and as a source of oil, for instance.

"I think there is a real probability that as Europe becomes more Euro-centric and more disillusioned with Africa and once we get things normalised and sorted out in southern Africa, we will be in a dynamic position (to take advantage of) most things going.

"Of course, it pre-supposes that we have got our own house in some kind of order which enables us to pick up our head and look beyond our borders."

Asked if African countries would insist on the elimination of apartheid before dealing openly with South Africa, Mr van Heerden said: "No. I think that what the Africans will look at is a movement in the direction of elimination — which is already well under way. We are hearing from African leaders we speak to that their rhetoric is out of step with reality and they are going to have to find the right opportunity and the courage to change it.

"The dam wall hasn't broken, but there is great pressure for it to go."

government in Mozambique. 'And we are telling each other: 'Look, let's face it, the road to progress means talking, opening up, dropping the now dis-

"We can tell them quite openly: 'This crazy policy of centralised economies is no good. You are going to have to look at examples in the world

New SA to act as economic dynamo

Sta 12/8/90

A NON-RACIAL democratic South Africa would be better placed to play a leading economic role in Africa where it could act as an economic dynamo, according to a high-powered eight-member delegation of the European Parliament.

Speaking at a press conference in Sandton yesterday, Irish Progressive Democratic Party general secretary Patrick Cox said an apartheid-free South Africa, unfettered by the shackles of sanctions, could become an economic power-house in southern Africa and could "act as a dynamo for the whole region".

Expressing a personal opinion, Mr Cox said while sanctions against South Africa had been ineffective in terms of trade, on the capital side they had hurt the country "very much".

56A
KAIZER NYATSUMBA,
Political Staff

Sanctions, however, were ill-advised in that their hardest hit victims were people at the lowest level of education and skills, be they black or white.

Sanctions would push impoverished whites to flock to the Conservative Party in droves, he said.

"It is my belief that until Nelson Mandela has given the signal to lift sanctions, they will remain in place. The sanctions card, if Mr Mandela is to play it, will require good timing.

"However, I believe the end of sanctions is near," said Mr Cox.

He said that if social and political stability continued to elude South Africa, the lifting of sanctions would not have a significant effect on the coun-

try's economy because "businessmen abroad are not likely to rush to invest in an unstable country".

The leader of the EP delegation which arrived in South Africa two weeks ago to assess the economic situation in the country, British Conservative Bryan Cassidy, said the delegation met a range of people while in the country, including trade unionists, Inkatha and some Cabinet Ministers.

The delegation did not meet either the ANC nor the Congress of South African Trade Unions.

Mr Cassidy, EP spokesman on economic and monetary affairs and industrial strategy, would not give a clear indication of what recommendations his delegation would make on its return vis-a-vis sanctions.

Industry must wake up or miss EC boat

PRETORIA — SA exporters must shape up now to the certification requirements for exports to the EC after 1992, otherwise they would not be able to ship out to the enlarged market, SABS engineering department chief director Martin Kellermann warned this week.

In an interview Kellermann said the European Commission was putting into operation legislation on technical standards that would severely compromise exporters if they did not make moves to come up to scratch.

The legislation on standards would affect all products that had an impact on the protection of human or animal health and safety, or the protection of the environment or the consumer.

The legislation would be finalised by the end of 1991 and before SA goods were accepted on the enlarged European market, they would need the EC-mark, certifying that the goods complied with those safety and environmental requirements.

The majority of goods that would be affected were finished or semifinished products and electrical equipment.

"If the exporters do not comply with these standards, there will be no way that they will be able to do business with Europe," he said.

While it was still not clear in every case what procedures would be employed to certify export goods, it would range from the company certifying its own product to independent third parties certifying each individual product.

Necessary in the certification of the products was a quality system which had to be approved by an independent third party,

EDYTH BULBRING

and this party had to be acceptable to the EC.

The International Standards Organisation had a set of standards for quality systems, the ISO 9000 series, which is known in SA as SABS 0157, or in Europe as EN 29000.

This would be the yardstick used to assess the quality systems operating in the manufacturing concern.

Kellermann believed the SABS would be in the best position to be that third party approving quality systems.

At present only 450 SA companies had quality systems certified by the SABS compared, for example, with 12 000 UK companies.

Advantage

"Many companies haven't even started to think about quality systems. It's going to be a long, hard slog," Kellermann said.

He said SA industry should wake up and accept the challenge to implement the appropriate quality systems, as they took from nine to 18 months to be implemented effectively, before they could be assessed by the SABS.

While the outlook for exports might look grim at first glance, the advantage of uniform EC standards to exporters was that SA goods accepted in EC member countries like England and Germany, post-1992, would have to be accepted by all EC countries, Kellermann said.

The consequences would be disastrous if exporters did not gear themselves to face the challenge of 1992. But if exporters accepted the challenge, a vast market would be opened up, he said.

EC gives \$390 000 to
Mozambique for health

10/8-12/8/90

BRUSSELS: The European Community yesterday granted \$390 000 in emergency aid to help fight epidemics of cholera and malaria in Mozambique.

The money — worth 300 000 European Currency Units — will be used to buy vaccines and pay for their transportation and distribution in Mozambique.

The money will also be used to send medical teams to the southern African nation through a private Italian relief organisation, the EC Executive Commission said in a statement. — Sapa-AP

10 in EC

CAR-TRANS 30/6/90

support easing of

(S6A)

sanctions

LONDON — Ten of the 12 European Community (EC) nations supported the gradual lifting of sanctions against South Africa at the European Council in Dublin this week.

The new weekly *The European* said yesterday that only Ireland and Denmark were opposed.

But, says the report, there are clear signs that the EC debate is "becoming increasingly academic as more and more countries improve their trade links and permit their industries to invest in the country".

Apparently it was Dutch Foreign Minister Mr Hans van den Broek who argued most strongly that the EC should lift sanctions one by one, linked to specific steps towards the total abolition of apartheid. He was strongly supported by British Prime Minister Mrs Margaret Thatcher.

But any decision by the EC on sanctions has to be taken by unanimous vote, and Ireland and Denmark have made it clear they won't change their opposing view until they are sure the changes introduced by Mr F.W. de Klerk are irrevocable.

However, *The European* believes the EC's restrictions "are likely to be lifted over the next six months".

EC decision a 'victory'

South 246-41790

LONDON — Europe's Anti-Apartheid Movement scored a "tremendous victory" in getting the European Community to reject arguments for lifting sanctions, ANC executive member Joe Nhlanhla said in London on Tuesday night.

He was referring to the failure earlier in the day by Britain's prime minister Margaret Thatcher, to get the European Community to relax the limited measures agreed to by the 12-nation grouping.

Nhlanhla's tribute to solidarity activists was part of a speech to 500 supporters at a London meeting to mark Freedom Charter day and the anniversary of Britain's Anti-Apartheid Movement, launched 31 years ago by Father Trevor Huddleston and Julius Nyerere.

"British people have become an inseparable part of our struggle," declared the ANC executive member, adding that "a difficult road lies ahead and we need your support more than ever before."

In a hard-hitting address, Nhlanhla laid stress on mass organisation and the struggle as the key to "decide the destiny of our country."

"While the regime mouths words of peace and reconciliation in the capi-

Mandela came, saw... and snubbed

WASHINGTON. - The much awaited trip to the US by Nelson Mandela has stirred its share of controversy — from Jewish protests to Israel protests to dispute over the report that Mandela may share the stage with Puerto Rican nationalists.

Whole cities, full of "important people", organisations and corporations are upset because the overcrowded Mandela itinerary could not include them. Some, willing to donate money to the South African cause, have been snubbed because their credentials have not been up to the mark.

The African National Congress and its public relations firm, Fenton Communications, have tried hard to please the thousands of requests from journalists and VIP's to meet Mandela and shake his hand.

But reports that three Puerto Ricans who served 25 years in a US jail for opening fire in the US Congress may share the stage with Mandela in New York raised tempers all around.

The three activists, who still advocate independence for Puerto Rico, are Lolita Labron, Miranda and Irving Flores. They injured five congressmen when they opened fire inside the Capitol building on March 1, 1954.

Tempers

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ANC leader Nelson Mandela meets US President George Bush in Washington, DC

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Funding threat to alternative paper

South 28/6 - 417190

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BRUSSELS. — The fate of the Durban paper, New African, is likely to be sealed here this week as its European Community (EC) funders discuss its future.

A meeting of a committee of "experts" from each of the 12 EC member states is due to meet on Friday to discuss funded projects. New African and some other "alternative" papers in South Africa are included on their list.

Complaints

New African has taken a line consistently hostile to Inkatha's leader, Chief Gatsha Buthelezi, and it is common knowledge here that this has incurred the hostility of several member states represented on the committees of the EC.

In addition to this political dimension, the EC has taken a decision to move out of funding media projects in

South Africa. It is now asking existing media projects it supports to diversify sources of funding and to adopt a more commercial approach.

The experts' meeting is the first since the visit to Natal in April of a troika of EC officials, who met Buthelezi and heard his complaints against the newspaper.

Whether this signals the end of New African depends in a large measure on the strategy of the Kagiso Trust, one of the organisations which funnel EC aid to projects in South Africa.

If the Kagiso Trust appeals against a negative decision on Friday, a decision may be delayed again, say sources here.

However, funds are limited and about 60 percent of the funds now on the table have already been earmarked, for instance, for supplying the needs of returnees and for basic rural development.

Negotiations are under attack

PRETORIA — People were following a deliberate strategy to disrupt or prejudice efforts to promote the negotiation process, Education and Development Aid Minister Stoffel van der Merwe said at the weekend.

Speaking at the opening of the Gzankulu Legislative Assembly, Van der Merwe said it was clear, too, that at the beginning of the year there were people who set out deliberately to do everything possible to disrupt education.

They had decided long ago to sacrifice the interest of students, teachers and the entire community on the political altar. In some areas they had prevented tuition.

They had been given a fair hearing and all demands were investigated.

Other demands concerned political issues outside the ambit of education.

The first half of the year had been marked by extensive disruptions in the schools of most education departments.

The impression had been created that the entire education system had come to a standstill. This was untrue as the majority of teachers and students were going about the business of preparing for the future.

The time had arrived, he said, for educators, parents and communities to communicate the message that education could not be reconciled with deliberate and con-

GERALD REILLY

sistent disruption of schooling.

Van der Merwe said government had stated that the present constitution was not the final blueprint. It served merely as a departure point to reform.

SA had been put on a course of change, which was irrevocable. It would never be the same again. The move was to a new, democratic SA.

"The reasons put forward in the past, by organisations such as the ANC, for violence and the armed struggle have lost their justification. Violence will bring no solution," he said.

What was needed was negotiations, acceptable agreements and compromises, Van der Merwe said.

He appealed to all organisations to abandon the violence option and to commit themselves to negotiations.

"Half hearted methods will not work for any of us — we need a joint commitment."

He said there was a need for stable government at all levels until a new constitution had been agreed on. Government institutions would have to remain effectively functional.

"And it should be remembered that politics have never fed empty stomachs."

EC 'economic overhaul' team is to visit Soviet Union next month

MOSCOW — The EC is to send a special team to Moscow next month to find ways of hauling the Soviet Union from its economic quagmire.

EC president Jacques Delors said after talks with Soviet President Mikhail Gorbachev on Friday that the Kremlin leadership was committed to a market economy and that Gorbachev "knows what he is talking about".

The report to be made by the EC's team of analysts by the end of October will assess the worth of Soviet reforms and the usefulness of aid.

Gorbachev has asked for economic assistance from the West, saying his reforms have reached their "critical moment".

His taming of hardliners at the recent 28th Communist Party congress put him in a stronger position to push ahead with reform.

The EC summit in Dublin last month

Own Correspondent

agreed that Soviet reforms should have financial backing. Delors said on Friday that the country needed, at the very least, technical assistance.

The EC is planning to establish an office in Moscow.

Delors would make no comment about the Soviet economy, except to say that monetary policy should be guided by central government.

He expressed concern that some Soviet republics might introduce their own currencies as they moved towards autonomy.

He told the Kremlin: "We hope to create a big Europe that could be a great arena of peace and prosperity. EC countries can make their contribution to restructuring in the Soviet Union. We can co-operate with you on the road that should lead to well-being and peace." — Daily Telegraph.

Call for unity in attack on AIDS

TRACY MELASS

THE National Union of Mineworkers (NUM) has called for co-operation between employers and unions in combating AIDS.

NUM health and safety spokesman Hazy Sibanyoni said on Friday: "This is the ideal situation needed to solve the problem, but as yet nothing has been formalised."

He stressed the need for private sector intervention in providing housing for miners and their families so that AIDS could in some way be controlled.

Chamber of Mines spokesman Peter Bunkell agreed that the mining industry was well positioned to play a significant role in combating AIDS.

"The industry looks forward to co-operating with all parties involved. It is obvious there is much common ground between the NUM and the employers on the issues of HIV infection and AIDS," he said.

"The chamber has already spent a large sum of money on activities aimed at contributing to general knowledge of AIDS and at preventing the spread of the disease in southern Africa, and in the mining industry in particular."

It had made donations to the SA Institute for Medical Research for AIDS-related research and for setting up counselling training courses and offering HIV testing to patients attending clinics for sexually transmittable diseases.

Transport and General Workers Union spokesman Cally Forest said that from September the union would employ an officer to provide education on AIDS. It would be the first union to do so.

Needles to be made in SA

ACHMED KARIEM

JOHANNESBURG housewife turned entrepreneur

GUN

FIFTEEN rifling ex three gun occupying nesburg E

herd instinct and overcrowding.

change earner," said Durr.

EC, US postpone showdown over farm subsidies

GENEVA — The US and the EC yesterday postponed a showdown over agricultural subsidies, but officials from Washington and Brussels made it clear that, with less than five months remaining for talks, there were still vast differences over farm poli-

cy. *6/10/91 247790* (56A)

General Agreement on Trade and Tar-

iffs (Gatt) director-general Arthur Dunkel said there was the "beginning of an opening" in talks on reform in agriculture.

Dunkel told a media conference that governments were "playing cat and mouse" in the negotiations by making progress in one sector conditional on demands being met in another area. — AP-DJ.

Refund on VAT by EC

By DIRK TIEMANN

SOUTH Africans who have visited European Community countries on business could be in line for a tax bonanza.

Individuals and companies can now reclaim the VAT part of their expenses.

SA Foreign Trade Organisation (Safto) international manager David Graham says EC traders have for some time been able to recover VAT on goods and services bought in other member countries.

SA Times

27/7/90

56A

Broadest

The EC's new directive allows traders from outside the community to reclaim VAT incurred in all member countries.

Safto has formed a link with the UK's Travelex Financial Services. Claims by companies and individuals can be submitted to Travelex.

Germany and the UK allow the broadest range of recoveries. Claims for Germany, the Netherlands and Belgium can be back-dated to 1986 provided the claim is submitted by the end of this year. The UK allows claims back to July 1, 1989, and France and Denmark will accept claims from January 1 this year.

Pound falls in row over 'Hitler story'

CMT Times 13/7/70 (56A)

LONDON. — Pound sterling fell on the London currency exchange yesterday in response to a heated controversy surrounding remarks by British Trade and Industry Secretary Mr Nicholas Ridley that European economic unity was "a German racket" akin to domination by Hitler.



Mr Ridley

Mr Ridley's comments in an interview with The Spectator magazine titled "Saying the Unsayable about the Germans" led to fury in Bonn and widespread calls for his resignation — and halted the upward movement of the British currency, which had been rising on speculation that London would soon join the European exchange rate mechanism. The pound fell 2.5 cents against the dollar to 1,7755 and slid half a pfennig to 2,9637 Deutschmarks.

Mr Ridley, a renowned conservative and close colleague of British Prime Minister Mrs Margaret Thatcher, later withdrew what he had said: "On reflection, I very much regret the remarks, and unreservedly withdraw them."

Just minutes before the withdrawal a spokesman for Mrs Thatcher distanced the government from the controversial interview.

In the interview, Mr Ridley lashed out at Germany's emerging role in the European Community.

"This is all a German racket designed to take over all of Europe," he

said of the call for a joint European monetary policy. "It has to be thwarted."

Mr Ridley said he was "aghast" about the Brussels-based European Community, which "was given to overspending and had a supine parliament".

"I'm not against giving up sovereignty in principle, but not to this lot," he said. "You might as well give it to Adolf Hitler, frankly."

Mr Ridley said Britain's traditional role was to balance European powers, and "never has it been more necessary, with Germany so uppity".

Several British politicians and members of the European parliament called for Mr Ridley's resignation.

"Here is the minister of trade outrageously offending one of our largest trading partners," said Mr Paddy Ashdown of the Liberal Democrats. "On this alone, Mr Ridley has to go."

"It is very worrying in terms of Britain playing an active role in a united Europe," said Mr Gwynn Hache, a currency analyst.

The Bonn government reacted furiously to Mr Ridley's remarks, which a senior spokesman termed "scandalous" and "unprecedented".

Otto Graf Lambsdorff, the leader of the Free Democratic Party, the junior partners in the Bonn government coalition, said that to make such remarks as Mr Ridley's, "one must be out of one's mind" — Sapa-Reuter

Own Correspondent

LONDON. — The Irish Anti-Apartheid Movement has slammed an article by academic Dr Conor Cruise O'Brien in which he claimed ANC leader Mr Nelson Mandela was being manipulated by hardliners in the organisation when he urged Britain to talk to the Irish Republican Army (IRA).

In a letter to the Times yesterday, IAAM chairman Mr Kader Asmal, an exiled South African living in Dublin, said Dr O'Brien's "outpourings" last week were "a reprehensible attempt to establish the theory of a conspiracy in support of the IRA".

However, in the course of his letter, he did concede that the political wing of the IRA, Sinn Fein, was an IAAM affiliate — albeit one of 90.

Mr Mandela, he said, was "not a man who can be lightly influenced". If Dr O'Brien thought either he or the IAAM determined what he said in Dublin about the need for Britain to talk to the IRA, then he was "suffering from a severe illusion", said Mr Asmal.

He said the ANC vice-president had made a point during his tour of not commenting on the internal affairs of the countries

CAT 10/7/90
Trent
SBA

O'Brien's Mandela allegation attacked

he visited. He had also made "general statements reiterating his preference for the peaceful settlement of conflicts".

"Journalists pressed him to elaborate on his views in relation to Ireland, but on no occasion did he do so.

"If Dr O'Brien wishes to inflame this into a statement of support for the IRA, then he must hold himself responsible for any kudos that the IRA may derive therefrom."

Mr Asmal said the IAAM was not a supporter of the IRA, nor was the IRA part of the IAAM.

"Sinn Fein is only one affiliate among some 90 organisations, most of which would be strongly opposed to its policies."

On Dr O'Brien's claim that "hardliners" in the ANC had a "totalitarian vision" of a future South Africa and were distancing themselves from Western liberal values, Mr Asmal said it

should be recalled that "the ANC adopted its constitutional guidelines over three years ago, firmly committing itself to a multi-party democracy in a free South Africa, with an independent judiciary and an entrenched bill of rights".

"These guidelines were unanimously adopted by the national executive committee of the ANC, following a recommendation by the ANC constitutional committee, of which I am a member."

He denied that the IAAM had changed its policies since Dr O'Brien was its "largely absentee" chairman. It had consistently supported UN policies on the academic boycott and sanctions over the past 25 years.

This was in response to Dr O'Brien's statement that Mr Asmal had "publicly attacked" him for breaking the academic boycott in 1986, when he lectured at UCT.

● Writing in the same paper, Cheshire resident Mr Geoffrey Peake asked why there was a furore about Mr Mandela's remarks concerning the IRA. "After all, the British and other governments have for many years been pressing the authorities in Pretoria first to release and then negotiate with Mr Mandela, who has yet to renounce the armed struggle."

Seal firm 'may have to close'

CHK 1/2/91 7/7/90 SGA

THE Taiwanese company granted a permit to harvest 30 000 seals at Kleinsee said yesterday the government's decision on July 4 to suspend the culling operation may force it to close down.

In a statement Jih Yeh Industries (Pty) Ltd said the move may also force the Taiwanese businessman concerned to return to Taiwan with his family, with no financial compensation for any loss.

The statement says company managing director Mr Hsu Hsien-I, a Taiwanese citizen, was granted a permit by the Department of Environment Affairs for the harvesting of seals on June 9 last year.

In anticipation of being able to use the permit, Mr Hsu had settled his family in South Africa and considered adopting SA citizenship.

The company had brought substantial funds into the country to finance the venture, but now stood to suffer huge losses and could be forced to close.

● Meanwhile, the protest against planned seal culling continues. About 50 members of the Seal Action Group (SAG) staged a peaceful protest and information session at Greenmarket Square yesterday, drawing about 500 people. — Sapa

● Demo picture — Page 2

Mandela in IRA storm

LONDON. — Mr Nelson Mandela flew into a political storm on his arrival here yesterday over his call for the British government to talk unconditionally with the Irish Republican Army and stop the "mutual slaughter" in Northern Ireland.

Although Downing Street was maintaining an icy "no comment" line last night, Whitehall sources described the deputy ANC leader's remarks — made on his visit to Dublin — as "ill-advised".

Both Conservative and Labour Party MPs condemned both his suggestion that Britain enter negotiations with the IRA without insisting that it lay down arms

and his refusal to condemn the outlawed organisation.

Yesterday Mr Mandela tried to tone down the uproar, saying he regretted being dragged into a dispute and that his words had been distorted.

"I only get involved in my own country ... what concerns me is that people are killing each other, when a dispute could be settled," he said.

Mr Mandela arrived in London to an official welcome by a deputy foreign minister, Mr William Waldegrave — one of the lowest-level receptions he has received so far on his 15-nation tour.

There are now suggestions that his long-awaited meeting with Prime Minister Mrs Margaret Thatcher could be "soured" by the remarks.

They came just days after an IRA bomb destroyed the Carlton Club in central London — the bastion of Tory party social life — and in the wake of the recent IRA assassination campaign on the Continent and mainland Britain.

Some believe, too, that Mr Mandela's image as a peace-maker has also been damaged.

Even Labour Party leader Mr Neil Kinnock, a staunch supporter of Mr Mandela, distanced himself from the statement.

Mr Kinnock said that if Mr Mandela saw a parallel between the IRA and the efforts in Africa to secure freedom from colonialism he had been "extremely badly advised". — Own Correspondent, UPI and Sapa

Karen at last meets her 'pop star' Nelson

Call Tinks 3/7/80
SBT
DUBLIN. — Karen Gearon spent almost three years on an anti-apartheid strike here. Her reward finally came on Sunday when she met Mr Nelson Mandela.

"It didn't matter what we went through. It didn't matter that I lost my job because Nelson Mandela has been here now," she said after an emotional meeting with the ANC deputy president.

Miss Gearon was one of 11 employees at a Dublin supermarket who launched one of the world's longest anti-apartheid strikes in 1984 when refusing to handle South African fruit and vegetables. The campaign led to Ireland imposing an import ban.

Miss Gearon told The Irish Times: "It was like having a famous pop star near you and to me he was my idol — my pop star." — Sapa-Reuter

for now

Sanctions to stay ^{Apr 6^{as} 2/7/96} bargaining chip

The Argus Foreign Service
LONDON. — In their search for a consensus on sanctions, European leaders have hammered out a carefully crafted statement which manages simultaneously to address the disparate needs of Mr Nelson Mandela and President De Klerk.

For Mr Mandela, whom the leaders said had great "qualities of statesmanship", there was the assurance that the EC remains committed to sanctions as a means to end apartheid.

He will go home to South Africa on July 18 reassured that

EC solidarity with his people's struggle is intact, that sanctions remain a valuable bargaining chip in his future talks with Pretoria.

But for Mr De Klerk, described in the EC's communique as a man of "foresight and courage", there was the offer of encouragement for the "important changes" that have been made — and a promise to consider a gradual relaxation of sanctions once clear progress is made towards removing all traces of apartheid.

This gives him the impetus to push on with reforms, know-

ing that there is a reward waiting down the line. And it provides him with some spoils to show his electorate he is making progress in the battle for international recognition.

But the EC document was not easily come by. Debate was described as brisk and an anticipated agreement by foreign ministers on the first night of the summit only emerged after a second session of talks.

The difference of views was to be expected, since this is the kind of forum where Britain's Mrs Margaret Thatcher tends

to trumpet her anti-sanctions views.

But there are now signs that other EC nations are becoming more amenable to her pleas that the Community go beyond words in rewarding Mr De Klerk.

Italy lifts ban

Some are actually taking steps of their own: Italy has lifted its ban on new investment, Spain has restored cargo flights to South Africa and for the first time Denmark has accredited an ambassador to Pretoria.

Major West German companies are involved in new projects in the Republic and France has recently sent a trade mission to SA.

So Mrs Thatcher, who was hoping for some lifting of sanctions at this summit, is consoling herself with the conviction that the others appear to be moving towards her view.

She is clearly pleased that some of the "voluntary" measures imposed by EC members are being relaxed.

But she is going to push for the "big ones", namely those measures agreed by all the EC countries and therefore statutory between them, including the ban on imports of iron, steel and Krugerrands.

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Ireland welcomes Mandela

DUBLIN. — ANC deputy president Mr Nelson Mandela was given a red-carpet welcome here yesterday afternoon by Ireland's Foreign Minister, Mr Gerard Collins, and the Irish Anti-apartheid Movement at the start of the second-last leg of his overseas tour.

Although Ireland's capital city was gearing up to welcome back the country's highly successful football team from Italy later in the day, Dubliners were more than willing to make it a double celebration.

A red carpet awaited a fairly fit-looking Mr Mandela and his wife Winnie.

Mr Mandela will meet Irish Prime Minister Mr Charles Haughey this morning, and at noon will address a special sitting of the Dail (parliament).

He declined to answer any questions on the ANC's attitude to IRA violence, following a call on Saturday by a British Conservative Party MP for him to do so. Mr Mandela will be grilled on this issue when he addresses an all-party meeting on Southern Africa in the House of Commons when he arrives in London tomorrow. He also faces a press conference here today.

The 71-year-old ANC leader's schedule was once again running late, following his departure from Oakland, near San Francisco, on Saturday, at the end of his 12-day

US Indians get pledge

MR Nelson Mandela ended a whirlwind US tour vowing to return in October to visit American Indians and help them in their struggle.

He told a packed rally at the Oakland Coliseum he had received letters describing the conditions of the American Indians and "I can assure you they have left me very disturbed".

tour of the United States.

After the intensive security, glitz and glamour and thousands of people waiting hours just get a glimpse of him in the US, the Irish reception was much more relaxed and informal.

Mr Mandela managed to pull off the unusual feat in his 13-day tour of being the first African revolutionary celebrated by the US mainstream and the black ghetto. Sharing a platform with President

"I can assure the leaders of the Indian community that I will return in October with the permission of my organization which I am sure I will get.

"I will visit the Indian areas of this country and get a briefing from the Indian community. We will exchange views as to what I can do to help them in their struggle."

George Bush in Washington and addressing a joint meeting of Congress, many believe he attained a unique stature in America that will make it impossible for politicians to ignore his reverberating cry to "keep the pressure on".

"I have a feeling the snowball will keep rolling," said Mr Owen Bieber, president of the United Auto Workers, who organized one of the most successful rallies of the tour in Detroit.

By influencing the schedule for the lifting of sanctions, Mr Mandela may have a powerful weapon against the government of President F W de Klerk.

The fine points of ANC policy took a back seat to the adulation Mr Mandela aroused during his coast-to-coast tour.

His message was deceptively simple: One person, one vote, the eradication of apartheid and economic sanctions until these goals had been achieved.

Wittingly or unwittingly, he left the impression that he was the future leader of South Africa and that the ANC was a shadow government, despite considerable consternation over his expressions of support for Mr Yasser Arafat's Palestine Liberation Organisation and Cuba's President Fidel Castro. — Own Correspondent, and Sapa-Reuter



SANCTIONS

Mr Nelson Mandela raises his fist as he addresses a crowd on the last day of his US tour.

Picture: REUTERS

(56A) 2/7/90
Irish roll
out red
carpet for
ANC chief

The Argus Foreign Service
DUBLIN. — Nelson Mandela was given a red-carpet welcome in an Irish capital vibrant with Mandela and World Cup fever.

Reading the mood of the thousands who gathered on the streets yesterday to greet him and celebrate Ireland's performance in the World Cup in spite of a 1-0 defeat by Italy on Saturday, Mr Mandela quipped: "Congratulations to the Irish football team on their fine performance in the course of the matches for the World Cup."

"I should be allowed to believe that they did so magnificently because they knew that I was among them playing."

The 8 000-strong crowd which gathered to hear Mr Mandela speak at his only public appearance during his two-day visit roared their approval and waved ANC and Irish flags at a rally at Mansion House.

Before the rally, Mr Mandela accepted the freedom of Dublin, bestowed on him two years ago while still in jail.

Dublin Mayor Mr Sean Haughey, the son of Irish Prime Minister Charles Haughey, said the city was the first to have honoured the ANC leader in this way.

Mr Mandela thanked the Irish government and people for their support.

"Let us all maintain pressure on the apartheid system until victory has been achieved."

"Sanctions and other forms of pressure must remain until the apartheid crime against humanity has finally been liquidated."

He was greeted by Foreign Minister Mr Gerry Collins on behalf of Mr Charles Haughey, who had flown to Italy for the World Cup match and to hand over the EC presidency to Italian Prime Minister Giulio Andreotti.

Mr Mandela is to meet Mr Haughey today and will address the Irish parliament.

Europe tussles with ways of spinning a money web

IN THE European Monetary System all the currencies are tied to each other so that exchange rates cannot vary more than 2.25% either way. The Spanish peseta is tied more loosely: it is allowed to move 6% in either direction. The British pound, the Portuguese escudo and the Greek drachma, remain independent and outside this Exchange Rate Mechanism.

But all the currencies, in proportions which reflect their economic importance, form part of the ECU — the currency basket at the heart of the system.

In Dublin last week, EC heads of government wrestled with an issue at the heart of the European idea: what kind of economic union is wanted and how to get there. The focus of this debate is the money used. Would a single currency be the cement of a reconstructed European economy, as President Francois Mitterrand believes, or a federalist device to destroy sovereignty, as Margaret Thatcher fears?

She declared that others were coming round to her anti-federalist point of view, but agreed to an inter-government conference on monetary union beginning in December.

Since 1979 a growing number of countries have been members of the Exchange Rate Mechanism, or ERM, and the European Monetary System, or EMS. This meant relatively fixed parities for currencies which could be changed only by realignment.

EMU — European Monetary Union — could be achieved by stiffening these ties until the grid is rigid.

The path to a common currency in Europe is strewn with acronyms — and acrimony. Last week EC leaders debated the monetary future. **SARAH HOGG**, economics editor of The Daily Telegraph in London, looks at the main options.

At that point, European currencies would simply be different national names for the same thing.

But plenty of British politicians, right across the spectrum, do not like the sound of full union. For a single European currency would have to be managed by a central bank — nicknamed the Eurofed in imitation of the US Federal Reserve System. This would determine interest rates across Europe. Union would also require a central veto on national budget policies, although many dispute this view.

Businessmen, who have been urged to get busy in Europe's single market, reckon it would save risk and expense to work in just one currency.

The British alternative is the European Currency Unit or ECU, designed to bridge the gap between the pros and antis.

Each European Currency Unit — at present exchange rates, worth just over 70p — consists of bits of marks, francs, drachmas and so on in proportions reflecting their importance.

There are markets in ECU bonds, and you can buy ECU-denominated travellers' cheques. But you cannot stuff a wad of ECU

banknotes in your wallet. Above all, it has no independent existence from the currencies of which it is made up.

All EC currencies are in the ECU "basket" — even those, like sterling, not in the ERM. Britain believes the ECU should be allowed to grow up into a common currency for Europe.

Note that Thatcher talks of a "common", not a "single", currency.

She argues everybody should be able to buy ECUs — from a European Monetary Fund — in exchange for pounds, marks, or whatever. If everybody preferred ECUs, Europe would then progress towards union, by the free choice of its citizens, not the fiat of their governments.

Things are not that simple. The Germans, in particular, oppose the idea of an ECU circulating in parallel with the mark.

They see it as a Trojan horse through which loose money from the riff-raff of Europe would take over their low inflation economy. In an effort to reassure them, the Bank of England has devised extra loops that inevitably complicate the scheme.

It is not easy to see why the rest of Europe should divert from its existing course towards EMU; but that course is still uncertain. We may find the core of Europe hurrying on to develop a single currency while the rest stay outside.

Or we may find Britain taking part in a real debate about the somewhat vague interregnum between the Stage One of ERM and the Stage Three of EMU. All is still to play for in December.

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Drive by Major and Hawke

Powerful bid to

end SA isolation

Star 4/2/91.

By Alan Robinson
Star Bureau

LONDON — British Prime Minister John Major and Australian counterpart Bob Hawke are spearheading a two-pronged international drive to bring South Africa in from the cold.

Mr Major has already made it clear that he wants the Commonwealth to drop all sanctions against South Africa as soon as possible.

Australia would call for a phased lifting of economic and other sanctions against South Africa, Mr Hawke said at the weekend.

The Australian government has called for a special meeting of the Commonwealth Committee of Foreign Ministers on South Africa to consider the Commonwealth's reaction to developments in South Africa.

Mr Hawke also envisages a full Springbok team taking part in next year's cricket World Cup in Australia and New Zealand, and similar



A fresh start . . . John Major urges lifting sanctions.



sanctions against South Africa as soon as possible.

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Mr Hawke also envisages a full Springbok team taking part in next year's cricket World Cup in Australia and New Zealand, and similar breakthroughs for other sports.

It may be too late for the rugby Springboks to get a place in this year's World Cup. But it now seems virtually certain SA will stage the next World Cup in 1995.

There is also a strong belief in Britain that South African athletes may yet compete in the Barcelona Olympic Games next year.

The Observer reports that Mr Major was told of the contents of President de Klerk's speech in advance and called in the Commonwealth secretary-general, Chief Emeka Anyaoku, to urge him to make a "fresh start" on South Africa.

Mr Major warned the secretary-general the European Community and the US would soon be abandoning all except arms sanctions, and that the Commonwealth should not be left behind.

He said it would be best if the Commonwealth dropped sanctions as soon as possible.

Supported

The leader of the Liberal opposition in the West Australian parliament, Barry MacKinnon, said he supported Mr Hawke's call for an international review of sanctions, and urged re-establishing air links with SA.

In Canberra, the federal Liberal leader, Dr John Hewson, urged the government to open a trade office in SA.

● Archbishop Trevor Huddleston, president of the Anti-Apartheid Movement, said Mr Major's appeal was a reversal of undertakings by former Prime Minister Margaret Thatcher that SA should be accepted back into the international community only when there was a fully democratic constitution.

● The EC Council of Foreign Ministers will face British pressure to ease sanctions against Pretoria when it meets in Brussels today, officials said. — Additional reporting by Sapa-Reuter-AP and Star Foreign Service.

The business of conducting the anti-apartheid struggle in South Africa has become a major enterprise. It could be called Struggle Incorporated (Pty) Ltd. It has boards of



directors, trustees, employees and everything a thriving business needs to survive. In the past decade, its income has been staggering and its expenses exorbitant. But its investments have been

paltry. In the first of a three-part series on foreign funding, REHANA ROSSOUW examines where the money for the enterprise comes from.

Unveiling 'struggle incorporated'

South 7/31 - 13/3/91

FOREIGN FUNDING has changed the face of South Africa's anti-apartheid struggle. Thousands of people are employed, hectares of office space are utilised, fleets of cars are available and enough technology is employed to put modernised businesses to shame.

Yet the business is not thriving. Productivity levels have decreased and millions of rands are disappearing into what seems to be a "bottomless pit".

Political organisations, churches, trade unions, education projects, publications, cultural organisations, service projects, civic organisations and advice offices have become heavily dependent on foreign grants to keep afloat.

Most anti-apartheid organisations employ administrative and organising staff and have come to rely on technology to spread their message.

This is all done through the largesse of foreign funding.

This funding represents an important mechanism for governments to "buy" influence and favour among strategically-important groups in South Africa. It is a form of "taking out insurance" with the eventual winners in the struggle for power in the country.

There are no accurate figures available of how much money enters South Africa every year in the form of grants for anti-apartheid organisations.

From figures available, however, it can be reasonably estimated that more than R500m was pumped into organisations during 1990.

Most of the money "invested" in the anti-apartheid struggle is channelled by foreign governments into South Africa through non-governmental organisations (NGOs).

This, in turn, has led to a new industry — people employed to administer the funds inside South Africa.

Nearly all financial assistance directed to South Africa by western governments is aimed at supporting the struggle for a democratic state and preparing disadvantaged sectors of the population for an active role in a post-apartheid country.

The largest foreign grant to South Africa last year — R88m — was made by the European Community's (EC) special programme for the victims of apartheid.

The grant was part of the Community's "twin-track policy" of restrictive and positive measures, offsetting restrictive measures like sanctions with financial assistance to humanitarian and

educational programmes.

In the four years the special programme has been operational, R276m was allocated to 350 projects in South Africa and Namibia.

The United States' state department is the second largest donor, with about R70m granted to "disadvantaged" South Africans last year.

The Swedish aid budget to South Africa aimed at "humanitarian assistance in support of victims and opponents of the apartheid system" totalled R38m last year.

The Swedish government, widely regarded as an important ally in the anti-apartheid struggle, allocated some of the money directly to democratic organisations, including trade unions.

The Australian and Dutch governments also contributed a substantial amount of support last year, about R25m each.

The British government aids South African organisations to the tune of R36m annually, in addition to contributing to the EC's special fund.

The Japanese, German, French, Greek, Italian, Spanish and Swiss governments contribute to the costs of opposing apartheid as well, although to a lesser extent.

Besides these more formal grants to anti-apartheid projects in South Africa, a host of religious, educational, professional and humanitarian projects have received funding from independent donor organisations and professional associations abroad for their work opposing apartheid.

The biggest conduit for foreign funding into South Africa is Kagiso Trust, which administers the bulk of the EC special fund.

Kagiso director Mr Achmat Dangor agrees that the fund, designed specifically to help victims of apartheid overcome the effects of apartheid or resist it, has become a whole industry.

The trust has identified new development priorities in the past two years and is preparing to halt funding of projects established to oppose apartheid.

"This industry became a way of life and I think people forgot old traditional ways of working with minimum resources," Dangor said.

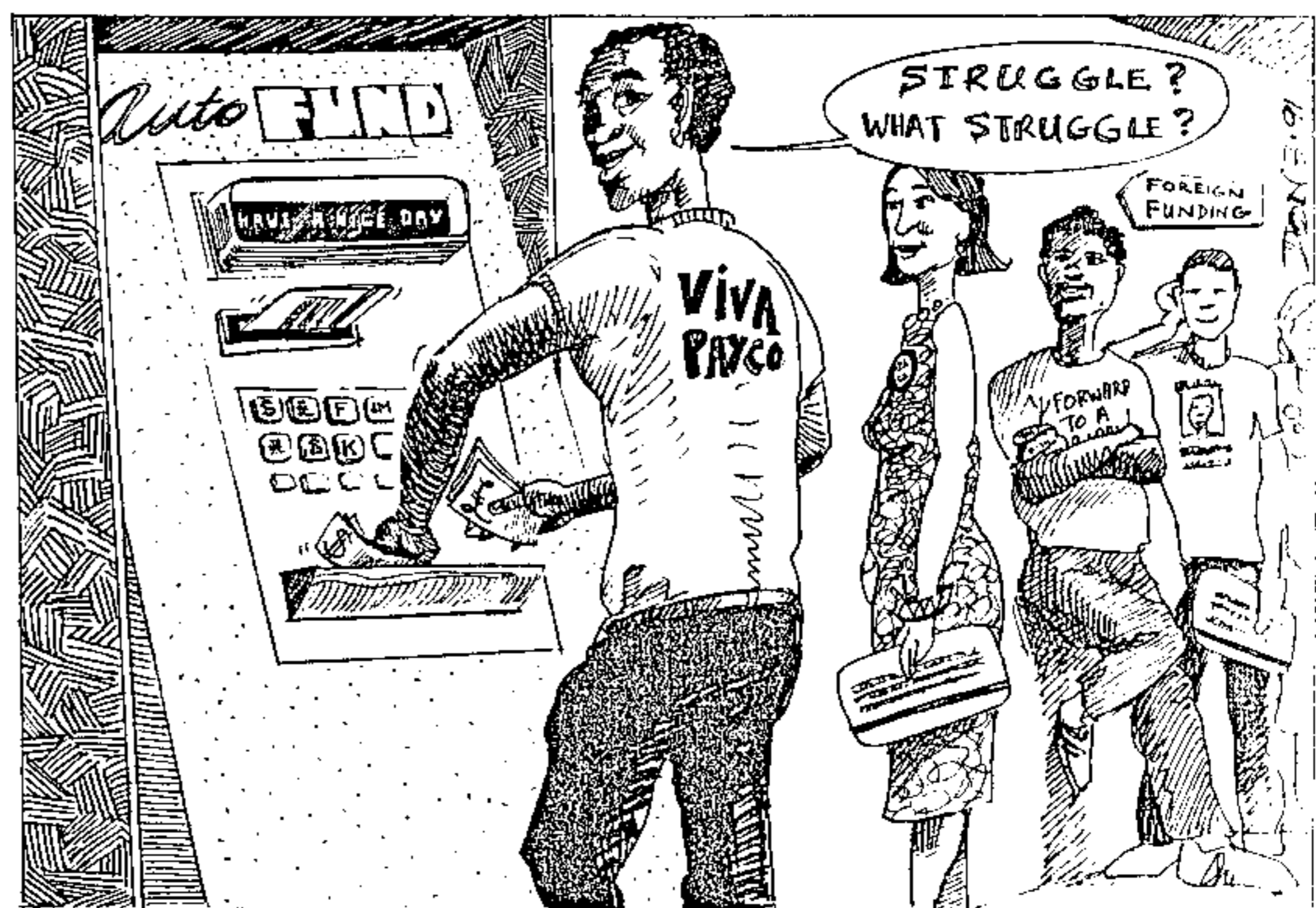
He believes that, to an extent, foreign funding has contributed to a culture of expectancy — people believe that because they are "victims of apartheid" the world owes them some kind of payment for it.

But he also believes foreign funding has had some positive aspects.

"During the worst years of repression, the funding we received was used to support whole families," Dangor said.

"The legal funds we had were used to defend people who were charged with political crimes.

"If that money had not been there, many more of our people would have gone to jail. Many of our leaders today



would have been in prison and maybe the struggle wouldn't have progressed as far as it has."

Dangor believes problems arose when people began regarding the flow of foreign funding into the country as a welfarist exercise.

The more the resource was available, the more it was requested and the more people became dependent on it to the exclusion of using other indigenous resources.

"It has diminished the capacity of activists to act without being paid to act," he said.

FUNDERS, too, had political agendas. The money was not granted because South Africa was a "worthy cause", Dangor said. There was an element of "wanting to purchase the struggle", and unscrupulous donors were often identified and shunned.

"But unscrupulous donors will still find unscrupulous recipients of money," he said.

"Kagiso Trust has experienced that. When we said no to bad projects, organisations here simply went to other people and found the money."

The trust has decided it will accept money if it sustains the struggle, and provides welfare to those who are suffering because they are victims of apartheid.

They have insisted that the foreign grants must contribute towards greater independence — an investment in training people and building community-based institutions to deal with political and social issues.

"There are many people who have a

'There are charges made that unlimited funding has even encouraged a climate of poor discipline and accountability concerning resources.'

genuine interest in developing countries such as ours because, without a strong and stable South Africa, their own countries will suffer in many ways," Dangor said.

"Of course, that may be seen as their agenda. A strong economy will enable the Japanese government, for instance, to invest more inside South Africa in plant industry and capitalisation because it is so expensive to do that in their own country.

"South Africa is still a far cheaper country to invest in than even South-Asian countries. It is the one country in Southern Africa that has got the human resources and the infrastructure to manage large-scale industrialisation.

"The European Commission needs a stable South Africa, because that gives them a stable Southern Africa. It re-

duces the vast amount of foreign aid they have to give to other Southern African countries."

Dangor said Kagiso did not agree with the simplistic attitude that all money from abroad was evil.

Tapping the well of foreign funding used to be quite an easy exercise. Activists discovered that if they could draft proposals containing just enough political jargon, money became readily available.

In the past decade, the availability of money led to the establishment of several organisations formed to oppose certain apartheid doctrines.

People who had previously participated in anti-apartheid organisations, because of their commitment, became paid fulltime organisers, based in offices.

Dr Wolfram Kistner, former head of the department of Justice and Reconciliation at the South African Council of Churches, said: "Our activists today know all the psychological tricks to get money. They know exactly what word to put into their funding proposals.

"To impress donor organisations, they talk about the good of the people.

"Then there are organisations which want to make a big impression on their funders — to show that they get things done. They do something very visible; they organise big events to show publicly that the money is being spent.

"This goes against the development principle of first spreading skills and money to the community."

Like their counterparts in South Africa, donor organisations throughout the



Mr. Achmat Dangor

'Foreign funding has contributed to a culture of expectancy — people believe that because they are "victims of apartheid" the world owes them some kind of payment for it.'



Dr. Beyers Naude

'Unlimited foreign funding has "corrupted organisations", to the extent that some merely provided "sheltered employment" for activists.'

■ NEXT WEEK: Use and Abuse. Has the money improved the quality of work done by organisations? Has the money improved the lot of the millions of unemployed, homeless and under-educated South Africans? How widespread are abuses?

South 7/3-13/3/91

world employ thousands of people to channel millions of rands to assist the anti-apartheid cause.

Kistner believes this is another mini-industry which merely "throws money at apartheid and hopes it will disappear".

"Some of these donor organisations are simply sheltered employment for useless liberals," he said.

"They need people to suffer overseas so that they can keep their jobs. They don't examine the reasons behind the suffering or do something useful to stop it. They simply subsidise the suffering masses of the world."

ROTHER JUDE PIETERSE, secretary-general of the Southern African Catholic Bishops' Conference, believes activists have lost sight of just who it is who funds them.

His church, which is heavily involved in welfare and education projects, gets funding from two sources — individual contact with sympathetic clergy in other countries and the annual Lenten appeals.

"Most of the money comes from ordinary, hard-working working-class people in other countries," Pieterse said.

"When we're talking about aid to South Africa from Western governments, we are in actual fact talking about taxes from the wages of the workers in those countries.

"So for every cent spent, we must remember whose money it is."

The impact of foreign funding on organisations and communities is being viewed more critically now that people realise that, without careful management, funding has all too often swamped or critically distorted emerging organisations.

There are charges made that unlimited funding has even encouraged a climate of poor discipline and accountability concerning resources.

Dr Beyers Naude, who was instrumental in securing funding from the EC, believes unlimited foreign funding has "corrupted organisations", to the extent that some merely provided "sheltered employment" for activists.

There was seldom consultation with the community involved when projects were established to supposedly "assist and develop" them, and activists were seldom accountable to their community on how the money was spent.

As a former member of the Broederbond, Naude witnessed the methods used by the Afrikaners when they assumed political control of the country.

"They took their people into sheltered employment, into the railways and government posts, trained them and gave them real political power," Naude said.

"We cannot allow the people we have working now in our organisations to continue working the way they do. We must learn from the Afrikaners.

"What I am saying now is not a loveless criticism. It is an important criticism for the sake of our country."

Cutbacks cause retrenchments

South 7/3-13/3/91

THE Western Province Council of Churches (WPCC) has decided to retrench a third of its staff after its foreign funding had been cut in half.

Its parent body, the South African Council of Churches (SACC), is likely to retrench more than 20 staff members soon after funders failed to cover a budget shortfall of R6,34m this year.

The SACC has long been the breadbasket of aid to "victims of apartheid" during the worst years of repression. However, funders recently changed the nature of their funding, slashing grants used for "political purposes".

The SACC has been heavily affected by this change, receiving 24 percent less from funders than expected.

The organisation was forced to reorganise its departments and other areas where they spend money — cutting back heavily on their wage bill.

At the WPCC, up to six staff members from a total staff complement of 18 were going to be retrenched soon as the council could no longer afford to pay their salaries.

Pickets

The announcement of retrenchments was met with protest from staff.

Angry WPCC staff members held a picket outside their offices on Wednesday afternoon, calling for a withdrawal of the decision to retrench.

There were also pickets outside the SACC offices last month.

The staff association of the SACC office sent a message of support to the WPCC staff, saying they were "appalled at the apparent disregard by the WPCC executive of a simple human right" — to be consulted on matters regarding job security.

Like other regions of the SACC, the WPCC did not receive their full budget for 1991 requested from the parent body. Regions were instructed to work with "cash in hand" and no longer rely on pledges from donors.

The WPCC needed R800 000 to meet its commitments for 1991 but only received R400 000.

The restructuring of WPCC follows



Pickets outside the WPCC headquarters

PICTURE: YUNUS MOHAMED

months of assessment and consultation after an SACC review commission reported on the restructuring of the parent body.

Staff members interviewed by SOUTH said the assessment also examined the role of the council in the wake of the unbanning of political organisations and in a post-apartheid society. The staff members did not want to be named.

"A meeting was called with all political organisations in the Western Cape where it was openly acknowledged that the WPCC had been more closely aligned to the ANC," a staff member said.

"The assessment went into full swing from November at the instruction of the executive committee. Staff experienced a breakdown in communication with the executive committee and were told their presence was no longer required at meetings.

"Since then, relations between the staff and the executive committee were strained, with decisions being imposed top-down."

In January, staff presented a memo-

random to the executive committee raising their concerns about the operation of the WPCC.

A commission of inquiry was established to investigate their grievances and compiled a report to the staff and executive committee.

Constraints

Staff believed the executive committee was not only motivated by financial constraints, but political considerations as well.

The executive committee had decided that the council would "move to base" — be owned by the church, located within the church, coordinate the work of churches and foster ecumenism and unity.

"The assumption which follows from this is that the WPCC has never been based, that the council has never been controlled by the church but by community and political organisations, particularly the ANC," the staff members said.

However, the staff's prime concern was that they were never consulted by the executive committee on how many

people would be retrenched.

Because of the nature of the structure, their jobs had never provided real stability or fringe benefits.

"We expected mutuality between the staff and the executive. Even if financial constraints lead to retrenchments, we want to be part of the decision of which posts are to be dissolved," the staff members said.

Criticism

Responding to the staff's criticisms, the WPCC executive committee chairperson, the Rev Courtney Sampson, said the budget cuts brought with it the "haunting reality" that it was impossible for the council to continue in its former structure.

Sampson said while he sympathised with staff who were no longer secure in their jobs, the reality was that foreign funding was drying up.

"Last year already, the SACC warned that it cannot guarantee to continue paying the salaries of all staff members," Sampson said.

"We have been working with hand-outs from other people for far too long.

"Matters of compassion and morality will be taken into account when we work out retrenchment packages in conjunction with the staff."

The WPCC could not be expected to maintain the same political profile it had in the past few years, although it was still committed to the struggle for liberation, Sampson said.

The WPCC would not make any excuses for being closely aligned with the ANC as its members were in the forefront of political activity in the Western Cape for years.

The WPCC's new structure makes allowance for six staff members which will balance theological research with programmes in oppressed communities. Welfare work and service operations of the council would continue, Sampson said.

He said, politically, the council had to reassess its role.

"The church has had to carry the load of work of political organisations when they were unable to do so. It is arrogant of them to assume now, when they are unbanned, that we will continue."

Sampson said for too long church workers had been "abused and misused by political organisations to the detriment of the church."

THE ROAD TO EUROPE IS VIA AFRICA

FM 8/3/91

~~SA~~ SA

SA should forget about joining the Lomé Convention, the agreement under which the European Community grants trade and aid concessions to 69 developing African, Caribbean and Pacific countries.

Instead, says the SA ambassador to the EC, Bhadra Ranchod, SA should work towards signing its own trade and co-operation agreement — after it makes the necessary political reforms — with the EC. Such an agreement could call for the reciprocal opening of markets for specific products.

After the announcement last month that the EC will open an office in SA and more than double its aid for the country, speculation was this would pave the way for SA's eventual admission to the Lomé Convention.

But Ranchod says SA has little chance of being accepted. The sophistication of SA's infrastructure places the country firmly in the developed realm — at least in European eyes. Namibia was admitted late last year only after the rules were bent a bit.

The benefits Lomé countries receive from the EC are substantial: almost all exports can enter the EC free of duties or quotas. As a result, the EC market comprises about 25% of all Lomé country exports.

Guy Guermeur, president of the board of administrators of the recently formed Brussels-based International Association for Co-operation and Development in Southern Africa, agrees that SA is not likely to be admitted to the Lomé Convention. Guermeur is a former top Lomé Convention official.

"Apart from SA being viewed in Europe as a developed country, Lomé privileges apply only to developing countries that were colonies in 1960," says Guermeur, speaking from Brussels.

"The way to cement future trade and investment relations is the tripartite route between SA, the EC and the Southern African Development Co-ordination Conference (SADCC) countries. And, as the way for SA to Europe goes through Africa, the way for Europe to Africa will go through SA."

The reason is SA's close cultural, economic and historical links with Africa, as well as with Europe. "SA can become the vital link for three-way co-operation in the post-apartheid era," he says.

But before this can happen, SA's relations with the SADCC countries, which have already firmly established ties with the EC through Lomé, must first be normalised. And though EC investment sanctions have been revoked, trade sanctions against SA also must go. Once these conditions are met, Ranchod says, SA could follow the example of Chile, which entered into a trade agreement with the EC that opened new markets and garnered fresh investment.

There is another carrot: as soon as the groundwork for an agreement is laid, SA could benefit by taking part in EC development projects in the SADCC countries. In fact, Ranchod says, the EC has stipulated that a post-apartheid SA should help to uplift the SADCC countries.

Signing bilateral trade agreements with the EC and SADCC may not only benefit SA in the years ahead, it may also be necessary as the world increasingly divides itself into trade blocs.

"Membership of an economic bloc may become essential for any country wishing to expand its trade links in the Nineties and beyond," Ranchod says. "Apart from the EC and SADCC, we should look at the possibility of an Indian Ocean economic bloc. SA's 1m-odd people of Indian descent have cultural links with the Indian subcontinent, which has a massive domestic market, including 190m middle-class people."

Guermeur says an Indian Ocean bloc could lead to a similar tripartite relationship. "In view of the EC's close links with India,

panies have been pulling out of Francophone Africa. "The bank would prefer to finance African projects through SA."

SA is already co-operating with its neighbours on several projects. Last month SA, Mozambique and Swaziland agreed to develop jointly the water resources of the Inkomati river basin, which straddles the three countries. This will involve the building of two large dams on the river and launching of irrigation projects to provide jobs for the expanding population.

The SA Foreign Trade Organisation's Angela Self says a 10-person delegation from Safto's African Business Development Group has just returned from a fact-finding mission to Zambia. The purpose: to study a possible US\$10m upgrading of Zambia's inland harbour at Mpulungu on Lake Tanganyika.

"The best examples of regional development projects are the R5bn Lesotho Highlands Water Project and, to a lesser degree, the huge Cahora Bassa hydroelectric project in Mozambique (European companies are involved in both)," she notes.

Self also points out that as soon as the wars in Angola and Mozambique are resolved, massive infrastructure and development projects funded by the World Bank and other international agencies will be launched. SA could become deeply involved.

The increasing co-operation in the region will be underlined at a conference next week in Swaziland. Sponsored by BMW (SA) and the Quandt Foundation of Germany, supporters include Safto, the SA Chamber of Business and the National African Chambers of Commerce. Government officials and business leaders from SA, 14 African

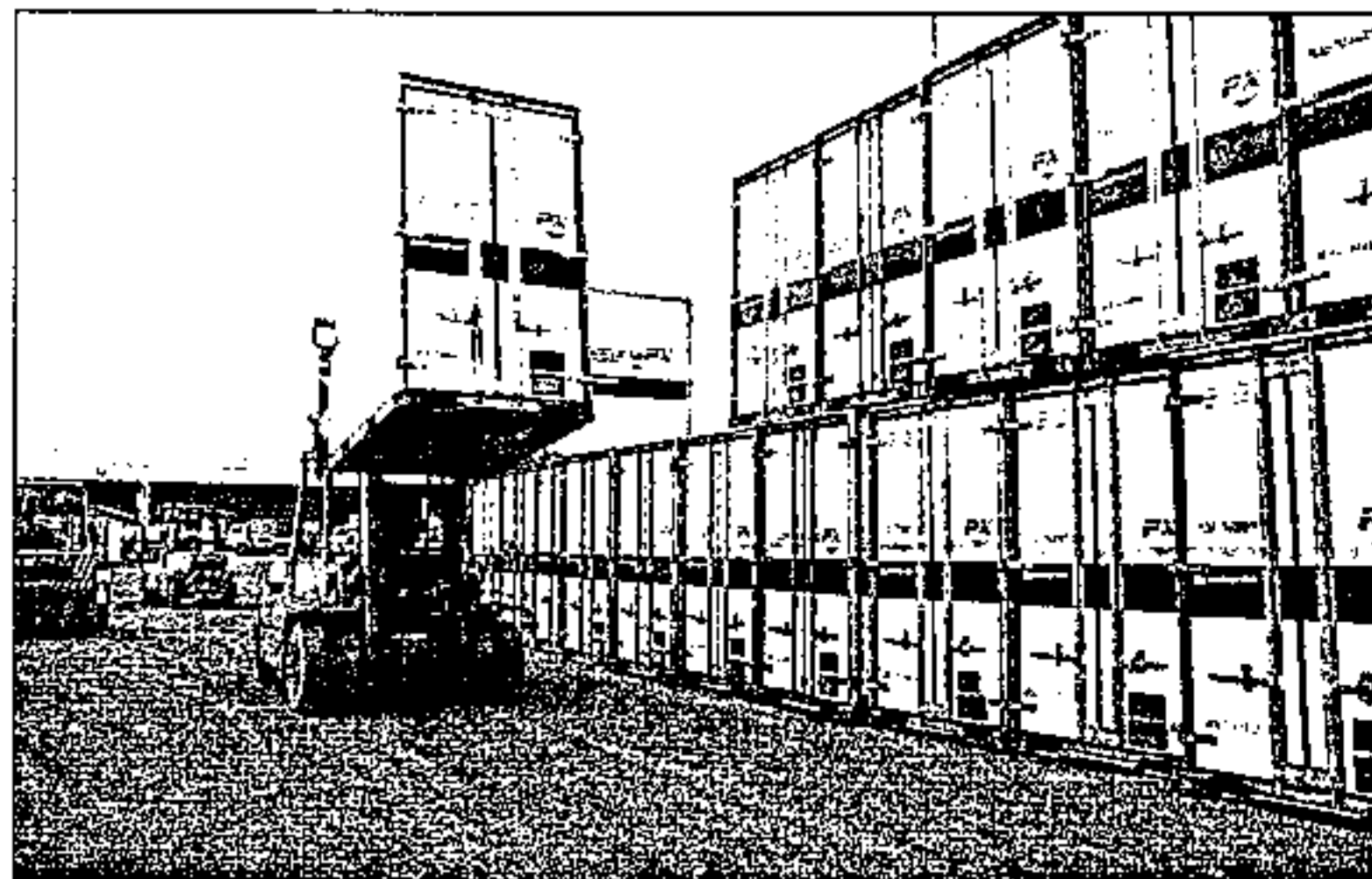
states (as far afield as Tanzania, Ivory Coast, Senegal and Kenya), the UK, the US, France, Italy, Germany and the Far East will attend the three-day meeting in Mbabane. Top executives of various African agencies will also be on hand.

The purpose is to discuss the formation of a sub-Saharan preferential trade bloc. The topics will include mining, energy, manufacturing, education and training, transport, communications, inter-regional trade, funding, financing, tourism, conservation and inter-regional trade.

So the Nineties could be a decade of expanding trade for SA. "This development is part of the global changes taking place since the collapse of communism," says Barlow's Groeneweg.

"The same value system (democracy, free markets) are now being accepted globally. This is affecting our own reforms and also our growing links with Africa, Europe and the world."

Arnold van Huyssteen



South Africa ... Europe's trade bridgehead in Africa?

Madagascar and the Indian Ocean islands, SA could also fulfil a linking role with an Indian Ocean bloc because of its Indian Ocean location and its Indian population."

Barlow Rand director Ewert Groeneweg says the private sector in Europe is disillusioned with its investment in Africa. In view of the political change in SA, it is now taking a new look at SA's bridgehead role.

"The route for SA to Europe lies through Africa, and European businesses know that SA know-how would be invaluable for their investments in African states," he says. "Africa is also anxious for SA to fulfil this role because it is suffering economically."

An indication of the new European thinking on SA's role in southern Africa is the appointment of a counsellor to SA by the influential Paris-based Rothschild Banque.

The counsellor, Intratech MD Johan Erasmus, says the bank sees SA fulfilling a crucial connecting role in African economic development, especially since French com-

Multinationals and the single market

MULTINATIONALS AND EUROPE 1992: Strategies for the Future, edited by Beat Bürgenmeier and Jean-Louis Mucchielli (Routledge UK, SA distribution by Random Century, R40)

IT IS unlikely that Jean Monet or Robert Schuman, master architects of the European Community, ever contemplated the effects of their creation on the fortunes of multinational companies.

The multinational, although it existed in the last century and perhaps originated in the ships of ancient Phoenician traders, is largely a child of the information and consumption age of the past 30 years.

In the '50s Monet, something of a Gallic idealist for all his statesmanship, was after one thing: the creation of an axis between European states to stave off further conflict after the Second World War and, perhaps, by inclusion, to counterbalance Britain, unconquered and still powerful.

The immediate result was the European Steel Trading Community

(ESTC) and the European Defence Community (EDC), the former linking the giant primary industries on either side of the Rhine. Britain refused to join either, although admittedly it was given confusing signals by the shambling governments of the French Fourth Republic.

The end result, for the time being, involves 12 of Europe's largest economies, is called "1992", and is written in bold across the mind of every company director in the EC — and every exporter outside it.

Works on the EC and the possible effects of the single European market in 1992 suffer from a variety of problems. They are, of necessity, speculative. They are often tinged with Monet-like idealisms, but most frequently they are narrow-minded: the political scientist looks at the political effects, the economist at the micro-economic effects, the sociologist at the racial effects.

But one factor, possibly the whole point of 1992, is still inadequately dealt with: in the economic union of 12 nation states, political and cultur-

al factors will play a vital role.

Multinationals and Europe 1992 suffers by paying only passing tribute to this point, the importance of which several of its contributors — all eminent economics professors — recognise without analysing.

As outlined in Cambridge University lecturer M Panic's essay, multinationals can often ignore such factors as information costs and domestic trade barriers. Indeed, Panic argues, the latter can affect adversely the government more than the multinational — thus the proliferation of US and Japanese multinationals in the barricaded European market.

Other essays analyse the advantages of multinationals over domestic European companies (the latter have an ageing capital base), the benefits of greater internalisation by a foreign company investing in Europe, the changes expected in domestic European manufacturers (or lack thereof — interesting theories are advanced about the limits of scale economies within such a

system).

Also examined are the expected trade policies conducted by both importing and exporting governments after 1992 under different behavioural assumption models (both the Nash-Cournot and Bertrand models are cited regularly).

But the cultural factor, important particularly in nationality-recognisable products such as cars, is largely ignored.

The book also suffers by being neither a real macro textbook (it is too waffly) nor a guidebook for company directors — the contributors repeat and sometimes contradict one another, while never engaging in serious argument.

However, as a knowledgeable introduction to the behaviour of multinationals and governments within the EC, it is both readable (considering it is written by economists) and useful. It is just a shame that such an admirable array of academic contributors could not have produced a more cohesive or revealing work.

DARIUS SANAI

BILLY PADDOCK

CAPE TOWN — President F W de Klerk's visit to Europe next month could signal SA's most significant diplomatic breakthrough in the EC and Nordic countries.

Two countries on his itinerary, Ireland and Denmark, have been SA's sharpest critics and have consistently blocked bids to lift EC sanctions.

Yesterday Foreign Affairs announced that Finland and SA had agreed to upgrade their respective representations to full embassies.

And government sources said Sweden and Norway would follow suit by the end of the year.

At the weekend the five Nordic coun-

FW's trip signals 'big breakthrough'

B/day 27/3/91
tries, the ANC's consistent financial supporters and proponents of maintaining sanctions, decided they would end economic sanctions once apartheid was abolished.

Sources said this signalled that the West's sanctions alliance was cracking.

Denmark and Ireland are the only two EC countries De Klerk did not visit last year and it is understood they initiated visits this year after learning that De Klerk would be travelling to Britain.

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FW's trip *B/day 27/3/91*

Accompanied by Foreign Minister Pik Botha, the President will arrive in Denmark on April 24 to have talks with Prime Minister Poul Schluter and Foreign Minister Uffe Ellemann-Jensen.

He travels to Ireland on April 25 to meet Prime Minister Charles Haughey.

In London De Klerk will meet British Prime Minister John Major for the first time.

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He will address the annual Convention of the Institute of Directors and a joint meeting of the Confederation of British Industry and UK SA Trade Association.

De Klerk will also address the Royal Institute for International Affairs and the Royal African Society, the SA Club and meet chairmen of leading UK banks and financial institutions.

EC aims at joint ^{SLA} defence ^{So we can} strategy

^{28/3/91}
LUXEMBOURG - Foreign Ministers of the European Community, picking their way through a minefield of national sensitivities, have agreed that the bloc should eventually develop a joint defence role.

But the 12 EC countries remain at odds over how security and defence issues should be handled in a transitional phase which could stretch to the end of the century, Luxembourg Foreign Minister Jacques Poos told a news conference after talks on Tuesday night.

The meeting was the EC's first ministerial session devoted to defence, a subject which has split the Community into those led by France and Germany which want to lay the basis for a common army and those - like Britain and the Netherlands - which say European defence is the preserve of the Nato alliance.

Poos said until the late 1990s the EC would entrust its security and defence to the Western European Union.

The Ministers agreed that defence will be an essential element as the bloc outgrows its original trade and economic aims.

When the funding tap runs dry in the near future, will South African anti-apartheid projects survive? Already strong signals are being sent from Western governments that



In a series of three articles on foreign funding, REHANA ROSSOUW examines the financial future of organisations in South Africa.

South Africa will not feature prominently in their aid budgets. Enormous amounts of money are going to be allocated to Eastern Europe and is expected to have effect on aid to the south. In the last

When the money tap runs dry

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THE GULF WAR and the fall of the Berlin Wall has had a far bigger effect on South Africa than most people realise.

These two recent world events could signal the end of Western governmental aid to South Africa — the closure of the tap which poured hundreds of millions of Rands into the country.

Nearly all assistance to South Africa from Western governments is aimed at supporting opposition to apartheid and preparing disadvantaged South Africans for leadership in a post-apartheid society.

The questions now being asked are: When apartheid disappears, does the funding disappear with it? Will aid be forthcoming for social development in a post-apartheid society?

Answers are far from clear at this stage. It is certain though, that a large proportion of aid from Western governments which has in the past been directed to non-governmental organisations will in future take the form of bilateral aid to a democratic South African government.

The aim of Western government initiatives is shifting subtly to focus on grants for "dialogue" between groups who stand to gain power during the transition process, technical support for institution building, professional consultants in areas like constitution-writing and crash courses for those who may become future military and civilian bureaucrats.

This signals a departure from the form of assistance provided before — until the end of 1989, official Western aid sought to provide assistance to "victims of apartheid" and to community-based non-government organisations providing services to those involved in all aspects of the democratic movement's resistance to apartheid.

The Australian ambassador, Mr Colin McDonald, reckons it will be four to five years before South Africa will lose priority for his government, which has no substantial interest in the area. He points out that Australia is already cutting its programmes in Namibia.

Mr John Sawers, First Secretary at the British Embassy, says: "Our commitment to South Africa is long term. When the country gets a democratic government this does not mean we are going to walk away from it."

However, countries such as Sweden and the Netherlands — which have provided substantial aid in the past — appear less likely to be ongoing "development partners".

A spokesperson for the Dutch embassy in Pretoria points out that his country's development aid is allocated to nations classified as least developed countries in terms of per capita gross national product (GNP). His government believes South Africa's average income would be too high for it to qualify.

Swedish development assistance is similarly determined by GNP, and again South Africa seems an unlikely candidate for aid.

A senior US aid official in Pretoria felt that the form of aid was more likely to change than its volume. He said it was his government's perception that apartheid had created enormous needs in areas such as housing and education and that these needs would not simply disappear.

The European Community has taken into account the political changes in South Africa since February 2 1990.

They believe that although political organisations have been unbanned, leading political prisoners released, the state of emergency lifted in most of the country and petty apartheid almost entirely abolished, the country still has to await the outcome of the negotiation process before it is set on the road to real liberation.

At a meeting in June last year, the European Community leaders reviewed the situation in the region.

They stated in a declaration on southern Africa that "in the light of the recent developments in South Africa and as a strong signal of political support to those disadvantaged by apartheid" the Community would increase the funds for the special programme and would adapt the programme to the needs of the new situation.

From 1991 the special programme will have a bigger budget and, if negotiations go well and the dismantling of apartheid continues, can be expected to cater for the reintegration needs of returning South African exiles and to play an increasingly developmental role.

However, the focus of the European Economic Commission has undeniably shifted to Eastern Europe and the dramatic political events there.

Enormous amounts of money are going to be allocated to Eastern Europe in the imminent future and is expected to have a detrimental effect on aid to the south. The money for reconstruction in Europe could come from aid budgets.

WHILE HARD-AND-FAST POLICIES ON aid to a post-apartheid South Africa do not exist, one widely shared notion is that once a clear procedure for achieving democratic rule has been mapped out, most governments presently engaged in assisting South Africans would consider special "transitional" grants.

The debate on whether to and how to continue funding projects in South Africa has already begun among interna-

"Under many standard criteria, especially those such as Gross Domestic Product per capita, South Africa does not qualify as a particularly poor or underdeveloped country."

— Interfund Report

tional donor bodies.

The debate centres largely on the issues of whether to start development funding for South Africa or continue to support work in the country at all "post-apartheid".

A study compiled for the Interfund International Fundraising Consortium by specialist consultants urges the international development lobby, which has ignored South Africa except to make anti-apartheid interventions to "rethink" their approach to the country.

ONCE APARTHEID is declared finished, and certainly once a political settlement is reached, South Africa will stand in line with other countries under consideration of international development aid.

"Under many standard criteria, especially those such as Gross Domestic Product per capita, South Africa does not qualify as a particularly poor or underdeveloped country," the report states.

"The reality, however, is somewhat different.

"Most poor and developing countries have tiny wealthy elites. South Africa has a statistically larger wealthy elite."

More than one study has concluded that South Africa has the highest degree of social inequality of any country in the world for which data is available.

Half the population lives in abject poverty while a large minority — almost all white — enjoy high standards of living.

"A political settlement will further boost existing high expectations of change among black people — almost inevitably contributing to tension and instability in the long term. And political stability is itself essential for economic and social development."

Kagiso Trust's director Mr Achmat Dangor expressed a fear that foreign donors would "take the easy option" and say that because apartheid was gone, sanctions should be lifted, they should

reinvest in the country and send all their foreign aid to the government.

"What that will do is destroy one resource that SA has — a rich resource — the NGO network in this country," Dangor said.

"That will marginalise accessing resources or being able to influence future policy."

Dangor said NGO's in South Africa understood that foreign donors were under great pressure to divert money to the Gulf and Eastern Europe. They would thus need a centrally identifiable, easily justifiable mechanism for funding to South Africa.

Kagiso Trust believed that even if South Africa had an ANC-led government in two or three years, it would be very dangerous for funders to put all their money into government-controlled projects.

FUNDERS ARGUING against the economy of scale could decide that if R1 billion, for instance, was put together from all industrialised countries and given to the South African government to disburse, it would have more of an impact.

"It all depends what kind of society you want. It could make the country visibly rich, but the invisible minority will still be there, very poor," Dangor said.

"That has been the pattern of the grandiose development models of the past, throughout the third world and Africa.

"We know that most governments, no matter how democratic they are, have a duty first, specially in a situation like ours, to retain power.

"So what they do is to provide resources to that segment of society that most threatens them staying in power, the urban constituency."

Dangor said he feared that because South Africa was a largely urban-based country, there would be a conscious decision to neglect the smaller and more marginalised sector of society — rural areas, squatter camps and in those constituencies, women and youth.

"They will continue to be most marginalised sectors of society."

Kagiso's model of development is to provide resources to those sectors to help them to organise themselves — a process called community self-organisation.

This means providing funding for processes others don't want to fund — like institution-building.

"We'll continue to provide resources for people in rural areas to organise themselves, specially around economic issues," Dangor said.

"You may find political liberation in South Africa soon, but economic and social liberation is going to take a long time.

"When we say investment must be made in developing human potential on a far larger scale than is being done right

now, it means things like literacy no longer becomes a romantic cry.

"Providing infrastructure is only a tool in the ultimate goal, which is providing those communities with the skills to participate more fully in the political and economic life of the country."

Dangor said this was probably the most contentious area of Kagiso's work. They believe they will be providing funding to people to organise themselves so that they could challenge the future government and ensure that they will not be neglected.

"We recognise that no matter how democratic the government of the future is they will not be able to meet all the needs of the people, specially when expectations are as high as they are now."

He said the ability of marginalised communities to articulate what their needs were should not be underestimated.

Kagiso would respond to their needs by identifying projects and programmes where the communities say they need

"Money can disempower people by taking away the need of people to do things themselves."
— Achmat Dangor

them.

"There will have to be a massive infusion of support though, and the assistance of outside professionals even if needed.

"But it must rest on the premise that those people know themselves what they want, otherwise we will be using money to subvert their capacity for self-organisation.

"Money can disempower people by taking away the need of people to do things themselves."

Kagiso will no longer be giving 100 percent grants, they will provide partial grants and partial loans.

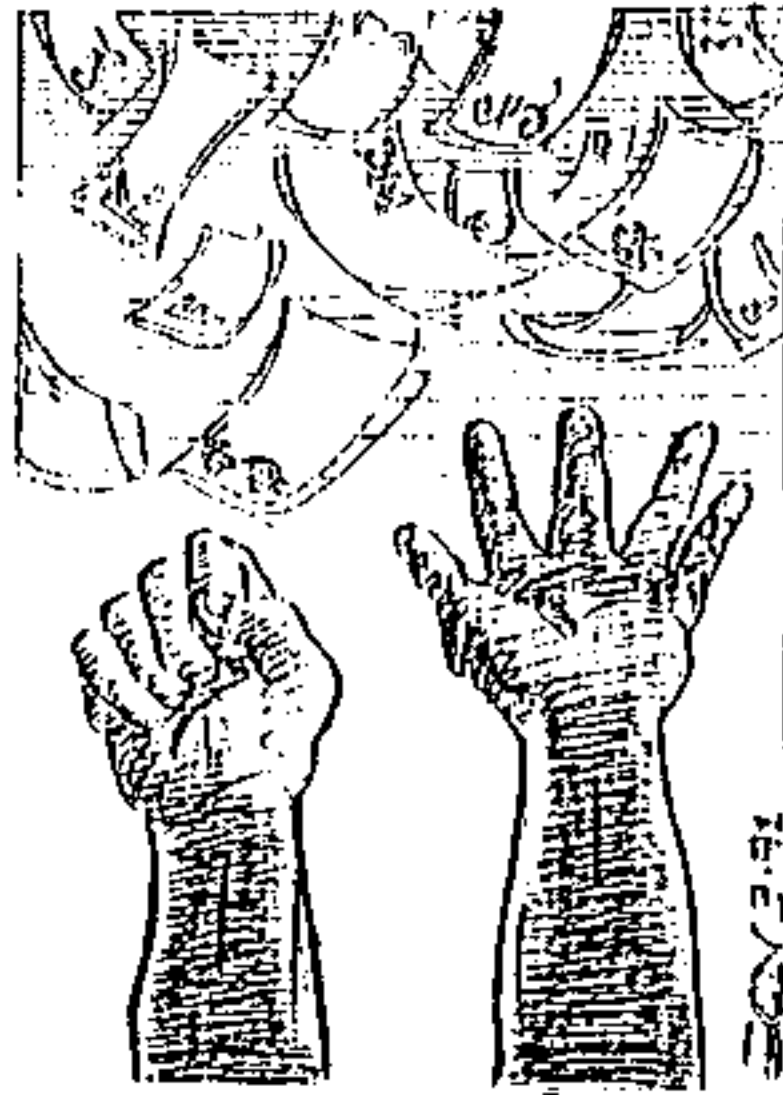
They will encourage people to raise R1 for every R2 they give internally from the community and slowly improve that ratio until their role diminishes.

One of the biggest obstacles in these process is the shortage of people skilled in creating alternative wealth, specially in rural areas.

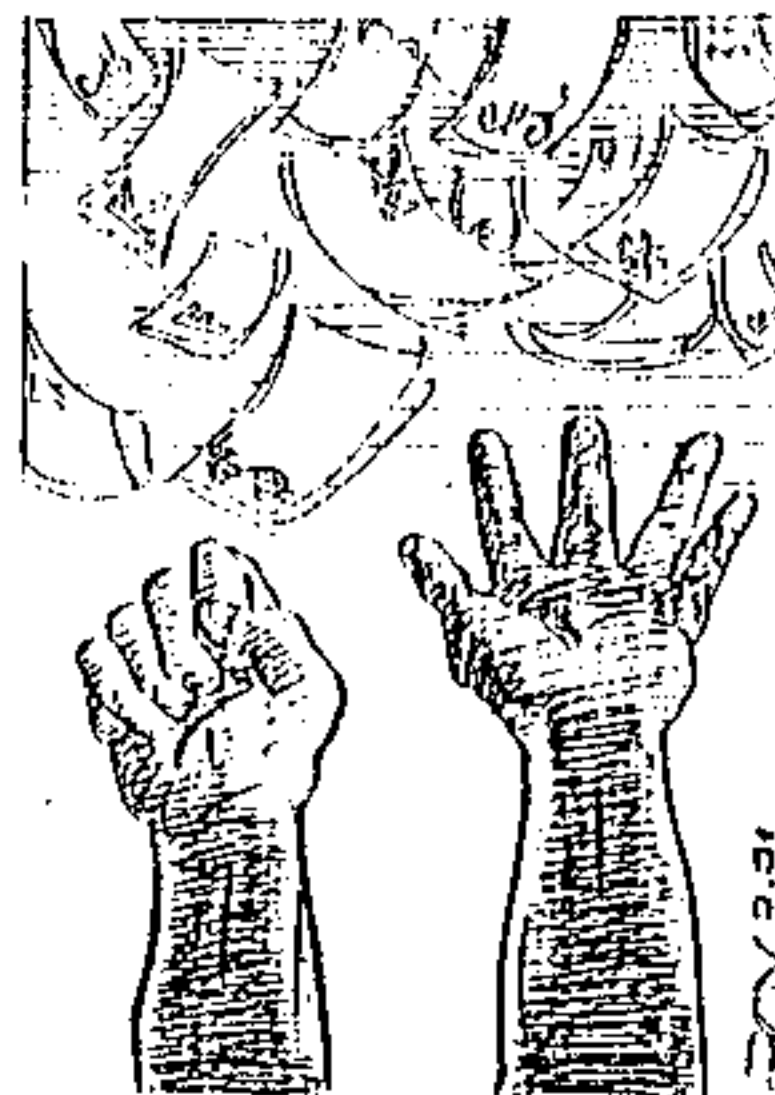
"The potential is there, provided you can inculcate a new culture in these people," Dangor said.

"Maybe a new form of activism is

"You'll be amazed at how creative people are when you encourage them, show them ways of doing things traditionally — like stokvels, credit unions that is a local resource."
— Achmat Dangor



"It will be four to five years before South Africa will lose priority for my government, which has no substantial interest in the area."
— Australian ambassador Mr Colin McDonald



"Our commitment to South Africa is long term. When the country gets a democratic government this does not mean we are going to walk away from it."
— Mr John Sawers, First Secretary at the British embassy

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needed, and this deals not with self-fulfilling processes — "I want my liberation" — that in a sense is what activism has come to mean.
"We need an activism that deals with locating with local communities' resources that those communities can use, helping to unlock local resources.
"You'll be amazed at how creative people are when you encourage them, show them ways of doing things traditionally — like stokvels, credit unions — that is a local resource."
How to develop those people in the shortest period of time is the greatest challenge Kagiso Trust has faced.
"If we don't do that in the shortest period of time the most marginalised people will become even more marginalised."
The trust's community based development programme deals with hard skills, exposing people to different models of economic organisation.
The programme teaches people that money is not just a passive tool, instead of being deposited in a bank it can be

used effectively in an economy like South Africa's.
People are taught to create more money, how to gear it up, turn it into a guarantee for a loan at low interest rates.
"Development workers must not be seen as a magician who is going to areas and is going to wave a wand and solve people's problems," Dangor said.
"That person can only help people develop an understanding of the things they need to do and find the most appropriate way of doing it."
A NATIONAL DEVELOPMENT policy is urgently needed to begin preparing for the reconstruction of South African society and bridging the gap between white and black living standards.
Kagiso Trust has been attempting to persuade liberation movements to start planning now, but has not made an impact.
"One critical thing needs to be understood for this country, is that we must stop recirculating poverty," Dangor said

"What we are doing now is circulating inflation. We have to create new or additional wealth, otherwise even dispossessing the entire white population of what they own is not going to end poverty. The scale of the problem is enormous, but there are a number of lessons we have learned.
"We must not target development to first world living standards, in other words, the oppressed in this country must not try to attain the standards of the oppressor, because then we need billions so that whites can retain their standards. We will have to destroy this country ecologically to do that, over industrialise."
Dangor said there was a need to be more realistic about the kind of society South Africans wanted — the country would not be able to sustain a consumer and materialist society.
The second element of preparing for the future was examining the use of resources in South Africa.
Dangor believes that when resources are scarce, communities have to look

for impact — how resources could have a multiplied effect.
"For example, we have introduced a rule that projects we fund must have replicability," he said.
"In other words, it must not be an expensive model, where you have to invent the wheel, pay high overheads, huge capital investment and then find the project will stay in an urban area without having an impact.
"It must be cheap enough, cost effective enough to be replicable anywhere else. We can use this rule of thumb for all our projects, rural development, education projects, bursary funds.
"In our bursary programme, for instance we have come under a lot of fire. We are saying the culture of expectation has gone to a ludicrous degree now where everybody believes they have a right to a bursary.
"This does not happen anywhere in the world, where even the most democratic socialist countries do not provide free bursaries to every student who wants to attend a tertiary institution."

What Kagiso Trust is in effect doing is dampening the expectations people have of what a future South Africa is going to look like. "If you don't do that, you'll tear this country apart," Dangor warned.
Another area of concern is the lack of cooperation between NGO's in South Africa.
Kagiso Trust has had several discussions with the Independent Development trust around education and "sensitive" discussions with other NGO's. Central to the discussions was how to put the limited funding available to South Africa to better use.
"Some NGOs are paranoid and have a desire for independence, but there has to be a lot more coordination of people who have resources to stop the duplication, the waste, the enormous amount of replication all over this country," Dangor said.
On a more global level, South Africa has to begin preparing to compete on world markets.
A future South Africa will have to compete with the European Commu-



"One critical thing needs to be understood for this country, is that we must stop recirculating poverty,"
— Achmat Dangor

nity, the United States and Japan in economic terms. This puts pressure on liberation movements to begin thinking far broadly that South Africa's own economic needs.
"Vision in this country is so stifling. Lets look on the regional scale — the southern African countries have between them most of the world's mineral wealth and the capacity for managing it efficiently," Dangor said.
"If we could create regional cooperation, if we could find someone with a vision who could bring these countries together we could compete successfully on the agricultural and tourism markets for starters.
"This area could become the new Asian miracle. The difficulty is you have to overcome political constraints, we have such regionalism in these countries.
"Why I despair about this, is because today we can't even meet our own political organisational needs let alone think more globally in terms of a regional economy or a regional political arrangement — a federation of southern african states." □
(Additional source AIA)

Gurus propose EC model for southern Africa

BIDAM
28/3/91

DARIUS SANAI

S6A

A GROUP of leading academics has launched a new campaign urging economic integration for southern Africa along EC lines.

Cape Issues on Regional Integration (CIRI), headed by UCT doctoral student Patrick Vrancken, is lobbying business to "attempt to change the negative view of economic integration and show that it can be beneficial to all".

CIRI has among its members professors Dennis Devine and Francis Wilson of UCT, as well as academics from other African countries.

The campaign is aimed at enlisting members of the business community to fund research into methods of integration, and to lobby governments into making legislative changes to facilitate integration.



● VRANCKEN

Foreign companies would be attracted by greater economic integration in southern Africa, he said.

Vrancken, who hails from Brussels, has made detailed studies of the origins of the EC and is convinced the "compartmentalisation" of southern Africa is detrimental to both regional business and foreign investors.

The idea of complete economic union between EC members was inconceivable even 15 years ago.

The EC had to overcome considerable animosity between member states, Vrancken said.

Companies were attracted to the EC because they could manufacture in low-cost areas like Portugal and sell in big consumer markets like Germany.

He said a similar pattern could evolve in Mozambique and SA.

Vrancken proposed the establishment of supranational authorities on the lines of Transnet to oversee transport and other forms of communication.

Such arrangements had not yet been made in Europe, he said.

Apart from the decreased costs and greater convenience that this would result in, a larger area would be more attractive to foreign investors, who would benefit from a choice of production areas and markets.

CIRI did not advocate copying the EC to the letter, Vrancken said.

This was because policies like the complete mobility of labour — one of the cruxes of EC unity — would simply result in a mass movement of people into SA.

Monetary union will create European economic colossus

Star 28/1/91

S6A

LONDON — Imagine this: The hundreds of bureaucrats, beavering away at the Washington headquarters of the International Monetary Fund and the World Bank are forced to pack up their bags en masse and move to Brussels.

Ridiculous? Not necessarily, according to some keen promoters of European monetary and political union.

One of its inexorable consequences, they say, would be direct European Community membership in the IMF and World Bank.

Since the EC would have the largest single stake, both organisations would be required by their own rules to move their headquarters across the Atlantic.

Whether or not it occurs in practice, the very idea of such a move acknowledges the fundamental way in which, once achieved, monetary union would change the pecking order of those who aspire to manage the world economy, and thus the way it is run.

As the serious negotiation begins, officials are becoming aware that it involves the creation of an economic colossus which will have to relate to the rest of the world.

Collective EC representation in the Bretton Woods institutions, by which many in Brussels actually mean membership, might seem the inevi-

table long-term answer. Indeed, the European Commission has already nailed its colours to this mast.

Lured by the prospect of greater sway not only over the world economy but also over its own member states, it quietly inserted into its draft treaty on monetary union an article calling for the EC to be represented in these bodies at both Commission and European central bank level.

There is a precedent for this in the General Agreement on Tariffs and Trade where the Commission, though not formally a member, speaks on behalf of all member states.

Fund quotas

Together the 12 EC member states account for 29.1 percent of fund quotas, more than those of the US (19.6 percent) and Japan (4.6 percent) combined.

In the World Bank the combined community share is similarly large at 30.6 percent. Pooling these stakes into a single membership would give the EC a dominant role not only in the institutions but, by extension, in world economic management.

As if in conscious preparation for this, the Commission has recently developed a taste for designing adjustment programmes for the 66, mainly

How monetary union of the European Community will change the pecking order of those who manage the world economy.

African, countries which benefit from the Lome Convention (a trade and aid pact between the EC and African, Caribbean and Pacific countries).

More than 10 percent of the \$14.84 billion in European aid budgeted for these countries in the first half of this decade will go to support structural adjustment.

The Commission also aspires to a say in the policies of eastern European and Mediterranean countries who are outside Lome but still receive its support.

Yet, legal, political and practical difficulties stand in the way of collective representation in the Fund and the Bank.

Membership of the IMF is open only to countries. Legal experts consider the EC would not be eligible before political union. Monetary union alone would be irrelevant.

Nor could EC members achieve a collective voice by electing a single executive director to the IMF board. The voting power of any one direc-

tor is limited. Barring a change in its articles, any concerted EC role in the IMF would have to be informal.

There would also be vehement political opposition from larger member states such as France, the UK and Germany which are jealous of their IMF independence.

Finally, some, such as Tony Killick of the Overseas Development Institute, say the Commission is ill-equipped for the responsibilities involved. They simply don't have the technical capacity on their own, he says.

Two separate directorates handle relations with developing countries. Communication between them is poor and the development directorate, which looks after the Lome countries, relies heavily on experts seconded from member states.

This skills gap could be filled, however, in the time it would take to negotiate monetary union.

Alter rules

Some experts reckon it might be possible to alter the IMF rules to allow for EC membership as part of the more general package of changes that looks inevitable with Soviet membership looming in the medium term.

As part of the horse-trading

around such a package, the EC might have to agree to a quota in the IMF which was lower than the combined total of its member states.

This would still mean a large increase in its power relative to that of the US, which dominates the IMF, but Washington's nose need not necessarily be put out of joint.

According to Fred Bergsten of the Institute for International Economics, the idea of a collective EC membership in the Fund and the Bank could be sold to Congress as the way to a new era of burden sharing. Played skilfully, it would be seen as a means of creating more effective management of the economic and monetary system, he says.

The positions taken by the EC as a single member would be different to that of the sum of its states. It would have to choose between the negative position of Germany or the supportive position of France on the question of increasing international liquidity through allocations of special drawing rights.

Given the probably influence of the Bundesbank on any European central bank, the EC would probably toe the German line.

All this presupposes that EC members agree to monetary union. — Financial Times.

EC farmers still creating mountains of surplus food

BRUSSELS — The European Community's profligate farm policy, thought only a year ago to be on the road to recovery, is still deep in the mire.

Last spring, European Community officials were still hoping surplus butter mountains had been consigned to EC folklore, and the wastrel days of the Common Agricultural Policy (CAP) were over.

But EC farm commissioner Ray MacSharry has given farm ministers a rude awakening.

"One thing is clear — we cannot continue as we are," he said, adding that unless it acts soon, the EC is set to overspend its farm budget this summer, and next year's outlook is no better.

The CAP, devised in the ruins of post-World War 2 Europe to eliminate hunger on the continent, succeeded beyond the planners' wildest dreams.

Massive overproduction forced them to sell butter to make lipstick, feed fruit to animals and distil wine for industrial alcohol.

But worst of all for other exporting countries, they dumped surpluses on world markets, sending prices into a tail-spin and hurting the earth's poorest farmers.

A chorus of outrage at General Agreement on Tariffs and Trade (GATT) talks in December failed to budge the 12-nation EC. But budget pressures might.

A market respite due to drought in the United States proved simply a remission from the CAP's terminal illness. Surplus cereals, beef and dairy

products are piling up.

The EC's 1990 farm budget was set at \$34.45 billion.

Mr MacSharry warned farm ministers that spending would rise 20 percent in 1991 from 1990, and that 1992 could see a 12.5 percent rise on 1991.

EC farm ministers are shunning the cure, scared off by a leaked working paper from the Community's executive commission that spelled out just how harsh spending cuts must be to have any chance of success.

Mr MacSharry wants to keep farmers on the land both as food producers and guardians of the environment. But he also wants to encourage other forms of economic activity in the countryside.

He wants to stop food mountains, discourage intensive farming and redistribute the farm budget so the neediest get the most.

Stark picture

The EC farm budget picture is stark:

- Four-fifths of it goes to one-fifth of the farmers.
 - Six percent of cereals farmers grow 60 percent of the wheat.
 - Half the milk comes from 15 percent of the dairy farms.
- Mr MacSharry wants a switch from payment based on quantity to a scheme based on farm area, with a ceiling.

The average size of Community farms is 15 ha, but the range is wide.

Britain's are the biggest at an

average of 65 ha and Greece the smallest at 5.3 ha.

France, which farms a quarter of all EC farmland and grows the full range of produce in the community, but whose average farm size is 28 ha, is in a quandary.

Sheep farmers, clawing an existence on their smallholdings, ran amok through the country during the summer demanding protection against lamb imports.

But French grain barons in the Paris basin are tilling some of the EC's biggest farms.

Big farms would suffer from any policy that targets them for the biggest proportional cuts. France cannot afford to lose farm export revenues that help reduce its trade deficit.

Britain's farm minister, John Gummer, has said he will resist any scheme that discriminates against farmers, and is puzzled how the MacSharry plan is supposed to cut the farm budget.

Piet Bukman of the Netherlands, which also has relatively large farms, gave a similar reaction.

Ignaz Kiechle of Germany, Europe's industrial giant, is holding his fire. Germany is passionate about its farms, and a very high proportion of small farms are run part-time. Mr MacSharry's reforms should be quite good news for them.

Greece has the highest dependence on agriculture. Ireland and Portugal are runners-up, followed by Spain and Italy. All should welcome help in keeping farmers on the land.

— Sapa- Reuter.

Some progress seen on global trade pact

WASHINGTON — A senior European Community official said here the EC farm reforms now being discussed by member countries could help restart the stalled talks to liberalise world trade.

But a US official was less hopeful that the talks which EC official Frans Andriessen had with US Trade Representative Carla Hills and Agriculture Secretary Clayton Yeutter made any progress.

Mr Andriessen, EC commis-

sioner for external relations, said community officials will meet again next month to discuss the same farm issues that caused the collapse of the global talks in Brussels last December 7.

The talks failed over demands by the United States and other nations that the EC and Japan end trade-distorting farm supports and open their markets to foreign commodities.

Mr Andriessen told a news conference the three did not ne-

gotiate but "had a very constructive exchange of views of how we could contribute from our side to bring the round to a successful completion."

The round of talks, under the 107-nation General Agreement on Tariffs and Trade (GATT), also sought to lower world tariffs and other trade barriers, strengthen laws to protect copyrights and patents and end quotas on textile shipments. — Reuter.

EC to review sanctions on South Africa

By ARTHUR GAVSHON: London
EUROPEAN Community and Commonwealth countries next month will discuss further relaxation of sanctions against South Africa if President FW de Klerk today repeals key apartheid laws. *W/Mon 112 - 71291*

The word reaching British and other authorities from Pretoria is that the president will announce the repeal of the Group Areas and Land Acts among other measures when parliament opens in Cape Town. These laws, along with the Internal Security Act and the Suppression of Communism Acts, have been regarded as pillars of the apartheid system.

Foreign Ministers of the 12 EC governments meet in Luxembourg on February 4.

Canadian Foreign Minister Joe Clark also has proposed the convening of a nine-nation Commonwealth ministerial group which plays a watchdog role in respect of co-ordinating sanctions against South Africa. He has called for a meeting in London on February 16 to look anew at the matter of easing the embargoes in the light of what De Klerk will have to say. But a final decision on whether the session will take place depends on the reactions of Zimbabwe, Zambia, Nigeria and India whose leaders will be guided by the position taken by the African National Congress. Until now the ANC leadership, which has been displaying some flexibility on the matter, favours the maintenance of sanctions until all obstacles holding up constitutional negotiations have been removed.

Clues to the present ANC stance have been provided by the Anti-Apartheid Movement which today will launch demonstrations outside South African embassies around the world. These are to display solidarity with the ANC's campaign of mass action.

EEC Foreign Ministers in Rome late last year agreed to lift their ban on new investment in South Africa in recognition of De Klerk's efforts to bring about the dismantling of apartheid. But, bowing to a plea from Nelson Mandela, they agreed to defer action to ease other elements in their across-the-board sanctions programme pending further reforms by De Klerk.

Following up the lifting of the EC ban on new investments leading AAM activists sought to discover if British banks had eased their lending policy to South Africa and, in fact, urged them not to undermine the continuation of sanctions. The AAM reported on Wednesday they have found all British banks, except Standard Chartered, were standing squarely on support of continued sanctions.

Members of the nine-nation Commonwealth watchdog group are Australia, Canada, India, Nigeria, Zimbabwe, Zambia, Tanzania, Guyana Malaysia.

Major hopes reforms will undo sanctions

LONDON — British Prime Minister John Major said yesterday he hoped to see more sanctions-lifting gestures soon from the EC, the US and the Commonwealth if the SA government made further progress in dismantling apartheid.

He was speaking in the House of Commons on the eve of President F W de Klerk's opening address to Parliament in Cape Town today.

B (Jan 11/2/91)
In reply to a question on the "fragile situation in SA", put by Conservative MP Michael Colvin during prime minister's question time, Major said he welcomed the historic peace talks this week between ANC deputy president Nelson Mandela and Inkatha leader Mangosuthu Buthelezi.

"We welcome the meeting... it is an extremely welcome develop-

ment," he said. ~~280~~ 56A

The prime minister referred to the EC's decision in Rome in December to lift the ban on investments in SA in response to reforms.

"If further progress is made in dismantling the apartheid system, I hope we will see further gestures from the EC, the US and the Commonwealth, on lifting sanctions against SA," he said. — Sapa.

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EC to double investments in SA

Own Correspondent

JOHANNESBURG. — The EC will open an office in SA within days and more than double its investment in the country.

The EC contribution to development projects in SA will be increased from R80m to about R200m.

The move signals yet another chip in the sanctions wall imposed by the community.

It also opens the way in the long term for SA's possible admission to the Lomé Convention.

The money will be used for educational projects although housing and infrastructural de-

velopment can also expect a boost.

The EC's representative in Windhoek, Tim Sheehy, was expected to arrive in SA yesterday to open and run what is being described as a "technical office".

The plan has been approved by the SA Cabinet but is being downplayed to guard the EC from criticism — especially from the ANC — that the EC has ignored its call to keep sanctions in place.

European diplomatic sources said yesterday the office was intended to co-ordinate EC development aid channelled to SA.

The funds are administered through the Kagiso Trust, the SA Catholic Bishops' Conference, the SA Council of Churches and trade unions, but Sheehy is expected to provide overall technical guidance.

"The office will have the responsibility of overseeing the EC programme," one diplomat said.

By drawing SA closer to the EC, the opening of the office is being seen as helping SA's chances of admission to the Lomé Convention which allows African and Caribbean states preferential tariffs in their trade with Europe.

EC to boost funding from new SA base

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PATRICK BULGER

By drawing SA closer to the EC, the opening of the office is being seen as helping SA's chances of admission to the Lomé Convention which allows African and Caribbean states preferential tariffs in their trade with Europe.

Up to now SA's membership could not, according to sources, be considered as the country was looked at in the light of being a First World state and as such could not be seen as gaining the same trade perks as less advantaged countries.

One diplomat said that SA admission to the convention was speculation, although in the longer term it was a possibility.

He said the opening of the EC office was part of a broader pattern of SA's reintegration into the world community.

A Foreign Affairs Department spokesman last night confirmed the EC move, saying it would co-ordinate development aid to SA.

Diplomatic sources emphasised that at this stage the office would be technical rather than political.

It is also significant in that it is part of a growing trend for diplomats and aid officials to administer their interests in SA from SA itself rather than from distant southern African capitals.

● Comment: Page 8

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ICE

Commonwealth leaders gather on Saturday. Mike Siluma reports

Sceptics to meet SA supporters

PRESIDENT FW de Klerk's reform initiatives, having been endorsed by the European Community, will come under further international scrutiny when Commonwealth leaders meet in London on Saturday. But this time Pretoria can expect far fewer accolades.

The meeting, called especially to discuss South Africa, will be attended by members of the Commonwealth's Committee of Foreign Ministers on Southern Africa, including foreign Ministers of Tanzania, Zambia and Zimbabwe. Last week EC foreign Ministers, meeting in Brussels, promised to lift the ban on imports of iron, steel, coal and Kruggerands as soon as President de Klerk carries out his pledge to abolish the Group Areas, the Land and the Population Registration Acts. The EC decision is the result of

pressure, mainly in Europe, for the relaxation of anti-apartheid sanctions in the light of changes brought about by Mr de Klerk.

But in sharp contrast, South Africa's closest neighbours in the Frontline states have taken a more sceptical view of events.

After a heated two-day meeting in Harare the heads of state decided that maintaining sanctions would help Mr de Klerk withstand right-wing pressure and fulfill his promise to scrap remaining apartheid laws.

Their position — generally expected to be adopted by the OAU — will influence discussion within the Commonwealth, of which at least three Frontline states are members.

It is likely to put the African states on a collision course with Commonwealth members such as Britain and Australia, who are de-

termined to persuade the 50-nation group to relax pressure on Pretoria.

British Prime Minister John Major (having successfully fought for a relaxation of EC sanctions in December) has already indicated his desire to see the Commonwealth follow suit.

Shortly after Mr de Klerk's speech on February 1, Mr Major urged the Commonwealth secretary-general, Chief Emeke Anyaoku, to review the question of sanctions with a view to dropping them as soon as possible.

Australian Prime Minister Bob Hawke is heading a drive to readmit SA to international sport.

Starting with its expulsion of South Africa in 1961, the Commonwealth has been at the forefront of the international campaign to isolate SA. Commonwealth sanctions have

included, in addition to the 1977 Gleneagles ban on sporting contacts, the prohibition of arms and oil exports, as well as the importation of South African agricultural products and Kruggerands.

In 1986 the Commonwealth Eminent Persons Group was charged with initiating dialogue towards the establishment of a democratic government in South Africa.

The EPG concluded after its visit to South Africa that conditions for dialogue did not exist. It called for the intensification of sanctions — a position backed by the last Commonwealth summit in Malaysia in 1989.

Saturday's meeting will have to decide if the De Klerk government has done enough for the Commonwealth to throw its weight behind those pushing for the relaxation of pressure on Pretoria. — The Star Bureau. □

SLM


Aussie move unsettles SA B10 am 13/2/91 wool sector

DURBAN — SA wool growers accused the Australian government of throwing the market into confusion by scrapping the floor price scheme.

National Wool Growers' Association (NWGA) president Peter Kingwill said the Australian decision to suspend the reserve wool price until June 30 had dealt a blow to the SA industry.

"That wool prices here will also be adversely affected is undoubtedly true, but to speculate where the market is going to find its level is almost impossible," Kingwill told an NWGA congress.

Sales in Australia have been suspended since February 4 until at least February 25 as a result of the scrapping of the 17-year-old floor price scheme, which currently marks wool at a minimum of 700c/kg.

Kingwill warned that a lowering of the wool price would result in disaster for SA growers unless the SA government contributed to the stabilisation of the industry.

He said government intervention would probably have to be only temporary as wool stocks would quickly become depleted.

Market analysts expect the price of Australian wool to halve to around 350c/kg in an unregulated market.

The SA Wool Board said last month it would market more aggressively abroad, particularly in countries in Eastern Europe which had hitherto been inaccessible.

— Reuter.

Call for EC rescue plan

ROME — Inkatha Freedom Party president Mangosuthu Buthelezi yesterday asked Italian Prime Minister Giulio Andreotti to urge the EC to consider a Marshall Aid plan for poverty-ridden SA. (S6A)

In his memorandum, Buthelezi asked Andreotti — whose country currently chairs the EC — to thank the community for its decision to lift restrictions on new investments in SA, and warned of the "radical left" which he said was trying to capitalise on poverty.

Thousands upon thousands of blacks were living in squalor around every urban centre, he said, and they had great destructive potential.

Warning about the rise of the extreme right, Buthelezi said: "Unless we really deal with white fear, we will end up with accomplished change that will be destroyed by events which will make any attack by a Unita or a Renamo on a government seem child's play by comparison." — Sapa. B10 am 13/2/91.



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Steel industry welcomes EC move on trade

By SHARON SOROUR
Labour Reporter

THE European Community's announcement that trade sanctions against South Africa may soon be lifted has been welcomed by the Steel and Engineering Industries' Federation of SA (Seifsa).

Of all the country's exporters, the iron and steel industry has been hardest hit by the EC ban on importing certain commodities from South Africa, Seifsa executive director Mr Brian Angus said.

"The United Kingdom and the rest of the EC represent South Africa's largest single export market and the loss of sales of iron and steel there and in the United States seriously affected the profitability of South African steel producers," Mr Angus said.

As a result, South African producers were forced to find

alternative, less lucrative export markets in South America and the Far East.

Mr Angus said the reopening of the EC markets was good news for exporters, but would not necessarily have an immediate impact on export trade.

CHALLENGE

Regaining lost export markets would be a formidable challenge for South African exporters but steel producers who were faced with a domestic recession and lower local sales volumes, were well geared to supply markets in Europe.

"In this way new jobs may be created to replace the estimated thousands lost in the industry due to sanctions by many countries in the world," Mr Angus said.

South African steel producers also would like to have normal trade relations with the US, he said.

EC move will open door to world funds

WASHINGTON — SA will be restored to full access to the credit and development funds of the World Bank and IMF as soon as the EC lifts sanctions.

This is one of the messages which will be carried this week from Washington to SA by a team of World Bank and IMF economists. EC sanctions are scheduled to be lifted "in a matter of weeks", possibly as early as February 19 when the foreign ministers meet.

The IMF-World Bank delegation will meet secretly with Reserve Bank governor Chris Stals and other top Pretoria officials. Reports have said that IMF MD Michel Camdessus will make a one-day visit to SA later this week.

At stake are billions of rands in borrowings which SA would be entitled to make from both the concessionary job-creating programmes of the World Bank as well as hard currency loans which it could take to stabilise its export industries.

Officials of the two agencies say they

Own Correspondent

are following the lead of the EC foreign ministers who have tied the lifting of sanctions to the successful adoption of anti-apartheid measures proposed by President F W de Klerk to Parliament a week ago.

Returning SA to the World Bank-IMF fold and lifting economic sanctions would leave the US alone among the major boycotters.

US investments approached \$3bn in the mid-1980s but have shrunk to \$750m, mostly in mining.

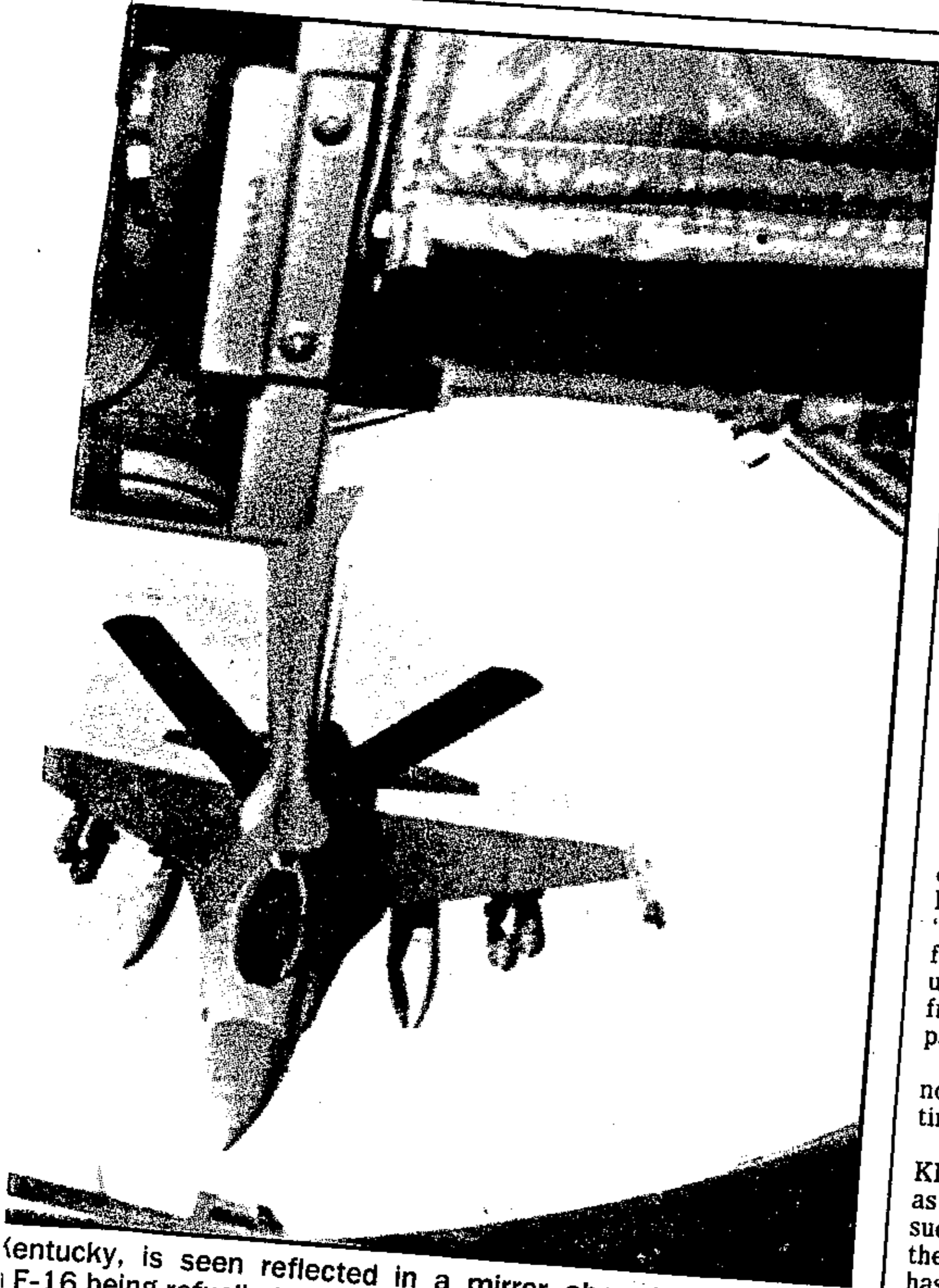
One of the tricky questions is whether SA will take its place as an African member on the executive boards of the two institutions.

Until its suspension from the executive board 15 years ago, Pretoria had been part of a block of former British colonies including New Zealand and Australia. — Daily Telegraph.

● Comment: Page 8

SA

Australia



Kentucky, is seen reflected in a mirror aboard his KC-135, as the F-16 being refuelled in midair. Picture: Reuter

Sanctions:

EC spells out terms

BRUSSELS — European Community Foreign Ministers agreed yesterday they would lift sanctions against South Africa as soon as President de Klerk started fulfilling his pledge to repeal the cornerstone apartheid laws.

"The President is tackling the three cornerstones of apartheid," said Luxembourg's Jacques Poos, who chaired the Ministers' meeting.

"In these circumstances, the European Community will begin preparations so as to lift sanctions still in force against that country ... as soon as legislation is set in motion."

It was not immediately clear whether this would happen when legislation was introduced in Parliament or when it finally became law.

President Bush took time off from the Gulf War yesterday to telephone President de Klerk and congratulate him on the "courage" of his speech.

A cautionary voice, however, came from US Senator Paul Simon, chairman of the senate sub-committee on Africa.

He said Pretoria was moving closer to meeting the terms for lifting sanctions — but the US "must continue to give the reform movement our support" until political prisoners were freed and blacks could participate fully in political life.

Fleet Street however was in no doubt, and yesterday continued to praise Mr de Klerk.

The Independent said Mr de Klerk "will go down in history as a major figure whether he succeeds or fails in sustaining the evolutionary approach he has mapped out".

Today newspaper likened the De Klerk reforms to the dismantling of the Berlin Wall.

At the UN, Dr Javier Perez de Cuellar, the Secretary-General, hailed the "constructive initiatives" and hoped negotiations could begin soon.

Despite Mr Mandela's plea that sanctions must still remain in place, several Western delegates said privately that the time was approaching when these could no longer be justified. — Political Staff, Star Foreign Service, Sapa-Reuter.

SA Olympic hopes given boost

MELBOURNE — South Africa could compete in next year's Olympic Games in Barcelona, International Olympic Committee (IOC) vice-president Kevan Gosper said today.

Twelve sporting bodies in South Africa had displayed a willingness to support a single non-racial organisation and a high proportion of these represented Olympic sports, he said.

Mr Gosper is a member of the IOC Commission to South Africa next month, the first since South Africa was expelled from the IOC 23 years ago. — Star Foreign Service.

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BRUSSELS TO REWIND THE TAP

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BRUSSELS. — Sanctions will be lifted by the Europe Community (EC) as soon as legislation scrapping the Group Areas Act, the two Land Acts and the Population Registration Act is tabled.

EC foreign ministers agreed to this move here yesterday as a reward to President F W de Klerk.
"The president is tackling three cornerstones of apartheid," Luxembourg's Mr Jacques Poos, who chaired the ministers' meeting, told a news conference.
"In these circumstances, the EC will begin preparations so as to lift sanctions still in force against that country as soon as legislation is set in motion."
Political observers said legislation scrapping the acts could be tabled as early as April, and the acts could be scrapped by the middle of the year. President George Bush yesterday telephoned Mr De Klerk to congratu-

late him on his "courageous" speech last week, Foreign Affairs Minister Mr Pik Botha said.

The two leaders had also discussed the Gulf war and the meeting between Mr Nelson Mandela and Chief Mangosuthu Buthelezi.

'Legislative action'

A statement issued by the 12 foreign ministers yesterday said the remaining EC sanctions — bans on imports of South African gold coins, iron and steel — would end as soon as "legislative action was taken" to repeal the Group Areas Act and the Land Acts.

A senior EC official in Brussels confirmed that the tabling of the draft bills in the South African Parliament constitutes "legislative action".

He said the next step would be for EC ambassadors in South Africa to notify the political committee of the exact text of the bills as they are tabled.
"Once they get the information, I

think the political committee will be able to take a rather speedy decision."

He said the political committee would "take the appropriate steps", which could mean lifting some or all of the measures.
He said the process wouldn't take too long — "weeks or months".

The EC lifted the first of its sanctions — a voluntary ban on new investment — last December.
Yesterday's decision does not affect sanctions introduced in 1985 in line with UN decisions, which include a ban on arms sales and military and nuclear co-operation.

"The EC and its member states warmly welcome the announcement made on February 1 by President De Klerk of further important changes... which will open the path towards the complete and irreversible abolition of apartheid and the establishment of a united, non-racial and democratic South Africa," the EC statement said.

It is also reported from Brussels that South Africa considers member-

ship of the African, Caribbean and Pacific (ACP) group of developing nations a long-term goal.

Professor Bhadrachandran, South Africa's ambassador to the EC, said South Africa wanted closer ties with all African countries after years in the diplomatic wilderness.

Dismantle apartheid

An EC spokesman said a black-ruled, post-apartheid South Africa could eventually become an ACP member, but described the idea of membership now as "something that is very far away, not in terms of years but in terms of politics".

UN Secretary-General Mr Javier Perez de Cuellar said he hoped measures to dismantle apartheid would open the way to negotiations with accompany Mr De Klerk's speech.

"The address of President De Klerk at the opening of the South African Parliament advances further the process of removing statutory apartheid from the country's institutional framework," he said. — Sapa-Reuter and Own Correspondent

Big boost for fruit, coal in EC move

By CHRIS BATEMAN

CAPE fruitgrowers will be able to promote their products more aggressively in Europe and will increase planting following the European Community (EC) undertaking to lift sanctions.

The weekend EC promise, conditional on Parliament scrapping central apartheid legislation, does not affect local fruitgrowers directly, but benefits would nevertheless be "enormous", a Unifruco spokesman said.

Fruit is not among the South African items targeted by the EC for sanctions.

Mr Fred Meintjies, public relations head of Unifruco — the Cape's biggest exporter and private sector employer with 230 000 employees — said Friday's speech by President FW de Klerk would bring fresh impetus to the industry.

Although Cape fruitgrowers had a century-old market in Europe, there had been a recent tendency by European buyers not to stock South African fruit. This began changing after last year's watershed presidential speech.

Mr De Klerk's latest announcements would "benefit the industry enormously", Mr Meintjies said. "Our products will increasingly be traded in

normal commercial conditions — last year alone we earned R1,3 billion in exports."

Unifruco still faced sanctions from the US, Canada and Scandinavian countries, but expected changes on these fronts "soon".

Mr Wim Holtes, chief executive officer of the SA Foreign Trade Organisation (Safto), said the EC announcement, combined with the Gulf war, could also have a positive affect on local harbours with income from refurbishment and shipping repairs.

The greatest impact, however, would be the lifting of EC sanctions on coal, which he expected to boost foreign earnings by up to R400 million a year.

This would also speed up commitment to develop harbours such as Richards Bay and Maputo, while colliers could push output up by over two million tons.

An Iscor spokesman said that Iscor would not increase capacity or exports, but the lifting of EC sanctions would increase "market and pricing flexibility" for "target specific" products.

"The feeling is that there will be extra earnings, but we can't say how much yet," he said.

CAPE TRUSTS
6/2/91

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Chance for EC to review its stand

By Steve ... SA

PRESIDENT F W de Klerk's intention to scrap the last vestiges of apartheid gave the EC an opportunity to revise its stand on economic sanctions on SA, a visiting German parliamentarian said yesterday.

Hans-Peter Reppnik, German Parliamentary State Secretary in the Ministry of Economic Co-operation, told a Press conference at Jan Smuts Airport he had held talks with ANC deputy president Nelson Mandela and government on sanctions.

"The German government has a position on sanctions together with its EC partners formulated in Rome last year.

"If the democratic changes in SA go on, then we will look for a new position and De Klerk's speech will give us a new possibility," Reppnik said.

He said there was a contradiction between Mandela's asking for both sanctions and the creation of more jobs.

"He told us personally that at this particular moment in time we should not lift sanctions.

"But if government implements the decisions it has taken, the time will come when economic sanctions should be revised because there is a contradiction between on the one hand asking for the crea-

PATRICK BULGER

tion of more employment and on the other sticking to sanctions."

Reppnik, who attended the SADCC conference in Windhoek last week, said he had met a wide range of political leaders.

He said he had discussed the repatriation of SA exiles with Mandela. His government was awaiting the outcome of two conferences on the refugee problem.

On the basis of what emerged from these two conferences, the German government would come to a decision on what support it could give.

He said he had also discussed the exile issue with the Departments of Justice and Home Affairs. He had made it clear that the German government expected the SA government to live up to its promises in this regard.

Reppnik said the issue of aid had also been discussed. Germany could make a contribution, especially in technical education.

He said a number of joint projects had been discussed with the Urban Foundation and the Independent Development Trust.

He left for Maputo yesterday on the last leg of his southern African tour before returning to Germany.



German parliamentarian Hans-Peter Reppnik at Jan Smuts Airport yesterday.

Picture: CATHERINE ROSS

Decision hinges on tabling of Bills

EC ministers vote to lift SA sanctions

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B/Pay 5/2/91.

LONDON — EC sanctions against SA will be lifted in a matter of weeks — once draft legislation to repeal the Group Areas and Land Acts has been tabled in Parliament.

This decision, taken by the 12 EC foreign ministers in Brussels yesterday, paves the way for the lifting of the 1986 ban on the importation of SA iron, steel and Krugers.

It is a direct response to President F W de Klerk's announcement on Friday of his intention to remove the last vestiges of apartheid from the statute book.

Senior community officials said last night EC political directors, who meet several times a month, would prepare an appropriate response as soon as Bills repealing the Acts had been tabled in SA.

Should they reach consensus on lifting sanctions, the decision will go through the formality of ratification at ministerial level — possibly as early as February 19, when the foreign ministers meet again.

The EC lifted the first of its sanctions — a voluntary ban on new investment — last December, reports Sapa-Reuter.

Yesterday's decision does not affect sanctions introduced in 1985 in line with UN decisions which include a ban on arms sales and military and nuclear co-operation.

In a statement issued after their meeting yesterday, the foreign ministers said they "warmly welcomed" De Klerk's an-

KIN BENTLEY

nouncements on Friday which they said would open the way towards the irreversible abolition of apartheid.

The statement also welcomed the January 29 peace meeting between ANC deputy president Nelson Mandela and Inkatha leader Mangosuthu Buthelezi.

A senior EC official in Brussels confirmed that tabling of the draft Bills would constitute "legislative action" and would enable the EC to start lifting sanctions.

He said the next step would be for EC ambassadors in SA to notify the political committee of the exact text of the Bills as they were tabled.

"Once they get the information, I think the political committee will be able to take a rather speedy decision."

He said the EC had been in contact with the SA government in the past few weeks and was satisfied the Bills would go as far as was required.

□ US President George Bush has personally commended De Klerk on Friday's address.

Sapa reports that a Foreign Ministry spokesman said Bush phoned De Klerk yesterday. He said the two leaders exchanged views on the Mandela-Buthelezi meeting and the conflict in the Gulf.

● See Page 4

● Comment: Page 8

Commonwealth will retain all sanctions

Soweta 18/2/91

56A

280

LONDON - A nine-nation Commonwealth committee decided on Saturday to retain all sanctions against South Africa, although it suggested sports boycotts might be eased later this year.

Australia, the only committee member which had pressed for concessions, went along with the decision.

Britain, which is not a member of the committee, said it was disappointed.

Committee chairman Joe Clark, Canadian External Affairs Minister, said: "We think that if there is to be any relief to sanctions, it should be in response to particular actions - not promises, not undertakings to do something - but actual things that have been done to change the system."

Britain, which is not a member of the committee, said in a Foreign Office statement: "Sadly, the Commonwealth Committee on Southern Africa felt unable to recommend action."

The Foreign Office added that it hoped the 50-nation Commonwealth, an association of Britain and its former colonies, would start lifting measures before its next summit in October.

Australian Prime Minister Bob Hawke said in Sydney that Saturday's meeting effectively had set a timetable for the easing of sports sanctions.

"If you have integration of sport in South Africa... then there will be no reason why sporting contacts can't be initiated."

The special meeting of

the committee followed the February 1 announcement by President FW de Klerk that he proposes to scrap the last major apartheid laws covering land and race classification.

The decision to maintain embargoes, in line with the recommendation of the ANC, was expected.

Thabo Mbeki, a senior ANC official, addressed the committee for 45 minutes soon after the one-day meeting began.

Action

The committee - consisting of Canada, Australia, Guyana, India, Malaysia, Nigeria, Tanzania, Zambia and Zimbabwe - was set up in 1987.

In a five-page communique, the committee said it would meet again after April 30 to consider "appropriate action" providing De Klerk's Government had scrapped race laws and repressive security legislation, freed all political prisoners and allowed back all exiles.

Clark said that the first embargoes to go would be sports and "people to

people" measures, such as obstacles to travel and obtaining visas.

"It probably need not be too long before the various sporting organisations in South Africa are able to satisfy the requirements that would enable them to return to international sporting events," said Commonwealth secretary general Emeka Anyaoku.

But the committee indicated that Commonwealth trade and financial embargoes will remain until De Klerk's Government is gone.

It said that the lifting of these embargoes would require "a further major step ... down the path of constitutional reform," such as the establishment of an interim government.

Clark denied that the decision to maintain embargoes was a snub to De Klerk which failed to acknowledge major steps by his government.

Britain, which refused to go along with most of the Commonwealth embargoes imposed in 1985 and 1986, has pressed the Commonwealth to ease measures since Mandela's

release.

After De Klerk's announcement on the race laws, Hawke, a one-time advocate of sanctions, said they should be phased out starting with a 20-year-old boycott of sporting and cultural contacts.

British Prime Minister John Major said this month that both he and Hawke agreed sports sanctions should go.

Britain has already scrapped embargoes covering academic and cultural links and new investment.

With the rest of the European Economic Community, Britain will scrap bans on imports of iron, steel and gold coins when the South African land laws are repealed.

The Commonwealth economic embargoes imposed in 1985 and 1986 include bans on air links, investment, and bank loans.

Zimbabwe and Zambia, which are economically dependent on South Africa, never implemented many of the embargoes. - Sapa-AP.

Apartheid's end signals a return to the Commonwealth, reports Graham

Linscott

Long-closed doors creak

Open

S6A

22/2/91 star

SUGGESTIONS are doing the rounds in Britain that South Africa will be invited to re-join the Commonwealth, which we left 30 years ago over the apartheid issue.

It is another sign of our coming in from the cold and I would rate it a near-certainty as a medium-term bet.

More interesting (and more significant) in the short-term is whether we will be invited to join the Southern Africa Development Co-ordination Conference and the Preferential Trade Area, both of which would stimulate our trade with equatorial and sub-equatorial Africa and at last bring it out in the open.

These are also near-certainties because the states of Africa need

our economic input and expertise just as much as we need their markets.

However, the problematic bet is the Lomé Convention. This is the equivalent of selecting a 500 to 1 outsider in the Grand National — a huge payout if it comes off, but Becher's Brook and a few other obstacles lie along the way.

Signatories to the Lomé Convention receive preferential access to the European Community for their agricultural production. If we were to join, it would be a wonderful boost for the sugar and fruit industries in particular.

Countries benefiting under the Lomé Convention are former French, Belgian and British dependencies in the African, Caribbean and Pacific regions. The con-

vention really replaces such arrangements as the imperial trade preferences, by which Commonwealth countries exported to Britain at a tariff advantage. The difference now is that the market is much bigger — the entire EC.

But to become a Lomé signatory you have to be a "developing" country (in other words broke) and South Africa is held not to qualify — any more than Australia, New Zealand or Canada would.

But, with our huge and growing Third World component, should we really be classified with Australia and the others?

Does South Africa not deserve special treatment if it is to succeed in building something to replace apartheid?

Cynics might argue that with

our economic decline we are heading for basket case "developing" nation status anyway. Pik Botha does not go that far but has publicly floated the idea that we should be reclassified and should join the Lomé Convention.

Foreign Affairs already have a mission in Lomé (which is in the French-speaking West African state of Togo) and are understood to be quietly lobbying the case in Brussels.

Membership of Lomé would be the cherry on the top, conferring the kind of economic benefits the Commonwealth once did.

But it's a long-odds bet. The Commonwealth is more like a favourite.

□ □ □

If membership of the Commonwealth no longer confers the economic benefits it once did, what is the point beyond the head of government being photographed once a year with the Queen and various other statesmen — not all of them having the most savoury reputations?

It's rather like asking what the point is of belonging to a club when you can eat, drink and play billiards in any hotel.

Commonwealth membership does hold certain benefits.

It is a meeting place of the First and the Third Worlds and important decisions are made there, not always formally.

Britain and Canada are also members of the Group of Seven industrial countries and South Africa could well do with invest-

ment from them.

Within the Commonwealth there is an exchange of information and expertise. Outsiders don't have the same access.

Sports and cultural ties are enhanced.

And for white South Africans there is an important psychological prop. As the country embarked on a democratic future, they would feel themselves part of a greater whole and not quite such an isolated minority.

But it is all rather intangible. Perhaps the best argument for the Commonwealth is that of the two countries which have left (Pakistan walked out in protest at recognition of the secession of Bangladesh), one has already returned.

Compare that with the Warsaw Pact. □

EC farm plan might revive the environment

BRUSSELS — Muck mountains, dead lakes and slimy seas — the downside of modern intensive farming — could eventually be wiped out when radical EC farm reforms take hold.

EC farm commissioner Ray MacSharry is launching an overhaul of the common agricultural policy (CAP) in a bid to scrap food mountains for good.

Cutting down the output of the bloc's 11-million farmers and changing the way they grow food could help revive an environment suffering from intensive, heavily fertilised farming.

Beyond this, the European Commission's policy paper on reform says farmers should be paid for helping to preserve the countryside.

The CAP achieved its aim of banishing hunger from the community after the Second World War. Then it

overachieved, dismaying the entire farm-exporting world with its staggering capacity for overproducing food and then exporting the heavily subsidised surplus.

The Netherlands' chronic manure mountains, slime-infested Adriatic beaches, and dead lakes in Denmark are among the saddest examples of the fallout from modern agriculture in the EC's 12 countries.

A key aspect of MacSharry's plan is partly to link the payments farmers get to the amount of land they farm, rather than to the amount they produce.

He wants to set a limit on the area eligible for aid, and to demand that farmers seeking payments take some land out of production in a so-called "set-aside" scheme.

Environment Commissioner Carlo Ripa di Meana told fellow EC com-

missioners: "Payment linked to area should be made conditional on environment commitments for everyone, including small farms."

Otherwise, setting land aside will not automatically mean the rest of the farm gets more environment-friendly treatment, he argues.

He suggests farmers should be able to choose from a range of ways to curb output — setting aside large areas of land would cut cereals output, for example, but so would a temporary ban on farm chemicals.

Although EC environment officials doubt whether MacSharry is moving far or fast enough, they appreciate the extent to which "green" thinking has entered the mainstream.

As one of them put it: "The discussion taking place now would have been impossible four years ago." — Sapa-Reuter.

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(56A)

EUROPEAN MONETARY INTEGRATION

THE LESSONS OF GERMANY

56A
FM 22/2/91

UNDIVIDED MONETARY RESPONSIBILITY IS ESSENTIAL FOR INTEGRATION

The major challenge facing European policy-makers in the next few decades comes from the opening up of the Eastern Bloc. The extension of political freedom and human rights through the peaceful revolution of 1989 means that democratic Europe no longer ends at the River Elbe. Such freedom, moreover, is a productive force that can bring the prosperity which these nations have long waited for.

What it means to convert a command economy into an efficiently functioning market economy can be studied in the eastern part of the newly unified Germany, where almost every sector of the economic and administrative system will now have to be reorganised from scratch.

However, our new *Länder* in the former GDR have one big advantage over countries like Poland, Czechoslovakia or Hungary. They have wealthy sisters and brothers from whom they can borrow things they lack: a strong and stable currency to start with; a successful legal and constitutional system; administrative manpower and know-how; a massive inflow of private capital; and, last but not least, large transfers of public funds designed to set the process of economic revitalisation in motion and to cushion it socially.

In the light of experience drawn from monetary union in Germany there are possibly two lessons to be learnt. Both also apply to current discussions over the setting-up of a European Economic and Monetary Union. In the case of monetary union in Germany, which took place on July 1 1990, three months before the unification of the two German states, sole and undivided responsibility for monetary policy in the extended currency area was given to the Bundesbank.

This undivided responsibility was one of the reasons why the introduction of the D-mark in the former GDR took place so smoothly and did not have the inflationary effects so many commentators had predicted. The upward movement of prices in West Germany towards the end of 1990 amounted to only 2.7%, in spite of both unification and the Gulf crisis; the expansion in the money stock (M3) at 5.5% has remained within the range of our monetary policy target for 1990 as a whole.

This is even more remarkable in view of the high real growth, which in West Germany reached 4.6% last year, accelerating in the second half to 5.3%. It should thus be no surprise that Germany, and the Bundesbank in particular, pursue somewhat different policies from our partner countries. Co-ordination cannot mean that all have to do the same things at the same time.

In our case, this means the Bundesbank will have to stay on guard. The art of central

banking is in taking "forward-looking" action, that is in acting as soon as risks to monetary stability take shape, rather than waiting until prices begin to soar.

The Bundesbank's latest decision to raise its interest rates (that is the Lombard and the discount rate) should be understood in this context. I believe our measures are consistent with our commitment to international co-operation and to the objective of safeguarding the cohesion and further development of the European Monetary System (EMS). In the statement the Group of Seven issued after its January meeting in New York, it was noted expressly that stability-orientated monetary policies would create conditions favourable to lower global interest rates.

That is exactly what happened after our decisions, which have contributed to confidence in the markets, as can be seen from the latest decline in German bond yields by more than 30 basis points since January 31, the day the Central Bank council of the Bundesbank took those decisions.

In a broader perspective, another lesson can be learnt. This is, that monetary union between highly unequal economies does ne-

cessitate huge financial transfers if unacceptable social and political consequences in the weaker part of the united currency area are to be avoided. Admittedly, Germany — after 40 years of partition — is an extreme case.

But it illustrates what financing needs could arise if divergent economic developments and policies in some European countries were prematurely interlocked by irrevocably fixed exchange rates. The resulting transfer necessities would probably greatly exceed the resources even of the more prosperous net contributor countries to the European Community.

Unprecedented challenge

Of course, for us in Germany, the establishment of the new *Länder* is an unprecedented challenge. It is a national task of hitherto unknown dimensions. We are fully aware that the restructuring process in eastern Germany will be a model for central and eastern Europe.

Thus we carry a double responsibility. We want to succeed for our own sake; but we also have to prove to our eastern neighbours that the revolution in their respective countries has been worthwhile, not only politically but also with respect to their economic recovery. After all, an open and pluralistic society not only means a state based on the rule of law and human dignity but also signifies an efficient economic order.

Unfortunately, output and employment in the eastern part of Germany are still very low and are declining. State-owned companies in the former GDR produced the wrong products at the wrong cost, for the wrong markets. A radical restructuring is, therefore, unavoidable, even if this is associated temporarily with high unemployment and with the enormous transfer payments from West to East already mentioned. But restructuring is fully under way. We hope that we will be able to observe the first signs of an upward trend this year.

The Bundesbank has never doubted that the cost of German unification would be high. As a consequence, the public borrowing requirement has soared since last year. So have real interest rates which reached a historic peak of 6.1% in December 1990. All of this puts quite some strain on our capital markets and it has significantly reduced the net outflow of capital from Germany. All the same, my country will remain a net exporter of capital for the foreseeable future.

Above all, Germany is now exporting growth by sucking in imports. The Federal Republic has become a growth locomotive. This is a favourable development. Our trading partners are profiting considerably from German unification and are doing so in a

MEMORIAL LECTURE

Karl Otto Pöhl, president of the Deutsche Bundesbank (the German central bank), delivered the annual Gerhard de Kock Memorial Lecture at the University of Pretoria this week. Here is his address on: Germany and the monetary integration of Europe.



cow's request.

Rebel republics ordered to vote in Soviet referendum

B/day 26/2/91

MOSCOW — The Soviet parliament yesterday ordered rebel republics to abandon their boycott of a nationwide referendum on the future of the Soviet Union.

Seven out of 15 Soviet republics have decided not to take part in the March 17 referendum intended by President Mikhail Gorbachev to endorse his plans for a reformed federation.

Deputies voted overwhelmingly for a resolution ordering republican governments to carry out the vote.

The move appeared to clash with Gorbachev's original declaration that each republic should decide itself on the referendum.

The Baltic republics have all opted for their own polls and spurned the Gorbachev referendum. Lithuania voted early this month, producing an overwhelming majority for independence.

Similar votes are

planned for Saturday in Latvia and Estonia.

The Soviet parliament repeated Gorbachev's argument that the Baltic "opinion polls" were illegal.

"Depriving people of the right to take part in the union referendum is a violation of the rights of USSR citizens," said Vladimir Orlov, head of the referendum commission.

Also yesterday, Gorbachev named Orlov, who is a conservative economist advocating very gradual transition to market economics, as the Soviet Union's new finance minister. He replaces Valentin Pavlov, who was appointed prime minister in January.

Orlov's appointment must be confirmed by the parliament.

Gorbachev has kept hardline defence and KGB chiefs in his new cabinet, retaining Defence Minister Dmitry Yazov and KGB state security police chairman Vladimir Kryuchkov,

seen by radicals as bastions of communist orthodoxy.

The cabinet is the first to be drawn up under new power structures allowing Gorbachev direct control over his ministers and giving him sweeping authority to direct policy. — Sapa-Reuter.

'EC must cancel debts'

NAIROBI — Ministers from 68 African, Caribbean, and Pacific (ACP) countries were to press the EC to cancel millions of dollars of crippling debt at a meeting in the Ugandan capital of Kampala yesterday (56A)

"Our position has always been 'write off these debts because it is impossible for any one of us to pay'. That is the reality of the situation and Third World survival depends on that," Ugandan Planning Minister Kafumbe Mukasa said. The industrialised world should write off developing countries' official debts and reschedule commercial ones, he added. B/day 26/2/91

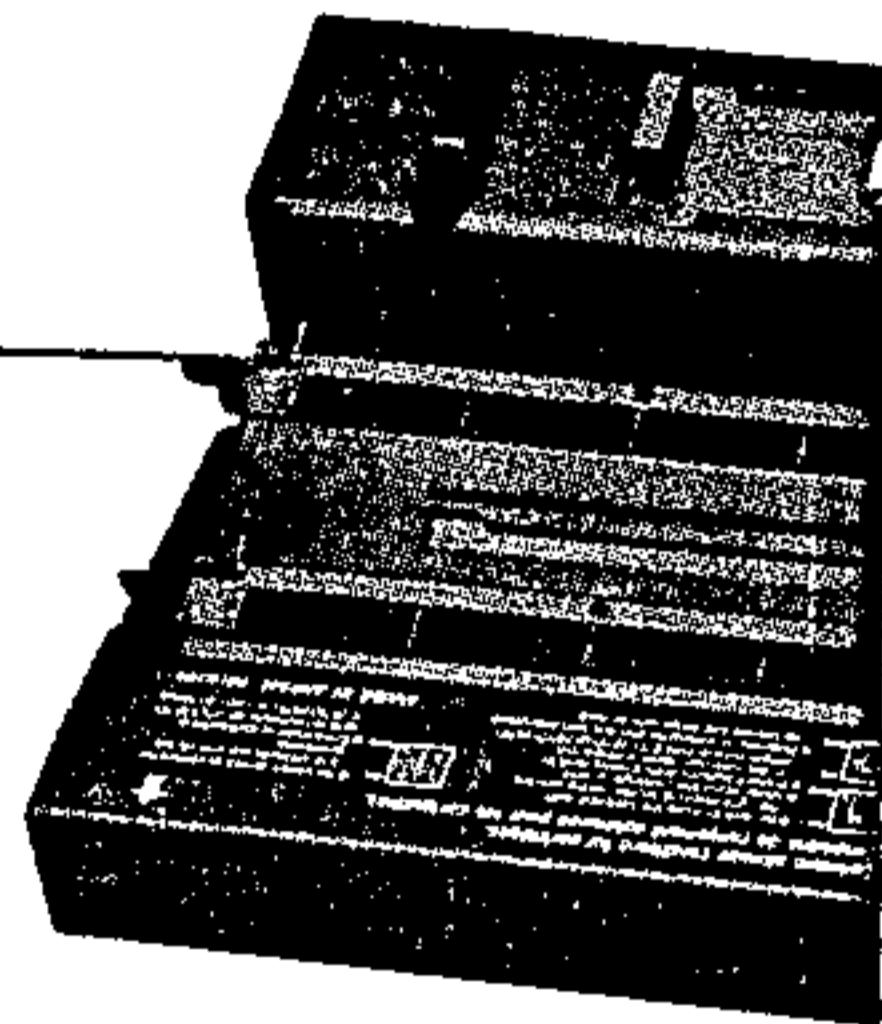
Africa's total external debt is more than \$210bn. Often, debt servicing is greater than export earnings.

Under the fourth Lome agreement, signed in December 1990, the EC undertook to provide ACP countries with aid worth \$12bn over a five-year period.

Mukasa said ACP member states had suffered as a result of the Gulf war and were counting on support from the EC states.

A message from ANC deputy president Nelson Mandela was expected to urge stricter EC sanctions against SA. — Sapa-Reuter.

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Hope that EC might lift sanctions soon

LONDON — The lifting of trade sanctions against SA by the EC could take place next month, following the tabling this week of draft legislation to repeal the Group Areas and Land Acts.

European Commission officials and political directors from the 12 EC governments were meeting to discuss an appropriate response, a spokesman for the commission's external relations department in Brussels confirmed yesterday.

The British Foreign Office noted in a statement yesterday the EC had decided last month that "when these Bills were

~~3/88~~ B/par 14/3/91
S6A) tabled, it would lift the remaining restrictive measures imposed in 1986". It expected swift action now, it added.

No date had been set for the EC foreign ministers' April talks, which would probably be held in Brussels. The spokesman said sanctions were likely to be discussed.

The legislative action has enabled EC officials to start preparing a directive and to work on the necessary legal procedures for the lifting of the ban on the importation of SA iron, steel and Krugerrands.

KIN BENTLEY

The Commonwealth secretary-general speaks to Simon Midgley

In search of global consensus

56A

Star 15/3/91

WHILE continuing its efforts to encourage the emergence of a nonracial democratic South Africa, the Commonwealth has already begun to consider the pressing emerging priorities of a post-apartheid world.

In an interview Chief Emeka Anyaoku (58), secretary-general of the Commonwealth, said that while abolishing apartheid remained one of the Commonwealth's priorities, other pressing new challenges also lay ahead.

With the world's attention turning to the needs of Eastern Europe and the Soviet Union, Chief Anyaoku said there was a risk that resources might be diverted from helping the Commonwealth countries — 46 of the 50 are described as developing nations.

"It is important that the Commonwealth should be in the business of making sure that the development needs of its member

states should not be overlooked by the international community."

The need to promote the development of democratic values and human rights was a second important challenge, Chief Anyaoku said. In the last four months Commonwealth observers had monitored elections in Malaysia and Bangladesh; a similar group would observe polls in Guyana.

The emergence of global environmental and health problems — such as Aids, drugs and pollution — also required an international approach to their solution. The Commonwealth was well placed to develop a consensual approach to such problems.

A crucial need in the wake of a post-apartheid South Africa is to train black South Africans to be ready to assume important roles in industry and government. With this in mind, Chief Anyaoku has appointed a group of experts to

consider training needs.

The Commonwealth had a role in helping to advise and mobilise resources to reconstruct South Africa's economy, severely distorted by apartheid and the effect of sanctions, he said.

Chief Anyaoku reiterated that the position of the nine foreign Ministers who make up the Commonwealth committee on South Africa was that sanctions would be maintained by "a programmed management approach". This would involve pressure only easing in response to actual rather than promised reforms.

F W de Klerk had committed himself to several reforms by April 30. The Ministers would meet soon after this to consider what "adjustments", if any, needed to be made in response.

Commenting on pressures to ease sporting sanctions as a gesture in response to Mr de Klerk's

reforms to date, Chief Anyaoku said any Commonwealth response would depend on the extent to which South Africa's individual sports had reformed themselves along non-racial lines. By the time the heads of government meet in October, this should be clearer.

Chief Anyaoku said he did not think Britain's more relaxed attitude to the need for sanctions had damaged the Commonwealth. While there had been an unfortunate divergence of views with Britain, that was now narrowing and he looked forward to the time when it would disappear.

Chief Anyaoku said he hoped that within five years — during his term as secretary-general — South Africa would be readmitted to the international community and, in turn, to the Commonwealth. — The Independent News Service. □

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Investors call for lifting of SA ban

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PARIS - French investors are getting impatient with the government's ban on new investment in South Africa, a senior industry spokesman said yesterday.

"The French Government's position on new investment is more extreme than that of the European Community," Jean-Pierre Prouteau, president of the Africa Committee of the French employers' group CNPF, said in an interview.

"The EC has lifted its ban on new investment and we are waiting with growing impatience for the French decree authorising new investment in South Africa," he said. *Sowetan 15/3/91.*

France joined an EC trade embargo in 1986 to pressure the South African Government to end apartheid. The EC agreed in December to lift its investment ban after Pretoria said it would end discrimination in living areas, a key apartheid policy.

"We feel it is important for France to publish the order lifting its ban on investment in the coming weeks. Otherwise one cannot transfer even a million French francs (R450 000) to South Africa, and that is stupid," said Prouteau, a former Minister under centre-right President Valery Giscard d'Estaing.

He said French investors saw South Africa as the stimulus for Africa's economic revival.

"What interests us most is the emergence of a new South Africa, the prospect of peace and the role of the country in the development of the Southern Africa region and in the revival of the economies of sub-Saharan Africa," Prouteau said.

He said 15 percent of some 1 500 French firms operating in Africa in 1985 had since pulled out because of the continent's economic and political crisis. - *Sapa*



Lift SA sanctions,

Dutch to urge EC

THE HAGUE — The Dutch parliament yesterday adopted a resolution in support of the government's plans to urge the European Community to lift economic sanctions against South Africa.

Parliament decided to back the government's policy that most sanctions should be repealed as a show of support for apartheid reforms initiated by President de Klerk.

Dutch Foreign Minister Hans van den Broek has said he plans to urge the EC to lift all South African sanctions except those that ban weapons exports.

Mr van den Broek is scheduled to take over the EC presidency on July 1.

There was no parliamentary vote, but an informal survey of party leaders showed that most legislators were in favour.

Harry Aarts, chairman of the parliamentary Foreign Affairs Committee and a member of the ruling Christian Democratic Party, said: "Apartheid is a thing of the past ... The time has come to proceed with the repeal of most, if not all, restraining economic measures."

The Netherlands, which colonised the Cape of Good Hope in the 17th century, has been one of the most vocal critics of South Africa's racial segregation policies. The Dutch began enforcing sanctions in 1985.

However, Dutch leaders have strongly supported Mr de Klerk, who has promised to push his Parliament to dismantle three major apartheid laws concerning land ownership, residential rights and race classification. — Sapa-AP.

Spotlight on funding of Kagiso

SA
16/3/91

LONDON — Auditors of the European Commission were this week examining for the first time the European Community's funding of the controversial Kagiso Trust and other groups in South Africa under the EC's "positive measures" programme.

EC funding of these groups is scheduled to reach R600 million this year. The money is distributed through non-governmental organisations (NGOs) in Europe, some of which take a 6 percent commission.

Most of the money is disbursed to the Kagiso Trust. But donations are also made to the SA Council of Churches, the Catholic Bishops' Conference and Cosatu, although Cosatu receives very little.

Insisted

The Kagiso Trust has always insisted on confidentiality concerning the identity of recipients of funds for security reasons, and Euro-MPs who have asked the European Commission for details have consistently been refused this information.

The trust once indicated to the EC that if it was expected to divulge information on the funding of sensitive matters, such as assistance for detainees, it would rather refuse the money. EC embassies in Pretoria are not permitted to monitor disbursement of funds.

Nobody disputes that the trust has funded a number of worthwhile projects, but last year a European Community "troika", headed by Ireland's Foreign Minister, Gerry Collins, visited South Africa and heard bitter complaints from Chief Mangosuthu Buthelezi and PAC and Azapo

Auditors examine books for first time

STANLEY UYS

spokesmen that among political organisations only the ANC was being favoured with funding.

Euro-MP Brian Cassidy said this week that he had tried "with little success" to obtain information about the Kagiso Trust through parliamentary questions.

Only after questions had been tabled and some EC embassies had made inquiries were some "minor modifications" made to the Commission's criteria for funding. All newspapers, for example, including New Nation, New African and The Namibian, were taken off the funding list.

Mr Cassidy said he knew of several groups that had tried unsuccessfully to obtain money from the Kagiso Trust. He has advised the University of Cape Town, Woodmead School and the Funda Centre in Soweto to apply to the Trust and keep him informed of the outcome.

He will then be prepared "to make a fuss in Brussels".

Mr Cassidy saw UCT principal Dr Stuart Saunders recently and advised UCT to submit an application to the Kagiso Trust for funds and to inform him of the result. He would then take the matter further.

The SA Institute of Race Relations and the Urban Foundation both approached the EC for funding and were re-

ferred to the Kagiso Trust.

But Dr Willem Blonk, head of the Southern African Division of the EC's development directorate, this week denied that there was anything unusual about the audit.

"All my department's projects in southern Africa are subject to audit, so why not in South Africa? It is perfectly normal.

"There is no controversy between the EC and the Kagiso Trust, in which we have full confidence. It is incorrect that the trust funds only certain organisations. No other NGO spreads its funding as widely as the trust.

"The Kagiso Trust receives so many requests and comes under such pressure that naturally it cannot meet all applications and sometimes there is ill-feeling.

"The trust has never supported a political organisation as such. It has not financed the ANC. Applications by political groups for funding have been rejected. We support the victims of apartheid."

Shifting

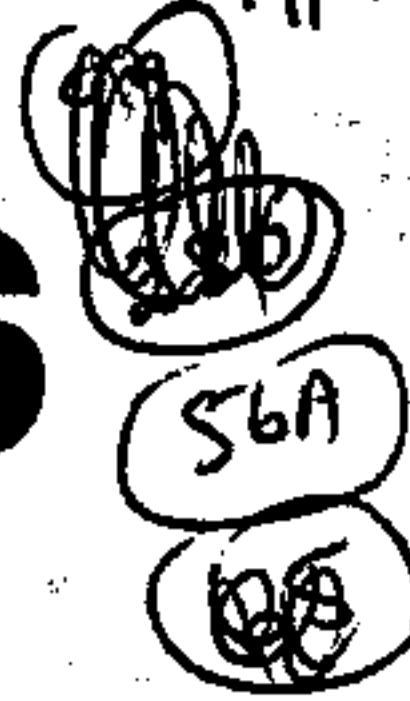
Dr Blonk said the EC was shifting from project to programme funding in South Africa. Instead of building only, say, a health centre, the EC was encouraging the funding also of say, a school and job opportunities in the same area.

Explaining the opening of a technical office by his department in Pretoria, Dr Blonk said this did not represent a step towards the normalising of relations with the Government. Funding activities had increased so much that they could no longer be controlled entirely from Brussels.

Asked to comment on reports that South Africa might join the Lome Convention, Dr Blonk said he thought this was premature.

Dutch plan to lift curbs on S Africa

Sowetan
19/3/91



THE HAGUE (Netherlands) - The Dutch parliament yesterday adopted a resolution in support of the government's plans to urge the European Community to lift economic sanctions against South Africa.

Parliament decided to back the government's policy that most sanctions should be repealed as a show of support for apartheid reforms initiated by South African president FW de Klerk.

Foreign Minister Hans van den Broek has said he plans to urge the EC to lift all South African sanctions except those that ban weapons exports. Van den Broek is scheduled to take over the EC presidency on July 1.

"Apartheid is a thing of the past ... The time has come to proceed with the repeal of most, if not all, restraining economic measures," said Harry Aarts, chairman of the Parliamentary Foreign Affairs Committee and a member of the ruling Christian Democratic Party.

The Netherlands, which colonized the

Cape of Good Hope in the 17th century, has been one of the most vocal critics of South Africa's racial segregation policies. The Dutch began enforcing sanctions in 1985.

However, Dutch leaders have strongly supported De Klerk, who has promised to push his parliament to dismantle three major apartheid laws concerning land ownership, residential rights and race classification. -Sapa-AP.

Another blow for consumers

HARD-PRESSED consumers face another blow when two major banks increase the annual fees on credit card services by at least 12,5 percent in April.

The revised charges at Standard Bank and First National Bank come into effect on April 1.

Nedbank - which has one of the lowest fees - Trust Bank and Volkskas are considering increasing their charges. -
Sowetan Correspondent.

New impartial officers for Kagiso Trust

Sowetan 18/11/91

56A

TWO African National Congress officials and a United Democratic Front office-bearer have resigned from the controversial Kagiso Trust's Natal regional committee because of pressure from the European Economic Community.

The Kagiso Trust, the principal channel for EEC funds earmarked for the "victims of apartheid", has come under intense criticism for an alleged

bias towards the ANC/UDF political camp.

EEC representatives in Brussels, who visited South Africa late last year, have been unhappy for several months with Natal academic Dr Michael Sutcliffe's position as treasurer of both Kagiso in Natal, and the southern Natal ANC region.

Sutcliffe was one of the three office bearers to

resign. The others are UDF executive member Mr Yunus Mahomed and ANC secretary for southern Natal, Mr S'bu Ndebele.

The European backers were also behind the appointment of Mr Eric Molobi as the new general secretary.

This puts him in charge of a R76 million budget. - *Sowetan Correspondent*



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Business Daily

THURSDAY, JANUARY 17 1991

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A TIMES

Kagiso Trust trio quit after EC pressure

TWO ANC officials and a UDF office-bearer have resigned from the Kagiso Trust's Natal regional committee because of pressure from the EC.

The trust, the principal channel for EC funds earmarked for "victims of apartheid", has come under intense criticism for an alleged bias towards the UDF/ANC political camp.

The European backers — in an attempt to have the trust portray a more non-partisan image — were also behind the appointment of Eric Molobi as the new general secretary.

This puts him in charge of the organisation, which has a R76m budget, in place of

PATRICK BULGER
Achmat Dangor, who has headed the trust for several years.

EC representatives in Brussels had been unhappy for several months with Natal academic Michael Sutcliffe's position as treasurer of both the trust in Natal, and a Natal region of the ANC, a European diplomat said yesterday.

Sutcliffe was one of the trust's three Natal regional committee members who announced yesterday they were stepping down from their positions.

The others are UDF executive member Yunus Mahomed and ANC Natal secretary

Sibusiso Ndebele. ~~Eric Molobi~~ (56A)
The diplomat said that while Molobi had been prominent in the UDF, his involvement in education and other non-political community initiatives meant he was likely to project a more non-partisan image.

Dangor becomes national director. In effect this makes him Molobi's deputy.

Mahomed — who will remain a national trustee — cited his involvement with the UDF as his reason for withdrawing.

Sutcliffe said yesterday a European government, which he would not name, was conducting a vendetta against him.

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Allied could...
tempt to...



Kagiso Trust seeks new image

Own Correspondent

JOHANNESBURG. — Two ANC officials and a UDF office-bearer have resigned from the Kagiso Trust's Natal regional committee, because of pressure from the European Community (EC).

The trust, the principal channel for EC funds earmarked for "victims of apartheid", has been criticised for an alleged bias towards the UDF-ANC political camp.

The European backers, concerned to portray a more non-partisan image, were also behind the appointment of Mr Eric Molobi as the new general-secretary of the trust, which has a budget of R76m.

EC representatives had also been unhappy with the fact that Natal academic Dr Michael Sutcliffe was treasurer of both Kagiso and the ANC's Natal region.

Dr Sutcliffe, UDF executive member Mr Yunus Mahomed and ANC Natal secretary Mr Sibusiso Ndebele all stood down from the Kagiso Natal committee yesterday.

While Mr Molobi had been prominent in the UDF, his involvement in education and other non-political community initiatives meant he was likely to project a more non-partisan image, a European diplomat said yesterday.

THE EUROPEAN COMMUNITY is about to consign sanctions against South Africa to history.

Last month's Rome summit of EC heads of government lifted prohibitions (such as they were) on new investment. It made it clear that repeal of the Group Areas Act and the Land Acts will bring the end of the embargo against iron and steel products and Krugers.

By the time the 12 become the world's biggest barrier-free market of 350-million people in 1992, it is likely that the EC will have set up shop in SA. A small office to monitor spending of the R20-million of EC money available for the Kagiso Trust this year is a near certainty.

But the commission's vice-president and head of external relations, Frans Andriessen, wants a full-scale legation.

Bhadra Ranchod, SA Ambassador to the Berlaymont, the EC's towering three-armed headquarters in Brussels, was in London this week to brief businessmen about developments and thinking in Europe on the post-apartheid era.

From the European side it was all very encouraging. The EC has signalled its recognition of SA's important role in the development of the region from Zaire to Zimbabwe and Mozambique to Angola.

Mr Ranchod said the EC had told black African states that they must accept that with the end of apartheid SA ought to be a member of SADCC — the nine-nation Southern African Development Co-ordination Conference.

Opportunity knocks for SA

ST Times 13/1/91

S6A

He spoke of a co-operative arrangement with the EC under which SA expertise would be employed to ensure that development aid money was used well. According to him, only 20% of funds flowing to Africa under the Lome Convention had been usefully employed.

Mr Ranchod went on to spell out opportunities and challenges to SA business in Europe after 1992, plus those opening up in the former communist economies.

But if the EC is ready for post-apartheid business, is SA ready for life after sanctions?

Mr Ranchod suggested it had a long way to go. SA must aim "to step up exports of manufactured goods. We are still too dependent on raw materials," he said. The share of raw materials and food in total EC imports had dropped from 76% in 1958 to 30%. But 80% of SA exports to the community were still in those categories — worth R22-billion.

"There is no room for complacency," he said.

"There has been a lull, an inertia in SA. Sanctions have made us look inwards."

SA would have to become increasingly competitive. A trade agreement with the EC might be good for exporters, but the quid pro quo would require a phasing out of protection for SA manufacturers.



Mr Ranchod's questions about business readiness, however, also raise the issue of whether the Government is that much better.

Nick Mitchell, director of the British Industry Committee on SA (BICSA), asked Mr Ranchod what he thought of criticism of the "lack of business representation in Europe".

He saw few signs of SA exporters' presence in Europe and believed the case for investment in SA was not being put as strongly as it could be.

That strikes raw nerves at some SA embassies — and among those who have dealt with them.

goes along these lines: "I telephoned your embassy and they said I should ring you."

The questions which follow range from what is the rate of inflation in SA, whether it is possible to obtain a list of companies involved in certain activities to the size of the foreign-currency reserves or, in one instance, what the letters Sacob stand for.

It all suggests that basic information simply is not available — from the Reserve Bank Quarterly Bulletin to the JSE Handbook or publications such as the Financial Mail, Business Day or the Sunday Times — or that those seeking the information are not getting through to the right person at the embassy.

"Inept" was the word used by one UK businessman when I spoke to him about the effort being made by officials closeted in Trafalgar Square to sell SA as a trading partner or as an investment opportunity.

Mr Durr will undoubtedly bring a new strength to business diplomacy at the top at a time when the political pressures are receding. But it is not a job one man can hope to do alone. He needs to be reinforced by professionals — why not on secondment from the private sector? — who can talk to investors and businessmen with fluency.

Europe is already SA's most important trading partner and political settlement will revive its role as an investor. It is changing, however, and Europe 2000 will be a very different place.

Mr Ranchod's exhortations to business to shake off sanctions psychosis should be matched by a new, outgoing approach to SA's trade diplomacy.

The appointment of economist and businessman, former Trade and Industry Minister Kent Durr, to the ambassadorship in London shows there is an awareness in Pretoria of the importance of foreign trade and investment.

Personal experience as a financial correspondent in London for the past 10 years suggests to me that while the political diplomats have been fighting SA's corner with some vigour there was a lack of resources in the trade department.

Rarely a week goes by without at least two telephone calls from businessmen, fund managers and other seeking information about the SA economy or companies.

The conversation invariably

EC farm reforms may ease tension

BRUSSELS — The European Community heads into 1991 planning changes to its common agricultural policy (CAP) which may also help relieve tension in stalled world trade talks.

EC farm commissioner Ray MacSharry says he would in any case have drawn up improvements to the CAP, notorious for producing surplus food, for annual EC agricultural price-fixing negotiations due to begin early in the new year.

But failure to reach an accord in early December during a week of General Agreement on Tariffs and Trade talks held on the EC's home turf in Brussels has concentrated Mr MacSharry's mind on devising plans that will not just be seen as internal business.

So he will be trying to kill two birds with one stone when he unveils a reform package on January 9 which he hopes will end some of the absurdities and injustices of the CAP while pleasing the Community's trade

partners in Gatt.

The CAP, devised after World War Two to banish hunger from the continent, was too successful and, ever since, repeated attempts by planners to prune it have failed.

EC trade commissioner Frans Andriessen, now handling EC matters at the Gatt talks, was the last to try in 1988. But beef and butter mountains are again looming on the EC horizon.

Suspended

The Gatt negotiations, begun four years earlier, were suspended on December 7 amid acrimony over agriculture, the most difficult sector of the 14 areas of trade under negotiation.

The US and so-called Cairns group of 14 farm-exporting countries want to go further and faster than the EC. But both agreed to discuss a compromise paper.

Export subsidies, at the heart of the row that hit the Gatt talks, are blamed for encouraging farmers in industrialised nations to grow food that gets dumped cheaply on world markets.

Countries more dependent on farming for export earnings than either the United States or EC members accuse the superstars of robbing them of markets with support from farm policy warchests.

Using export subsidies to shift farm surpluses "is like using an atom bomb to solve an irrigation problem", said Brazil's Gatt negotiator, Ruben Rucupero.

His country is among those bitter about suffering from the subsidy fallout.

Mr MacSharry, a blunt Irishman, has paved the way for EC reforms by expressing outrage at an EC farm system which gives most of the money in the farm budget to the richest farmers, who least need it.

He says his package is revolutionary.

Officials are keeping details under wraps but Mr MacSharry has promised more help for small-scale farmers in hard-to-farm or disadvantaged areas. This should help them stay on the land rather than quitting it in search of work in the cities.

Distort trade

Direct payments unrelated to the amount they produce are on the cards.

Washington favours this kind of payment, since the farmers will not necessarily be contributing to export trade.

As US trade representative Carla Hills put it: "I don't care if they (the EC) pay farmers to be the richest section of society, as long as that doesn't distort trade."

Other plans in the pipeline are boosts in payments for farmers taking measures to protect the environment, for

promotion of quality, not quantity in food, for switching out of intensive farming, for taking land out of production altogether and for early retirement and similar schemes.

There will also be specific measures intended to curb production of cereals, beef, milk, sheep, tobacco and wine.

Brian Gardner of Brussels-based consultants European Policy Analysis, who has watched five attempts at CAP reform hit the rocks, terms that he had heard so far about the new reforms "mere twiddling".

But the United States is being gently encouraging.

Julius Katz, one of Washington's chief trade negotiators, has said he does not know how revolutionary the new EC plans will be.

However, he is in no doubt that there is an internal dynamic driving the EC to make reforms whatever the outcome of the Gatt round. — Reuter.



Luxembourg Foreign Minister Jacques Poos, whose country now assumes the leadership of the EC. Picture: REUTERS

Probable EC negotiator a pragmatic politician

Own Correspondent (SbA)

AMSTERDAM — Luxembourg Foreign Minister Jacques Poos, who could represent the EC in talks in Baghdad with his Iraqi counterpart Tariq Aziz, is known as a pragmatic man.

A socialist, he made his mark on the political scene of Luxembourg as a strict finance minister in the 1970s.

This post, as well as several years in the banking business while the socialists were sitting on the opposition benches, taught him to tackle problems with a rational approach. "He is a rather austere person and likes things to be well in order," said a colleague.

Poos began his career at the ministry after graduating in economic sciences at the University of Lausanne in Switzerland, where he wrote a thesis on Luxembourg's role in the EC, of which it has now taken over the six-month presidency.

He earned respect among journalists as the editor until 1976 of Tageblatt, the main socialist daily in Luxembourg, and is still very keen on writing, said a friend.

Poos is described as hard-working and spends most of his time studying and writing files. Since 1984, he has combined the jobs of Foreign Minister and vice-Prime Minister, and in 1989 he became Defence Minister.

He was elected to Luxembourg's parliament in 1974 and soon obtained the presidency of the socialist parliamentary group. "As a politician, Poos is very moderate, not at all an ideologist," said one political journalist.

He is popular in his own country because of his management skills, but he is perceived as a distant politician who has carefully kept his private life away from the public eye. — Daily Telegraph.

SA's isolation has ended says Botha

THE European Community's decision to lift the last of the 1986 sanctions had ended South Africa's international isolation, Foreign Minister Pik Botha said yesterday.

But Europe would not invest in the country unless ANC deputy president Mr Nelson Mandela, Inkatha leader Chief Mangosuthu Buthelezi and President FW de Klerk got together to end the violence.

Botha said he expected De Klerk to make a statement about the violence "sooner or later".

Western diplomats said they had been told

De Klerk would make major announcements on the violence this week before leaving for a visit to Britain, Ireland and Denmark. ~~USA~~ (S6A)

Now that the 1986 European sanctions were gone, the main theme of De Klerk's European visit would be the need for Europe to participate in the reconstruction of the new South Africa and to reward De Klerk for his reform efforts, Botha said. *Sowetan 17/4/91*

He did not think the ANC's April 5 ultimatum to pull out of negotiations if the Government did not meet certain conditions

would sour De Klerk's tour.

De Klerk had a "record" and a "case" to put. In fact the ultimatum could strengthen his case because it had been a tactical mistake by the ANC. ~~USA~~

There were definite indications that Europe wished to invest in South Africa and inquires at South African trade missions had quadrupled in recent months.

"But people will not easily invest in a climate where people are killing each other in such a blood-thirsty way." - *Sowetan Correspondent.*

IsCOR applauds EC's move to lift sanctions

By Derek Tomney
and Sven Lünsche

Anglo ready to resume exports

The end to European Community sanctions on imports of South African iron and steel and Krugerrands was welcomed last night by Willem van Wyk, managing director of IsCOR.

However, steel producers can expect a stiff battle to regain the markets lost when the EC introduced sanctions four years ago, analysts warn.

Mr Van Wyk said IsCOR had no intention of rushing into European markets.

IsCOR had been hard hit when the ban was imposed on iron and steel in 1986, although in time it had successfully found other markets for its products but IsCOR had no intention of increasing current production, he said.

However, local sales were still declining, which had intensified IsCOR's need to increase exports, especially as a number of newly modernised and ungraded plants were coming on stream.

Analysts said yesterday that if producers achieved a return to their 1986 export levels to the EC the industry was set for a R400 million boost and further expansion over the next few years.

SA's total exports, mainly to



Leslie Boyd... "Re-opening of markets couldn't have come at a better time."

the Far East, amounted to two million tons last year.

Analysts warned, however, of difficulties ahead for exporters, IsCOR, Highveld Steel and Mid-delburg Steel & Alloys (MSA) in recapturing their former markets in the face of slower world growth.

SA producers accounted for one percent, or seven million tons, of total world steel production last year, when prices plunged on average by about 20 percent as a result of massive oversupply to the market.

However, local exporters have focused on niche markets and this could allow them to take advantage of the EC mar-

Anglo American group steel producers expect to resume exports to Europe in the next few months, said Mr Leslie Boyd, chairman of Highveld Steel and Vanadium Corporation and deputy chairman of Anglo American Industrial Corporation.

By 1992 the group expects to be exporting as much steel to Europe as it did before the 1986 ban.

He said the re-opening of the EC's steel markets to South African exporters could not have come at a better time.

Before the 1986 ban South Africa exported between 400 000 and

ket, where steel products trade at above average world levels.

The EC's move could also benefit stainless steel exports, particularly those of MSA, which last year accounted for 150 000 tons of total world production of 10 million tons.

R2-bn project

It could also provide new impetus for the planned R2 billion Columbus steel project, a joint venture between Highveld Steel and Samancor, which requires state assistance before the go-ahead is given.

A foreign banker with considerable knowledge of South Afri-

500 00 tons of steel worth R350 million a year to EC countries.

Since the ban South Africa built up other export markets but these had proved less profitable.

Mr Boyd said that the EC steel industry should have no fears about the resumption of imports from South Africa as the industry had always had a reputation for responsible export marketing.

He said the only significant steel market still closed to South Africa was the United States. He was hopeful that during the second half of this year the Comprehensive Anti-Apartheid Act will be lifted and South Africa will

ca said he had been pleasantly surprised by the EC's decision to lift the ban.

He had feared that the call by the ANC not to lift sanctions might have a delaying effect.

The move will not have an immediate effect on trade between Europe and South Africa. But it is a clear sign to State President FW de Klerk that the European Community is behind him in his efforts to end apartheid.

The banker said that the EC move was more significant than the apparent lifting of an investment ban last December. The EC Council of Foreign Ministers had only recommended

again be able to trade freely in North America.

"The South African steel industry is world competitive in terms of cost, quality and reliability of supply".

He said the EC decision was clear encouragement to President de Klerk to continue the process of political reform.

"It is hoped that the ANC and other pro-sanctions movements will accept the development as giving the South African economy the necessary kickstart to enable it to generate more wealth and create more employment. A strong economy is essential for successful political reform".

the lifting of the investment ban. But it had positively ruled that sanctions on iron, steel and Krugerrand imports be lifted.

The lifting of the ban on Krugerrands will have a minimal effect because new gold coins from around the world have over the last four years easily filled the gap.

In 1987, international Krugerrand sales totalled only 135 000 ounces, or three percent of the market.

However, Tom Main, chief executive of the Chamber of Mines, said last night the EC's move would allow the mining industry to recapture a major share of the gold coin market.

Bid for more European trade as sanctions crumble

FWW seizes the big chance

Star 16/4/91



CAPE TOWN — Renewed trade with Europe will be one of President de Klerk's priorities when he visits London, Copenhagen and Dublin next week.

Senior Government sources said today he and Foreign Minister Pik Botha intended on this trip to pave the way to re-establishing dealings with the European Community after its decision yesterday to lift bans on South African iron, steel and Krugerrands.

In an intensive programme, Mr de Klerk will meet several of Britain's business giants and some of the most influential captains of industry, now that the British government has signalled that it will push for an end to further sanctions, including the voluntary oil embargo and sporting ties.

Mr Botha said last night: "Just as the dismantling of apartheid has become irreversible, so has the dismantling of sanctions become irreversible."

IsCOR applauds end to sanctions — Page 16

Finance Minister Barend du Plessis said the biggest benefit of the EC's decision to lower trade barriers, announced at a Foreign Ministers' meeting in Luxembourg, was that it should clear the way for similar moves elsewhere in the world.

Sources said Mr de Klerk, buoyed by these tangible dividends from his reforms, intended to ride the wave to the full.

While Government leaders are jubilant, the EC decision is seen as a blow to the African National Congress which sent two top members, general secretary Alfred Nzo and foreign affairs secretary Thabo Mbeki to try to stop it.

Today, the move was condemned by the majority of

anti-apartheid organisations. It was labelled "premature" by the ANC and the Azanian People's Organisation (Azapo).

Azapo deputy president Dr Nchaube Mokoape said conditions which had led to the imposition of sanctions had not changed.

"The EC seems to favour President de Klerk over the liberation movements and this does not bode well for future relations because there is going to be a future and we, and not the De Klerks, will play quite an important part in that future."

But the decision was welcomed by big business and Chief Mangosuthu Buthelezi's Inkatha Freedom Party (IFP).

The Chamber of Mines said the decision was "an extremely welcome development which will create the opportunity for the South African mining industry to reclaim its position as a legitimate and effective player in global markets in those areas which were affected by sanctions".

Anglo American Corporation said the reopening of the steel markets to SA exporters could not have come at a better time.

Leslie Boyd, chairman of Highveld Steel and deputy chairman of Anglo American Industrial Corporation, said the steel industry was "world-competitive in terms of cost, quality and reliability of supply".

Bess Robertson, international trade executive for the South African Chamber of Business, described the decision as very encouraging and said it marked the country's continuing normalisation of trade links with the rest of the world.

David Graham, general manager, international operations, of the South African Foreign Trade Organisation, said the EC decision was welcomed as it "should provide an incentive for other countries to follow suit." — Political Staff, Staff Reporters and Sapa-Reuter-AP.

Barend hails end of EC's sanctions

CAPE TOWN — Finance Minister Barend du Plessis last night hailed the EC decision to lift trade sanctions against SA as heralding an end to sanctions imposed by other countries, an apparently pointed reference to the US.

Du Plessis said yesterday's decision by the 12 EC Foreign Ministers to end bans on iron, steel and gold coin imports from SA should pave the way for the lifting of sanctions in other parts of the world.

KIN BENTLEY reports from London that the 1986 package of trade sanctions was lifted at a meeting of the 12 Foreign Ministers in Luxembourg — despite strong ANC objections and last minute lobbying.

A British Foreign Office spokesman said yesterday the move had been expected after President F W de Klerk fulfilled his promise to start repealing apartheid laws.

He said Britain would now be looking at other EC measures which could be scrapped in response to further change.

Remaining are the restrictions adopted by the EC in September 1985, including the arms and oil embargo.

German Foreign Minister Hans-Dietrich Genscher indicated yesterday remaining

BILLY PADDOCK

sanctions would go when apartheid had been abolished completely.

SA Foreign Minister Pik Botha said the decision was a further indication of the international community's recognition of the irreversibility of reform.

However, ANC spokesman Saki Macozoma said the organisation condemned the move and would protest to individual EC members.

ANC international affairs director Thabo Mbeki and secretary general Alfred Nzo at the weekend tried unsuccessfully to persuade EC leaders not to end sanctions.

Highveld Steel & Vanadium chairman Leslie Boyd said SA's steel producers were set to regain export orders to Europe worth R350m a year.

Highveld, and Scaw Metals — also in the Anglo American Industrial Corp stable — would resume steel exports to Europe in coming months which would reach pre-sanctions levels by 1992, Boyd predicted.

Iscor also welcomed the EC move. MD Willem van Wyk said lifting sanctions

□ To Page 2

EC sanctions

would increase Iscor's trading opportunities abroad, but the company could not embark on an immediate European export programme as production was already at full capacity.

Chamber of Mines CE Tom Main said the EC move was "an extremely welcome development which will create the opportunity for the SA mining industry to reclaim its position as a legitimate and effective player in global markets".

Sacob director-general Raymond Parsons said the EC decision was a major step towards normalising SA's external economic relations.

SA Gold Coin Exchange chairman Eli Levine said the EC's decision to lift the sanction's ban on SA gold coins was "tremendous".

Meanwhile, yesterday's decision is a reward for the reform steps taken by De Klerk over the past 14 months — in particular the tabling this year of legislation to remove key apartheid laws from the statute book.

The EC started reviewing its restrictions early last year after De Klerk's Feb-

ruary 2 speech, with Britain soon afterwards lifting its voluntary ban on new investment.

In December last year, a full meeting of EC leaders in Rome agreed to an EC-wide lifting of the 1986 investment ban, in order to help stimulate SA's economic growth.

In a statement after yesterday's lengthy meeting, the ministers said by tabling draft legislation to abolish the Group Areas, Land and Population Registration Acts, De Klerk had "met the conditions laid down by the European Council in Rome for the repealing of restrictive community measures".

Once the draft legislation to repeal apartheid has been passed by Parliament in June, various bodies around the world are likely to start lifting their restrictions.

Last week US President George Bush pledged to SA ambassador Harry Schwarz that he would move to have the Comprehensive Anti-Apartheid Act of 1986 repealed once all conditions had been met.

The Commonwealth is also likely to reassess its comprehensive package of restrictions against SA.

□ From Page 1

'Secret decision already taken'

EC sanctions are set to be axed today

(56A) (S6A)

B/D ay 15/4/91.

LONDON — The 12-nation EC is expected to lift trade sanctions against SA when foreign ministers meet in Luxembourg today, despite a last-minute attempt by the ANC to convince it otherwise.

Diplomatic sources close to the SA Embassy in Brussels are optimistic that the 1986 measures banning the imports of SA iron, steel and Krugerrands will go.

Reserve Bank Governor Chris Stals gave impetus to moves to do away with sanctions when he warned in Italy last week that without economic growth SA would soon become ungovernable.

Senior European Commission officials have secretly taken the decision to lift the bans, say reports in London.

While the commission is keeping mum on what it will recommend to the EC foreign ministers today, official sources quoted in Saturday's Guardian newspaper said: "The lifting of sanctions was agreed and will be announced after discussion with the ministers."

One official continued: "Quite frankly, it was done like this (secretly) to prevent having to seek approval of the European Parliament, where there are strong views about lifting sanctions when so many political issues are unresolved in SA."

European Parliament president Enrique Baron has asked today's meeting to take no decision without consulting members of the parliament, who are angry at what they view as an attempt to present them with a fait accompli. One member said the ANC had asked the community not to step

KIN BENTLEY

out of line with the US.

The SA diplomatic sources said, however, that the parliament had no power over the Council of Foreign Ministers' decisions.

They noted that when sanctions were imposed the parliament was not consulted.

Late last week ANC secretary-general Alfred Nzo and international affairs director Thabo Mbeki travelled to Brussels in a bid to dissuade the foreign ministers from their apparent course. Nzo was quoted in the Guardian as saying it was wrong to lift sanctions when so many apartheid laws still existed.

"I have appealed to the president of the EC Council of Ministers, Jacques Poos, not to endorse this move on Monday."

However, Poos, Luxembourg's Foreign Minister and chairman of today's meeting, told the newspaper Europe that the decision taken by the EC leaders' summit in December to start lifting sanctions once legislation to repeal apartheid was tabled would be respected.

In the past few months of legislation to repeal the Group Areas, Land and Population Registration Acts has been tabled.

Next week President F W de Klerk will visit Ireland and Denmark, the countries within the EC which have held out longest over sanctions.

An international meeting of Anglican Church leaders in Northern Ireland at the weekend, attended by Archbishop Desmond Tutu, said it believed black leaders should decide when sanctions should be lifted.

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EC likely to lift its last sanctions at session tomorrow

SI Times 14/4/91
Sunday Times Reporters

THE European Community's foreign ministers meet in Brussels tomorrow — most probably to lift the last remaining sanctions against South Africa.

A top ANC team this week urged EC officials to keep sanctions in place. They said this was particularly important given the ANC ultimatum to the government to end violence in the townships.

The ANC's director of international relations, Thabo Mbeki, and ANC secretary general Alfred Nzo met representatives of the European Commission and the chairman of the Council of Foreign Ministers, Jacques Poos, in Luxembourg.

Diplomatic observers said the meetings were timed to influence the meeting of the 12 EC foreign ministers, scheduled for tomorrow and Tuesday in Luxembourg.

The Council of Foreign Ministers is due to discuss whether the conditions laid

down at the EC summit in Rome in December for lifting import bans on Krugers, iron and steel from SA, had been met.

The Foreign Ministers Committee has the power to lift sanctions against SA at any time.

The ban on new investments in SA was lifted at the December summit and the EC committed itself to lifting further sanctions if SA met certain conditions.

Observers in London said the lifting of trade sanctions was almost a fait accompli and needed only to be rubber stamped.

A senior EC official in Brussels said: "There is agreement among the 12-nation body that South Africa has made the legislative changes we demanded as a prerequisite to the lifting of sanctions."

"Therefore, it is more than likely that legal barriers for free trade between South Africa and Europe will be removed tomorrow — or within a few weeks at most."

COMPANIES

EC loan to meet capex needs of Botswana firm

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LIZ ROUSE

BOTSWANA RST's subsidiary, BCL, which produces nickel, copper and cobalt, will have access to a special EC loan of 55-million pula to meet its capital expenditure over the next few years.

Chairman Malcolm Bayliss says in his annual review that the loan, negotiated by the Botswana government, was formally approved by the commission of the EC in July 1989 and a draft loan agreement is close to finalisation.

Insufficient

The onlending terms between the Botswana government and BCL have yet to be agreed.

The only source of funding immediately available to BCL is its working capital reserve which may prove insufficient to fund necessary capital expenditures as well as to maintain operations if metal prices show continued weakness, says Bayliss.

Capex in 1990 was 27,5-million pula and estimated capex in 1991

amounts to about 21,6-million pula.

The bulk of spending this year will be on mining projects, including the completion of the Selebi North mine and continuation of Phase 11 of the 250-million pula project at the Selebi mine.

These projects are required to maintain capacity production levels, says Bayliss.

Botswana RST plunged into a loss of 148,7-million pula in the year to December 1990 compared with a profit of 92,8-million pula in 1989.

BCL has substantial accumulated losses which have led to an extremely high burden of group debt.

Botswana RST's interest charges in 1990 came to 34,2-million pula and the group's accumulated losses at the end of December amounted to 1,4-billion pula.

That means that payment of ordinary dividends is out of sight. The company has never paid a dividend.

Bayliss says the present outlook for base metals prices in 1991 is not encouraging.

He says argument concerning the world economy is centred on how serious the current business recessions in the industrialised world are going to be.

In addition, any further weakening of the US dollar would reduce sales revenue in pula terms.

He says high levels of inflation in southern Africa and rising costs in Botswana have significantly raised the level of metal prices required for BCL to cover operating costs.

Future

In addition, BCL will have to spend vast funds in the next few years to maintain adequate ore supplies for the future.

It is in the Botswana government's interest to help rescue the mine because of royalty payments, which are usually substantial (11,1-million pula in 1990 and 20,07-million pula in 1989), as well as the provision of work.

FWW'S hopes message

W/L Matus 20/4/91

DE KLERK ARRIVES IN LONDON CONFIDENT SUMMIT WILL SUCCEED

From MICHAEL MORRIS, Political Correspondent, and ALAN ROBINSON, Weekend Argus Foreign Service in London

PRESIDENT De Klerk arrived in London today with the message that the country was "on track toward a new South Africa with a new democratic constitution."

He is confident, too, that his scheduled Pretoria summit on violence is not in danger of collapsing — in spite of early indications of negative reaction from both sides of the political spectrum.

Mr De Klerk and his wife, Marike, arrived in London early today at the start of a week-long, three-country visit.

Their SAA scheduled flight touched down on time and there was no sign of any protests or demonstrations.

The Presidential couple were met at Heathrow Airport by South African Embassy staff and a protocol official from the Foreign Office.

They left almost immediately for a private visit to their son, Willem, who is studying at a business college in Cambridge. They will return to London tomorrow evening.

The official visit begins Monday with a call on the State President by Overseas Development Minister Mrs Lynda Chalker.

At Jan Smuts airport last night before leaving on the historic trip to England, Ireland and Denmark, Mr De Klerk said he held no fears his summit would not get off the ground, adding he could hardly imagine somebody opposing violence refusing talks with the government.

Looking for British reaction

He said ANC Deputy President Mr Nelson Mandela had assured him the ANC would be giving consideration to the peace summit scheduled for May 24 and 25.

He said the freeing of political prisoners and the return of exiles were "absolutely on schedule" and there was a chance these processes could be complete before April 30.

Mr De Klerk will today be scanning British newspapers for their reaction to his peace proposals as he prepares to woo political and business leaders in London, Copenhagen and Dublin.

For the most part, the President's integrity and the irreversibility of the reform process he began last year are undoubted.

It is what troubles businessmen and politicians alike is the chance of rampant violence permanently damaging the negotiation process and ruling out hope of happy and profitable relations.

His peace package, though, will go some way to convince potential investors he is determined to quell the violence, and is willing to take fresh and imaginative steps to begin a broad-based peace process.

The international community will expect such peace efforts to be as broadly supported as possible, particularly by the main players.

The EC's decision to lift its remaining trade sanctions against Pretoria was a blow for the ANC, which had dispatched two of its senior figures, secretary-general Mr Alfred Nzo and international affairs director Mr Thabo Mbeki, to Brussels to argue for the maintenance of economic pressure on South Africa.

Violence, and the government's capacity to tackle it, is something of an Achilles heel — if only because this is a critical issue the government is not equipped to resolve alone.



Evander Holyfield and George Foreman get their arms entangled as they exchange punches in the third round of their world heavyweight bout last night. More pictures, page 23.

Old-timer no pushover

THE "Battle of the Ages" went to youth, but it was more of a battle than most thought it would be.

From ED SCHUYLER in Atlantic City

er puncher, but he couldn't put his punches together as Holyfield did

his face puffy, said to Lou Duva, Holyfield's adviser and one of his corner men: "Thanks for the opportunity to see this."

COURT
APSO

W/LEAGUS 20/4/91

56A

SUMMIT WILL SUCCEED

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Violence, and the government's capacity to tackle it, is something of an Achilles heel — if only because this is a critical issue the government is not equipped to resolve alone, and while most of the international community accepts President De Klerk's bona fides politically, they will take some convincing that sustainable order is within reach.

Mr De Klerk said: "The government is on schedule in complying with its undertakings in terms of (issues) agreed upon. If the process has not been completed by then it will simply have to continue."

He said although the ANC's reaction had been relatively negative, it had not rejected the summit.

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Total package 'could double'

Foreign aid set to surge, say diplomats

DIRECT and indirect aid to SA from six of the world's major industrial nations and the EC could almost double next year from the R450m committed this year, diplomats representing these nations said yesterday.

Following the pledge to help SA revive growth and create opportunities for blacks by the leaders of the Group of Seven (G-7) on Tuesday, the diplomats said their governments would continue to plough money into projects they had identified.

Japan is the one G-7 member which does not channel aid to SA.

Most of the R450m committed and the largest proportion that had been spent was on education and housing, they said. Other areas earmarked for aid were health and social welfare.

The diplomats were unanimous that there was an urgent need to restore growth to the economy to reduce inequalities created by apartheid.

One said that while aid efforts were having a good effect, what SA's economy really needed was access to IMF and World Bank loans.

The US and UK diplomats and the EC representative estimated aid from their governments and the EC collectively would increase from the current R450m to R730m next year.

The total aid package would double next year if Germany, France, Canada and Italy increased their aid spending in line with increases expected from the US, Britain and the EC. The four were not able yesterday to supply an estimate of their likely SA aid budgets for next year.

BILLY PADDOCK

An EC spokesman said R130m was spent last year through its programme and a further R200m was earmarked for this year. He said decisions to increase aid were taken annually but he thought the sum would increase again next year possibly by a further R35m.

US Information Services public affairs counsellor Kent Obee said President George Bush, on announcing the lifting of CAAA sanctions, had said the US would double its R170m aid commitment to SA projects, mainly in the field of education and housing.

He said more than half the current aid to SA was being spent on education and the US was looking at other possibilities. Some members of the embassy were in the US to discuss further aid, he said.

German embassy spokesman Fritz Diehm said he did not have the exact figures of 1991 German aid to SA but it would certainly be more than the R32m direct and a further R32m through the EC programme.

He said this had increased by 7% on last year's figure and while it was expected that there would be a further increase next year, resources were limited and his government was committing large amounts of money to the rehabilitation of the former East Germany.

Germany also supplied aid through non-governmental organisations and the embassy was still busy drawing up a complete breakdown of the amounts and where

□ To Page 2

Aid

they were being allocated.

A British embassy spokesman said his government was involved in about 300 different projects and was spending about R50m this year, mainly on education, housing and social welfare. This sum excluded aid through the EC and the 1 200 scholarships the British government administered. He said there had been a rapid increase in aid to SA with a tenfold increase since 1986.

It is understood British aid could rise by another R40m in 1992.

The Canadian embassy said it expected its government to increase substantially its aid from the current R23m once SA reform was accepted as irreversible.

The French and Italian embassies also spoke of substantial increases, but they would only know the details later this year.

Italian second secretary Alessandro Cortese said his government allocated about R5m in aid, but this would increase "because we are busy planning a lot of new projects".

He said an Italian Foreign Affairs Department delegation would arrive in SA in August to evaluate and study various proposals.

A spokesman for the French embassy said it was supplying about R6m in aid to various education, housing and rural development projects and he expected that more would be forthcoming.

□ From Page 1

Aid to SA set to double

Political Staff

NEXT YEAR, six of the world's most industrialised nations and the EC look set almost to double the R450m they committed in direct aid to South Africa in 1991, diplomats said yesterday.

Following the Tuesday pledge by G-7 leaders to help South Africa revive growth and create job opportunities for blacks, the diplomats said their governments would continue to plough money into projects they had identified.

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The diplomats were unanimous that there was an urgent need to restore growth to the economy to reduce apartheid inequalities.



THIS WAY . . . President Mikhail Gorbachev and President George Bush, under the watchful eye of an unidentified interpreter, shake hands at the start of yesterday's meeting.

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tively would increase from the current R450m to R730m next year.

If Germany, France, Canada and Italy made similar increases, the total aid package would double.

US Information Services public affairs counsellor Mr Kent

Picture: AP

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German embassy

spokesman Mr Fritz Diehm said that while his government would increase aid next year, resources were limited because his government was committing large amounts of money to rehabilitate the former East Germany.

A British embassy spokesman said his government was spending about R50m on about 300 projects this year, mainly involving education, housing and social welfare.

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● Superpowers agree on arms treaty — Page 3

EC aid to be

linked with

human rights

Sowetan 8/7/91

(S6A)

APELDOORN (The Netherlands) - European Community member states agreed at the weekend on the need to co-ordinate their emergency humanitarian aid.

"We are giving hundreds of millions of dollars each year and it is not being done in a very efficient way," said Dutch Development Minister Jan Pronk.

He was speaking after the first day of an informal two-day meeting of EC development ministers in this northern Dutch town.

The EC has recently mounted major relief operations for Kurdish refugees, victims of cyclones in Bangladesh and people facing famine in Africa.

Pronk said the ministers discussed the possibility of creating an EC aid agency - an idea favoured by EC Development Commissioner Manuel Marin.

The ministers agreed that there should be a link

between the Community's long-term development aid to Third World countries and their record on human rights.

Pronk said the EC planned to send its diplomatic "troika" - ministers from the last, current and next holder of the EC's rotating presidency - to developing countries in Africa and Asia. Ethiopia, Mozambique, Angola and Bangladesh were possible destinations.

Fear grips

Philippines

TAAL, Philippines - Mount Pinatubo's devastation, and rumblings deep inside the earth here, are raising anxiety among thousands of Filipinos who live on one of the country's most active volcanoes.

Three months before Mount Pinatubo erupted scientists became concerned that Taal Volcano was gearing up for a new eruption because of earthquakes and other activity.

- Sapa.

EC sources said the ministers could, for example, express support for countries where human rights were respected and put pressure on states where they were not.

At present there are no formal guidelines linking EC aid to human rights, although the European Commission - the EC executive - has in the past suspended help to countries like Sudan and Liberia where there were violations. - Sapa-Reuter

Guns still rule in Kuwait

KUWAIT - Violence is palpable everywhere in Kuwait where, four months after the Gulf War, power still comes out of the barrel of a gun.

On Kuwait city's seafont an angry Kuwaiti teenager settles a row with a friend using the Kalashnikov assault rifle he keeps in the boot of his car.

Outside the city's al-Sabah hospital, a Palestinian couple abduct a Kuwaiti woman, beat her up so badly she can hardly see and dump her in the street.



Gangsters disguising themselves as military commandos pose for police photographs at the weekend after being arrested on charges of swindling and gangsterism. On display are their bayonets and other military equipment.



Rebels set up a radio

Shootings and beatings still occur daily. The government has been unable to persuade its people to hand in the weapons abandoned by the Iraqi army after its rout by the US-led allies.

Anti-aircraft guns, rocket-propelled grenades and heavy machineguns are among the weapons in private arsenals.

"The situation is scary. There are a lot of guns around and if someone doesn't like you, all it takes is a bullet," said Chahem al-Najjar, an opposition politician and leading human rights activist.

The Gulf War has shattered the peace among Kuwait's mosaic of nationalities and ethnic groups and spawned a pervasive sense of insecurity at every social level. - Sapa-Reuter.

Colonel Alex Kanyarengwe, chairman of the Rwanda Patriotic Front (RPF), said the radio. - Sapa-Reuter.

SA firms may be able to bid for EC-funded projects

310 ay 17/7/91
 SA COMPANIES could be eligible to participate in major African development projects funded by the EC, Safto says.

The European Development Fund has committed R40bn to projects in African, Caribbean and Pacific (ACP) countries. Most of the money, which comes from the EC, is to be used for infrastructural development from this year until 1995.

Safto executive Paresh Pandya said yesterday his organisation estimated that about 90% of the fund's aid would be channelled to countries in Africa.

He said SA companies could participate under certain circumstances. Until now, it was thought that only EC and ACP companies were eligible to participate in the fund's projects.

However, provisions were made for firms from non-member countries to participate, if certain criteria were met.

Pandya would not give details of the criteria, but said SA was at an advantage

(S6A) (12)

MARCIA KLEIN

over many other countries in terms of fulfilling the criteria, and he was confident that SA would meet them.

This was because SA was close to the rest of Africa, it could be competitive in terms of costs, and its technology was suited to the continent.

SA was in a good position to participate in new business opportunities arising from international aid agencies.

Also, only 70% of funds previously committed had been spent, indicating a lack of viable projects.

The balance would be added to the R40bn.

Aid was mainly given for projects including agricultural and rural development, transport and communication, social development, industrialisation, water engineering and social development.

EC confident of bringing states into line

LUXEMBOURG — European Community leaders left their summit at the weekend confident of signing a monetary union treaty this year in spite of an unexpected altercation with Britain over timetabling the move to a single currency.

The heads of government agreed new guidelines for the final leg of the intergovernmental conference on union, which is widely expected to be concluded with a treaty at the EC summit at Maastricht in the Netherlands in December.

For the first time they endorsed formally the need for so-called "convergence programmes" to align the widely differing national economic performances of the EC's member states.

In particular John Major, the Prime Minister, underlined the importance of the convergence effort.

^{Star 2/7/91}
"If one were to go forward without such convergence you would face very real economic difficulties indeed," he said.

"Some member states would I think face such difficulties that they would face truly horrendous problems."

Mr Major was at pains after the summit to play down a last-minute dispute over a reference in the guidelines drawn up at the meeting to the commitment made at the Rome summit last October to launch "stage two" of the Delors plan in January 1994.

Compromise

Italy's Giulio Andreotti objected when Mr Major asked that the reference be removed. It finally remained, with Britain's continuing objections also made clear, however.

But, hinting at a willingness to compromise,

Mr Major said he might accept some target dates so long as they were secondary to the achievement of economic convergence.

"It is perfectly acceptable for dates to be set for progress to stage two and three, so long as they are indicative and on the basis that the right level of convergence of the economies can be reached," he added.

The summit conclusions called on the member states to draw up in detail economic adjustment programmes to bring levels of inflation and public budget deficits, in particular, down to low common levels.

The leaders agreed that these should lay out in detail the targets each country will hope to achieve and how it will reach them.

It was also made clear that each of the programmes would be discussed by the member

state concerned, first with the EC Commission and then with all the community finance ministers at their meetings in Brussels. The progress subsequently made by each government will also be closely monitored.

Though Britain is not among the group of states with the widest gaps to bridge — notably Greece, Portugal and Italy — it will be expected to submit a programme of its own.

This is likely to reflect the medium-term economic strategy documents already drawn up annually by the Treasury.

Despite the obvious irritation of some leaders with Mr Major's position on the Rome summit reference, others lent him support, including Helmut Kohl of Germany and the Dutch prime minister, Ruud Lubbers. — The Independent.

SBDC leads the field, says Vosloo

THE SBDC had in many ways become a world leader in the field of small business support, MD Ben Vosloo said in Johannesburg yesterday. (56A)

He was speaking on his return from a tour of Europe, during which he addressed the Milan Chamber of Commerce, attended a small business congress and visited business development organisations. (133)

"Small and medium entrepreneur development organisations in Europe were impressed with the SBDC's record over the past 10 years of having assisted 30 000 small business entrepreneurs with loans amounting to R1,1bn and in the process creating 280 000 jobs.

"Small business support trends in Europe confirm that the strategies implemented by the SBDC over the past 10 years have kept pace with the rest of the world, and that in many respects the SBDC has become a leader in this field," Vosloo said.

"With 99,36% of EC businesses employ-

Bibay 3/7/91
THEO RAWANA
ing less than 100 employees and 91,34% less than 10, it was clear that Europe was following in the footsteps of Japan, the world's most small business-based economy".

The EC had clearly recognised the importance of the small and medium-sized sector as an efficient job creator and was targeting this sector with its business development initiatives.

The decrease in unemployment in EC countries — since the EC launched a development programme for small and medium entrepreneurs in 1986 — was due largely to this sector's performance, while big companies were increasing unemployment.

"It reaffirmed our belief at the SBDC that focusing business development strategies on the small business sector in SA is the most effective way of addressing our own unemployment," Vosloo said.

EC gives SA sport a boost

56A
CT 1/7/91

'Politicians could block UCB entry'

Own Correspondent
LONDON. — Former Australian captain Richie Benaud fears the admittance of the United Cricket Board of South Africa to the ICC next week could be blocked by the politicians.

With only the West Indies' support still in doubt, he disclosed that the issue is to be discussed by Caribbean political leaders this week.

Writing in yesterday's News of the World, Benaud noted that the admittance of the UCB had the "very strongly stated support of the ANC, who have asked other nations casting their votes at the International Cricket Conference in London next week to ensure readmittance".

"It seems the politics of the Caribbean will be all-important for a unanimous vote. There is a meeting in West Indies this week where the matter will be discussed by politicians." Benaud said he feared the politicians would give the ANC "a slap on the wrists and tell them it is not for them to press for anything".

readmission of South Africa would be fulfilled as soon as possible.

No fresh announcement was made on economic sanctions.

The EC leaders ended the two-day Luxembourg summit on Saturday bogged down in old arguments over forming a political and economic union in December.

Britain insisted on a reiteration of its objection to a single currency for the community, the ultimate stage of economic union, and with several other countries, registered their refusal to accept an ultimate "federal" union.

The European leaders are due to meet again in December in the Dutch town of Maastricht.

A top-level delegation from the International Amateur Athletics Federation will fly into Jan Smuts Airport today for a five-day follow-up visit to their mission in early May.

The delegation will again be headed by Mr Lamine Diack of Senegal. — Own Correspondent, Sapa-AP

In their declaration on South Africa, the EC leaders welcomed the "important progress made towards the complete and irreversible abolition of apartheid" and called for backlogs caused by apartheid to be redressed, stating that the scrapping of apartheid should be followed by the "elimination in practice of all racial discrimination".

Progress achieved

They also urged that negotiation be speeded up, expressed concern at the violence and hoped that a quick solution would be found to the release of political prisoners and the return of exiles.

The leaders said they were "conscious of the significant influence of the role which sport might be called on to play in the emergence of a South African nation" and "noted with satisfaction the progress achieved in desegregation in the sporting field".

They said they hoped all the conditions set by the International Olympic Committee for the

LONDON. — The admission of non-racial South African athletics and cricket to world competition, which will be discussed again in the coming week, was given a major boost by the European Community at the weekend.

Leaders of the 12 EC states meeting in Luxembourg said they supported "the principle of renewing sporting contacts at the international level on a case-by-case basis, where unified and non-racial sporting bodies have been set up".

On Saturday the International Olympic Committee meets in Lausanne to consider South Africa's return to the Olympic Games.

On Sunday the International Amateur Athletics Federation meets in Rome, where South Africa will also be discussed.

On Monday the International Cricket Council meets at Lord's, where the possible admission of the United Cricket Board of South Africa will be high on the agenda. So far Sri Lanka has said it would support South Africa's application for membership.

EC leaders poised for major summit on unity

8/Day 28/6/91

561

LUXEMBOURG — The 12 EC leaders walk a tightrope this weekend when they discuss a draft treaty to turn the trading bloc into an economic, monetary and political union.

Most of them have held backstage talks this week to prevent a clash at the summit today and tomorrow which will crown Luxembourg's six-month term as EC president.

The latest spat over whether the revised treaty should state whether the EC aspires to become a federation is not on the agenda. But the traditional communiqué at the end of the summit will signal how the debate on other disputes is going.

To avoid a row, the 12 leaders will search for words that go beyond mere stock-taking of six months of treaty talks so far but fall short of settling any of the issues immediately. The issues are:

- A common foreign and security policy which could spill over into military matters;
- Competences: These are the fields in which the EC has a say and can overrule national governments;
- Co-decision: Giving the largely impotent 518-seat European Parliament a real say in EC decisions by allowing it to share the last word with the Council of Ministers (the 12 states);
- Social policy: Implementation of a 1989 EC Social Charter of workers' rights is blocked because Britain alone refuses to sign it;
- Cohesion: Jargon for transferring money from the rich northern member states to the poor southerners in Spain, Portugal, Greece and parts of Italy, plus Ireland;
- Convergence: The dominant issue in the European monetary union (EMU) negotiations this year. This is Eurospeak for bringing national inflation rates, budget deficits and interest rates down to a low norm in preparation for a single currency. Germany says it will not join EMU unless there is convergence;
- EMU transition phase: British Prime Minister John Major calls it the "black hole" between the current system of national currencies and the goal of fixed exchange rates and a single currency later. The main dispute is between France, which wants a central bank set up in 1994 to prepare for union, and Germany's demand that no bank be operational until 1996 at the earliest;
- EMU final phase: The moment of truth when EC members would decide to form a monetary union. A minefield for Britain's Major, who wants to avoid any decisions at the summit which imply his acceptance of a single currency. — Sapa-Reuter.

Netherlands 'to sway EC on SA'

Bloom 28/6/91

LESLEY LAMBERT

CAPE TOWN — The Netherlands will use its position as new EC leader to influence the trade policies of other EC nations towards SA now that it has officially renewed relations with the country.

This was the message of a high-powered Dutch trade mission which visited SA this week to renew relations formally and to announce a R20m investment by The Hague in black education and training.

The Netherlands would begin its term at the rotating EC presidency on July 1 and would be in a position to influence the attitude of other member nations towards SA, delegation leader and Dutch foreign economic relations director-general F A Engering told journalists at a media briefing yesterday.

However, Engering warned that while the Dutch private sector — one of the world's biggest sources of foreign investment — was keen to invest in SA, it would not do so until there was certainty that the country's future economy would be based on free market principles.

"The R20m investment is the start of a new policy aimed at developmental projects.

"It is small by comparison with the trade and investment opportunities which will open up as a result of the renewal of special political, cultural and economic relations between SA and the Netherlands," Engering said.

"The Dutch private sector is one of the biggest international investors.

"Last year it invested the equivalent of R35bn in other countries.

"If just 1% of this could flow into SA, it could have a major impact," he said.

"While trade opportunities look promising in the short term, because they involve shorter contracts, large-scale investment by the private sector is subject to tough conditions which may only materialise in a couple of years.

"No businessman in the world will invest in a country which is in the process of negotiating new constitutional and economic settlements," Engering said.

Exhibition

"If the economic policies which emerge from negotiations are inward-looking and interventionist, as they have been in the past, then SA will not qualify for Dutch investment, particularly not when there are 160 other countries to choose from. But if the economy is market-related and deregulated, and if factors such as the high rate of inflation are adequately addressed, I am confident that investment will flow into the country."

Engering said the trade mission, which was organised by the Netherlands Centre for Trade Promotion, would be followed up in January with an exhibition featuring the Netherlands' 10 major economic sectors.

Plans for EC army

Sowelen
27/6/91
BRUSSELS - Nine West European states will today discuss steps needed to give a military arm to the European Community. (S6A)

But leaders of the Western European Union meeting in the Luxembourg town of Vianden are expected to stop short of plans for a rapid reaction force using troops on loan from Nato.

WEU secretary-general Mr Willem van Eekelen hopes talks will lead to an eventual defence role for the group. - Sapa-Reuter.

Thatcher warns Major over EC

ct 28/6/91
LONDON. — The Prime Minister, Mr John Major, has been warned by Mrs Margaret Thatcher, his formidable predecessor, that he will incur her wrath if he negotiates away the sovereignty of the British parliament in the interests of European unity.

To accept unity proposals now being discussed by the European Community "would be the greatest abdication of national and parliamentary sovereignty in our history", Mrs Thatcher said on Wednesday in a House of Commons debate on European policy.

The government won a majority of 154, but an EC timebomb may still be ticking away within the ruling Conservative Party.

Mrs Thatcher voiced support for Mr Major as he prepared for an EC summit in Luxembourg today, but she also won Conservative cheers for reiterating her hostility to a federal Europe and a single EC

currency, calling them "supernationalism run riot".

Politicians said her renewed stress on the perils, as she sees them, of closer integration of the 12-nation EC would embolden a small but vocal Conservative faction upset over Mr Major's apparent willingness to negotiate.

But commentators said fear of defeat in an election due within a year might yet impel Conservatives to close ranks and give Mr Major a big majority in any showdown with the "Iron Lady".

Mr Major did not speak in Wednesday's debate. He sat unsmiling through Mr Thatcher's speech — one of her few appearances in parliament since her resignation last November.

Officials said Mr Major would keep to a strategy of negotiating a treaty on economic and political union to be finalised at a December EC summit in the Dutch city of Maastricht. — Sapa-Reuter

EC to consider easing ban on sport contacts

Star 2/1/6/91
BRUSSELS — The European Community would consider easing its ban on sporting contacts with South Africa as individual sports there ended racial segregation, Dutch Foreign Minister Hans van den Broek said yesterday.

Mr van den Broek told a news conference that discussions at the EC's Luxembourg summit this week "could lead to consideration of relaxation of the sports boycott where full integration has already taken place".

He said the Netherlands, which takes over the EC's rotating presidency on July 1, believes the Community should continue a step-by-step approach to the lifting of sanctions in general Community diplomatic

S6A
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sources said any EC summit declaration would probably seek to encourage the South African authorities to take further steps to promote racially mixed sport by holding out the prospect of easing the boycott later.

The two-day Community summit ends on Saturday, coinciding with the scheduled inauguration of a united governing body for South African cricket, replacing the two race-based administrations.

The South African soccer administration has already made a similar change.

The EC governments agreed in April to lift Community import embargoes on South African iron, steel and gold coins.
— Sapa-Reuter.

EC gets green light to end SA sport isolation

CIT 27/6/97

LONDON. — The way appears to be clear for the European Community (EC) summit in Luxembourg on Saturday to declare its support for contact with internationally recognised non-racial South African sporting bodies. (280) (56A) (297)

This follows a signal from the Danish Social Democratic Party (SDP) that it will not oppose an expected EC declaration on sporting links.

However, the SDP said yesterday that the party and its coalition partners would maintain their opposition to the lifting of the EC ban on the import of SA iron, steel and Krugerrands.

A special meeting of the Danish parliamentary committee dealing with EC matters takes place in Copenhagen tomorrow.

The declaration follows moves within a number of sporting federations to readmit non-racial SA bodies.

C

Meeting on EC's future form may go up in smoke

By Day 25/6/91

S6A

BRUSSELS — When EC leaders meet in Luxembourg this week to discuss key issues for EC integration, the room will be like a cylinder filled with petrol fumes.

A spark from any of the 12 leaders could set off the explosive mixture, dashing backstage efforts by Britain to avoid a clash over the EC's future shape.

"If (French President Francois) Mitterrand gets out of bed on the wrong side on Friday, boom!" a diplomat said.

Luxembourg, which hands over the EC presidency to the Netherlands the day after the summit, wants the talks that will cap its six-month tenure to address four of the most difficult topics in moves towards EC economic and political union.

Integration

Britain is trying to soft-pedal issues such as an EC defence role, a single currency, an EC say in social affairs and greater powers for the European Parliament.

Other partners, including Italy, Belgium and Luxembourg, want a greater degree of integration.

The two camps' plans look difficult to reconcile.

As shown by a row last week over mention of a "federal goal" in the draft EC treaty, fundamental differences remain over whether the bloc should evolve into a federation or whether it should merely be perfect-

ed as an economic grouping.

Britain's problems with the issues at the centre of the argument have received top billing because of Britain's accident-prone track record at EC summits and Prime Minister John Major's fight to keep his Conservative Party united over the pace of European integration.

But most other EC states have qualms after six months of talks to take the EC beyond its status as a trading bloc. While some fear the new treaty that emerges will be too ambitious, others complain that it will be too pedestrian.

Italy engineered a clash at a Rome summit last October that precipitated the fall of Major's predecessor, Margaret Thatcher. But this time, says Italian Foreign Minister Gianni de Michelis, Rome is keenly aware of Major's problems.

However, Italy, with other EC federalists, wants the summit to go beyond bland words and set a precise course for the final six months of negotiations over the EC's future.

□ British Prime Minister John Major and Mitterrand agreed yesterday to avoid making decisions at the meeting on Friday.

Sapa-AP reports that Major wrung agreement from Mitterrand at a meeting in Dunkirk that the EC summit will be an occasion to take stock rather than make "partial decisions" based on the work of two inter-governmental councils named six months ago. — Sapa-Reuter.

One word that could shatter dreams of EC unity

HOW can a single word, "federal", cause a major row in the European Community?

The answer is that by openly evoking a United States of Europe, the EC has presented an alluring dream for most of the 12 member-states — but for the others a nightmare of lost national identity and enslavement to Brussels.

The fundamental dispute over the EC's future shape broke into an open last week when the states launched negotiations to

push the bloc towards economic, monetary and political union.

The biggest single issue until now has been the proposed replacement of the 12 national currencies by a single unit managed by an independent bank.

This would deprive governments of their basic powers to make monetary policy.

Euro-sceptics now fear that the mention of a federal goal in a revised EC treaty could herald even greater disasters.

They believe the mere mention of a federal future could be used by others later to ram through even more intrusive plans, with the executive European Commission becoming the real power, and present governments reduced to local administrators.

It is not clear whether all the states in the federalist camp would want to go that far when the time comes.

But the emotional issues at stake are such that the govern-

ments, shying from the open clash on what they want the EC to become, are harping on the term "federal" itself and its different meanings in different languages.

The French and the Italians love it. It excites the Germans, the Dutch and the Belgians, and for the time being it tempts the Spanish, the Greeks, the Irish and the Luxembourgers.

But Britain — supported by Denmark and Portugal — argues that the term has no

place in the draft revision of the bloc's charter.

Much of the EC's business as a trading bloc is effectively federal already.

Until now, the EC treaty contains no explicit mention of a federal goal, and refers simply to an "ever closer union".

"The word 'federal' is particularly badly interpreted," British Foreign Secretary Douglas Hurd said last week.

Part of the problem, he said, was that it had a stronger

meaning in English than in French — the language to be used to draft the proposed treaty revision.

Since any changes in the EC treaty must be agreed upon unanimously, Britain alone could force the others to erase the word from the draft.

The federalists, led by the European Commission, say they only want the new treaty to commit the Community to evolving in the direction they want. — Sapa-Reuter. □

EC states fail to reach agreement

LUXEMBOURG. — The 12 EC states failed Sunday to resolve differences over the future of the European Community, but were confident an accord can be signed in December to turn the trade bloc into a political and monetary union.

At their summit meeting here next Friday and Saturday, the EC leaders will issue "political guidelines" on a new EC treaty, Luxembourg Foreign Minister Jacques Poos said after chairing an EC foreign ministers meeting Sunday.

He said the summit will make no final decisions but debate issues in dispute, notably a joint security and defense policy for the EC and more powers for the European Parliament, the advisory EC assembly.

The treaty's draft — as written by Luxembourg, which now holds the EC

presidency — calls for a Europe with a "federal vocation" through a common security and, in time, defense policy, a central bank, a single currency and a European Parliament that can initiate — and veto — some EC laws.

Britain, backed by Portugal and Denmark, object to a federal Europe.

The 132-page draft would amend the EC's founding Treaty of Rome of 1957 and give the EC a single voice in foreign and security policy and make it a single-currency trade bloc by the late 1990s. (56A) CT 25/6/91

Tristan Garel-Jones, a junior British foreign minister, on Sunday reiterated Britain's objection to the word "federal" as evoking a European super-state at the expense of national sovereignty.

Pressure to probe human rights

ACTION by pressure groups is gradually forcing human rights back on to the Commonwealth agenda after years in which the subject was either taboo or used for internal politics.

But a report published last week calling on the next Commonwealth summit meeting — in Zimbabwe in October — to agree to a declaration of human rights that would apply to all 50 Commonwealth countries may be going too fast for many member nations.

Mr Richard Bourne, director of the advisory group which produced the report, is not confident it will be adopted.

Belief

He said: "To put human rights on the agenda in such a short time — by Commonwealth standards — may not be possible. A draft of the final communiqué from the Harare meeting is already in existence."

Because of the conference venue, Africa will have great influence. While small, poor African countries, such as Gambia and Botswana, are eager to deal with human rights, the larger ones are not.

The report noted that the Commonwealth had too

often turned a blind eye to abuses in member countries. No machinery existed to deal with complaints or to monitor performance.

In 1971, the Commonwealth asserted its belief in "the liberty of the individual and in equal rights for all citizens, regardless of race, colour, creed or political belief".

But it was another 10 years before approval was given to setting up a human rights unit in the Commonwealth Secretariat and five more years before it was established.

The report said the Commonwealth record on human rights was poor. More than half the members had not signed the appropriate international convention.

"Large numbers of Commonwealth citizens live in constant fear of their lives," it said.

"Many are driven to seek refuge abroad at a time when the world seems to have turned its back on refugees and asylum seekers. Others live in abject poverty."

The report did not single out countries, but it concludes that there are many

JOHN BULLOCH in London reports that the Commonwealth cannot now turn a blind eye

places in the Commonwealth where children and women are exploited, where governments discriminate against opponents or where indigenous people are prevented from getting legal title to land they have occupied for centuries.

Detained

Amnesty International gives specifics. This year it has reported on six Commonwealth countries, finding abuses in all. Its conclusions:

● **INDIA:** "Rampant" abuses by the security forces in Punjab;

● **SRI LANKA:** Thousands of people have "disappeared", many of them

victims of executions by government forces;

● **PAKISTAN:** This year introduced new forms of punishment considered cruel and degrading;

● **MALDIVES:** Many people detained for criticising the government. Reports of ill-treatment of prisoners and harassment of their relatives;

● **NIGERIA:** General concern about the situation, particularly the execution of 69 prisoners after an attempted coup. Civilians detained without charge; children as young as 14 sentenced to death;

● **MALAYSIA:** Opponents of the government "rehabilitated" by being held in indefinite detention without charge or trial.

Those who seek to improve the situation in the Commonwealth will also be in danger, according to the report.

It said: "Some states make a practice of detaining human rights workers or harassing them in other ways. There is a sustained campaign to discredit them by false accusations or innuendoes."

"In extreme cases, governments use vigilantes or paramilitary forces to eliminate activists."

As the report said, the usual approach to human rights so far in the Commonwealth and elsewhere has been to use concern as a tool of international politics and pressure.

Harare 1991 could just be a turning point — but as a result of private pressure, not government initiative. — *Daily Telegraph*

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AAM 'stunned' over Krugerrands launch

ARGUS 21/6/91

210 56A

LONDON. — The Anti-Apartheid Movement said it was "stunned" at the "arrogance and ignorance" of the South African gold industry after its decision to re-launch the sale of Krugerrands.

An European Community ban is still being upheld by Denmark.

Mr Mike Terry, executive secretary of the British AAM in London, said: "We are astonished, stunned ... don't they know its still illegal and liable to prosecution if they go ahead?"

He described the announcement in Johannesburg by Chamber of Mines President Clive Knobbs as "arrogant and ignorant of the international situation".

Although the EC decided in April to lift its 1986 ban on the import of gold coins, this move is still blocked by Danish opposition parliamentarians, who have combined in a majority to stop the Copenhagen government from endorsing the EC's decision.

Mr Terry warned that AAM activists would definitely take the necessary steps to inform relevant authorities in Europe if any sales of Krugerrands took place before the prohibition was lifted.

Danish opposition MPs were not expected to give the go-ahead to the sanctions-lifting move until President De Klerk agreed to ANC demands for a constituent assembly and interim government.

"In the meantime, it gives us something to campaign against," Mr Terry said.

The EC in Brussels confirmed that the ban on Krugerrand imports was still in place because of the Danish situation.

Mr Terry said it was apparent that Mr De Klerk and Foreign Minister Pik Botha had failed to advise the Chamber of Mines of the true situation in Europe.

"We're stunned that they could be so ignorant and arrogant.

"If anything, this will harden the attitude in Denmark and also among other EC member states who were secretly relieved at the Danish block," Mr Terry said. — Sapa.

EC foreign ministers praise SA after scrapping

56A

LONDON. — European Community foreign ministers have praised South Africa for scrapping the last key apartheid law, but have urged the government to speed up the release of political prisoners and the return of exiles.

At a meeting in Luxembourg on Tuesday, the 12 ministers said they welcomed the repeal of the Population Registration Act, which followed the earlier repeal of the Group Areas and Land Acts. They said: "These measures mark the beginning of a new era in South Africa.

The way is now open for national reconciliation and the establishment of a united, democratic and non-racial South Africa.

They repeated the hope that "all obstacles to negotiation, including the detention of political prisoners and the problems impeding the return of exiles, can be removed swiftly".

Anti-Apartheid Movement president Archbishop Trevor Huddleston, who arrives in South Africa on Sunday, yesterday welcomed as "a breakthrough" and "encouraging" the EC declaration on political

prisoners and exiles. He called for pressure to be maintained during a meeting with European Council president Mr Jacques Poos last week.

Archbishop Huddleston, 78, has been invited by the ANC to attend its national congress in Durban next month.

He said yesterday that the message to President F.W. de Klerk was clear — "that he must honour the agreements which he had reached, especially on the release of political prisoners and the return of exiles".

Major goes ahead with EC unity

LONDON. — Prime Minister Mr John Major slapped down a vocal anti-European faction in his ruling Conservative Party yesterday, committing Britain to a full role in moves towards European union.

15/6/91
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"Sulking on the fringe of talks about the destiny of Europe cannot be the right role for Britain. Europe is not a battle between 'them' and 'us'. It is our continent too," he told a party meeting in the Welsh city of Swansea.

56A
Mr Major attacked as "faint hearts" Conservative critics who have spoken out against closer economic co-operation in the past week, undermining his delicate negotiating strategy with the 11 other Community members and damaging party unity. — UPI

Commonwealth is eyeing a new SA

Sowetan

13/6/91

56A



LONDON - Is there life beyond apartheid for the Commonwealth?

Once apartheid has gone, what will hold the Commonwealth together?

These are some of the questions the quaintly named 10-member Commonwealth High Level Appraisal Group would have asked itself in London this week if its meeting had not been postponed (because of unexpected difficulties the Australian and Indian governments are having).

Apartheid

Commonwealth supporters are in no doubt. This is a watershed period for the Commonwealth from which it can emerge bigger and more influential - not only because apartheid is ending but also because, a few fragments excepted, decolonisation is over.

The Group's meeting has been postponed to October 15 in Harare, when the Commonwealth Heads of Government Meeting will also take place. CHOGM is likely to draw up a written invitation to South Africa to return to the Commonwealth once a democratically elected government takes over.

Bleak years

It may be a few years before South Africa meets this condition,

SOWETAN FOREIGN STAFF

but CHOGM feels it may be proper to put down a marker at this stage.

Would a post-apartheid South Africa accept the invitation?

Thirty years have passed since Dr Hendrik Verwoerd led South Africa out of the Commonwealth into the bleak years of isolation and no one really knows what the state of black and white opinion is on returning to the Commonwealth.

One can only guess that the majority of both groups will want to return to the fold.

Critics

The Commonwealth has many critics - from Tory MPs who dismiss it as a club for Third World moaners and scroungers to cynics worldwide who say it has no identity or function. Yet the case for not only continuing the institution but also expanding it is persuasive.

It survived Suez, Rhodesia and South Africa.

English

Its 50 members represent one-third of the countries in the world and one-third of the votes at the UN.

In a talk to the Royal African Society in London here the noted Commonwealth expert Derek In-

gram suggested that the use of English as an official language should be the first of the new rules. English, says Ingram, is the binding cement.

Empire

Mozambique might find it easy to do on the grounds that so many people there speak English. Namibia has already joined, although it never formed part of the British empire.

With the exception of Angola, therefore, the whole of Southern Africa could be members of the Commonwealth. Would South Africa want to stand outside this grouping?

The other condition suggested by Ingram is that every new country applying for membership should be able to show that it practises at least the substance of democracy.

Members

Quite a few Commonwealth members do not meet this condition, but a new democratising influence is abroad. Certainly in Africa the pressure is on all black governments to democratise - or miss the aid and investment bus.

The Commonwealth, to its credit, spoke out against human rights abuses in Uganda under Idi Amin - the OAU, to its shame, did not.

Mandela in plea to EC

BRUSSELS. — ANC deputy-president Mr Nelson Mandela has pleaded with the European Community to maintain economic sanctions against South Africa. ARGUS 11/6/91

An EC spokesman said that during talks with European Commission President Mr Jacques Delors here yesterday Mr Mandela had said he regretted the gradual easing of sanctions by the EC since December.

Mr Mandela had told Mr Delors the lifting of EC sanctions "was not a good signal for the full enforcement of the Harare agreements and for the end of violence in South Africa". — Sapa-AP.



SANCTIONS PLEA . . . European Commission president Mr Jacques Delors with Mr Nelson Mandela at the commission's headquarters in Brussels yesterday. Mr Mandela, on a private visit to Brussels, urged the EC to maintain sanctions against South Africa.

11/6/91 268-568 Picture: AP

Mandela leads bid to keep EC sanctions

LONDON. — The anti-apartheid movement, headed by ANC deputy president Mr Nelson Mandela, yesterday stepped up its campaign to urge the European Community to maintain sanctions pressure on the South African government until demands are met for the release of political prisoners and the return of exiles.

Yesterday Mr Mandela had an hour-long meeting in Brussels with the president of the the European Commission, Mr Jacques Delors, during which he expressed "regret" at the EC decision last December to partly lift sanctions.

And yesterday morning a delegation from the Liaison Group of the EC Anti-Apartheid Movements, led by Arch-

bishop Trevor Huddleston, held an hour-long meeting in Luxembourg with Foreign Minister Mr Jacques Poos, the president of the European Council of Ministers.

"I came away with the clear impression that there is a changing perception in Europe as to the reality of the situation in South Africa," Archbishop Huddleston said after the meeting.

Mr Poos said President FW de Klerk had failed to keep his promises in respect of political prisoners and exiles. He also accepted the need to maintain international pressure on the South African government. — Own Correspondent and Sapa

EC increases SA budget by 150%

8/10/91 10/6/91
JONATHON REES (S6A)

THE EC has increased its budget for SA this year to R200m (Ecu 60m) from R80m, with education and training taking the lion's share.

A source said at the weekend that internal bursaries, largely for tertiary education, would absorb around R30m. The Kagiso Trust, SA Council of Churches, SA Catholic Bishop's Conference and trade unions would remain the main conduit for EC development funding.

The EC was anxious that government and the UN High Commissioner for Refugees (UNHCR) speedily came to an agreement on the UN's involvement in the repatriation of SA exiles.

The EC would then make a significant financial contribution to the costs of repatriation, the source said.

The National Co-ordinating Committee for the Repatriation of SA Exiles (NCCR) would receive a R1m holding grant at the end of July. Further support depended on government and the UNHCR coming to an agreement.

The Kagiso Trust and other organisations had shifted their focus from welfare and human rights to development programmes, especially education and training, the source said.

They would not be drawn on any EC figures for funding repatriation, saying they would wait for a final budget and see what other donors were doing.

EC increases its SA budget

Own Correspondent

JOHANNESBURG. — The European Community (EC) has increased its budget for South Africa this year from R80m to R200m, a source said at the weekend.

Internal bursaries — mainly for tertiary education — will absorb the lion's share of the funding, an anticipated R30m. The Kagiso Trust, SA Council of Churches, SA Catholic Bishops' Conference and trade unions would remain the main conduit for EC development funding, the source said.

These organisations had shifted its focus from welfare and human rights to development programmes, especially education and training, the source said.

The EC was anxious that government and the United Nations High Commission for Refugees (UNHCR)

speedily came to an agreement on the UN's involvement in the repatriation of exiles. The community would then make a significant financial contribution to the estimated R80m required for repatriation, the source said.

The National Co-ordinating Committee for the Return of SA exiles would receive a R1m holding grant at the end of July. More substantial support depended on the government and the UNHCR coming to an agreement.

NCCR national coordinator Manekolo Mahlangu-Ngcobo said the NCCR was working with a broad figure of 40 000 exiles, of whom 1 300 had already returned home.

An NCCR source said NCCR committees were concerned at the government's delay in finalising arrangements with the UNHCR, as exiles already back in SA were being financed on a one-off emergency grant from the World Council of Churches and other organisations.

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Europe warns SA

From Page 1

should be allowed to halt the negotiation process and called on political forces to do all in their power to enable a dialogue on violence and intimidation to take place.

In letters to the ANC and the IFP, the 12 indicated they had told the government in a demarche that primary responsibility for maintaining law and order lay with it.

Mobilise

But, the 12 added, it was also up to other parties to do all they could to end violence.

The letters reminded the two parties of agreements already entered into with the government and between the ANC and IFP. They emphasised that only a just and even-handed settlement could solve the problem.

The letters also said the EC countries could not condone armed action amounting to the taking of the law into one's own hands — a clear reference

to the ANC's self-defence units and Inkatha's armed groups.

South African Foreign Minister Pik Botha responded by saying that combatting violence was uppermost in the minds of President FW de Klerk and his Cabinet.

He accepted that the government was responsible for maintaining law and order and said the peace conference held on May 24 and 25 was a genuine attempt to mobilise the entire spectrum of leadership to combat violence.

He also welcomed the approach by the 12 to the ANC and IFP.

Genuine

"It is to be hoped that the 12 will put it to the ANC unambiguously that it should involve itself directly and concertedly in all genuine attempts in combatting violence," he said.

Mr Botha said he hoped the 12 would encourage the ANC to become involved in follow-up efforts to the peace summit.

Europe fires a shot across SA bows

Sunday Times
Political Correspondent

THE 12 members of the European Community this week gave the South African government a tough warning to end the political violence in the country.

The strongly-worded message was delivered by the Dutch Ambassador in a demarche — a diplomatic protest supported by all 12 countries.

The action is seen as an indication of the frustration of the EC with the government's failure to get to grips with violence and allegations of security force bias.

To ensure an even-handed approach, similar messages were sent to the ANC and the Inkatha Freedom Party, stating it was also incumbent on them to do all they could to end the bloodshed.

The Dutch Consul-General in Cape Town, Remert Cohen, said he could neither confirm nor deny that the demarches had been delivered.

Weapons

However, documents in the possession of the Sunday Times show that the 12 approached the government to say they were greatly concerned that violence could undermine the climate of confidence between representatives of the government, the ANC and the IFP.

In the letter, the 12 welcomed measures limiting the carrying of traditional weapons at public meetings as well as the setting up of a standing commission of inquiry into the prevention and ending of politically inspired violence and intimidation. They urged speedier implementation of the measures.

The EC countries stressed that nothing

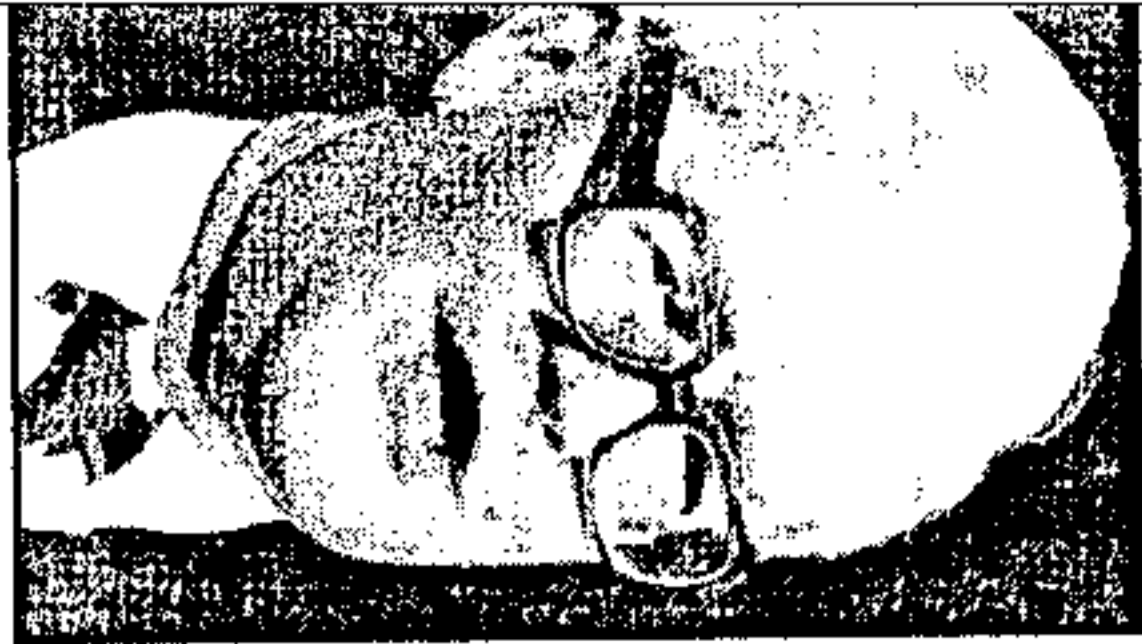
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Europe firm on sanctions

Danes are main stumbling block

Spec 7/6/91

(56A)



Letter from ANC... Britain's Douglas Hurd.

HOPES that the European Community summit on June 28/29 would signal the beginning of the end of its sanctions against South Africa are fading.

This means that the ban on imports of iron, steel and gold coins will continue, and also that moves to lift the highly symbolic oil embargo will have to wait for a more opportune moment.

Eleven of the 12 EC members are ready to lift the 1986 sanctions on iron, steel and Kruggerands, but the persistent opposition of Danish MPs is blocking such a move.

The Danish government itself has given its assent, but it is a minority government, and its coalition partners, through the parliamentary committee, are blocking the legislation that

would give South Africa its breakthrough into acceptance by the Western community.

There is one last chance that the breakthrough can occur. This is if the legislation abolishing the remaining pillars of apartheid is approved by the SA Parliament by June 21, as expected, and the Danish parliamentary committee decides to abandon then and June 28 to abandon its opposition.

The chances of this happening are slender. The committee would have to act quickly to reverse its present position, and it may decide rather to follow the example set

Many were expecting that the European Community would relax its sanctions against South Africa at its summit this month. But the hope is fading. STANLEY UYS of The Star Bureau in London reports.

by the OAU this week and continue support for the maintenance of sanctions.

The OAU is divided on the sanctions issue, while reviewing the situation as positive steps to dismantle apartheid are taken in South Africa.

If the parliamentary committee withdraws its opposition,

and the EC lifts sanctions on iron, steel and gold coins, the way will be clear for the British government to ask its European partners to lift the oil embargo.

Britain has led the field in the EC against sanctions, and it is ready now to lift the oil embargo, but it accepts that its partners will be reluctant to lift this 1985 sanction before the 1986

sanctions have been lifted.

No pressure is being exerted on the Danish government to try to secure parliamentary approval for the EC's recent vote on the lifting of sanctions because the Danish government is being held back only by its coalition partners.

The EC would rather advance by consensus on the sanctions issue.

The EC is also pursuing the consensus principle on the lifting of the sports boycott.

ANC foreign affairs spokesman Thabo Mbeki has written to British Foreign Secretary Douglas Hurd informing him of

the organisation's agreement to lift the sports moratorium.

The ANC is making a clear distinction between lifting the sports moratorium and maintaining other sanctions.

The EC is also moving forward in another field.

It is removing exclusive control of its funding of projects in South Africa from the four existing non-governmental organisations - Kagiso Trust, South African Council of Churches, Catholic Bishops Conference and Cosatu.

This method of funding has become highly controversial, following allegations by other organisations that the ANC has been the major, and sometimes the sole, beneficiary of grants.

Now that the EC has its own administrator, the funds will be more equitably distributed. □



Letter on sports moratorium... Thabo Mbeki.

EC divided over political union

DRESDEN — European community (EC) foreign ministers failed to settle deep differences that have emerged in talks over political union, but they pledged to keep seeking a compromise.

The 12 foreign ministers met here to try to overcome what has become the most serious dispute yet in their plan to write a new EC treaty by the end of the year. That dispute centres on how the new community will be structured and which institutions will have the final say in decisions.

Luxembourg, which holds the rotating EC presidency, promised to revise its draft treaty on political union to try to bridge the increasingly large gaps between member states. That promise was enough to avoid an outright public clash — at least for now.

But bringing the two sides of the debate together may prove more difficult than anyone is willing to admit, according to yesterday's Wall Street Journal (Europe).

The ministers met in Dresden to show their commitment to bringing the eastern part of Germany into full association with the rest of the community. But the dispute over political union dominated the talks.

EC Commission president Jacques Delors has led a recent campaign warning that Luxembourg's draft treaty represents an unworkable and dangerous departure from the institutional framework evolved in the EC over the past four decades.

Delors has won sympathy for his ideas from seven countries which asked Luxembourg on Monday to revise its proposed treaty to take into account some of his complaints.

The key dispute concerns whether the treaty revision lays the groundwork for a future federalist constitution for the community.

Countries such as Germany, Belgium, the Netherlands, Spain, Italy and Portugal want to make sure that the new treaty sticks to the current three-part institutional architecture. Un-

der that structure, power is divided among the Council of Ministers (composed of national cabinet ministers), the European Parliament and the EC Commission.

However, France and Britain want to hold onto national control over foreign policy, police and judicial co-operation. But that could mean an increasing number of major decisions would be made behind closed doors under an inter-governmental structure dominated by the big countries.

Luxembourg Foreign Minister Jacques Poos said after the meeting that a compromise was possible and would probably involve a treaty clause indicating the new structures are temporary. The treaty could also state the eventual aim is a more federalist system.

The Luxembourg draft calls for creating an EC with three distinct "pillars" — one for the existing economic community and two new ones to cover foreign policy and judicial issues.

The EC Commission says this will be a confusing and cumbersome system. — AP-DJ.

VIENNA — Opec oil ministers hud-

Opec leaders in a huddle

Bid to avert famine tragedy

Food aid package pledges increase

pledges increase

BRUSSELS - Euro-pean Community nations have pledged to increase the size of an EC food aid package for African countries facing famine.

Britain went the furthest of all by promising 60 000 tons of food - well over its share of a 200 000-ton package the 12 EC states agreed to May 17.

"We were very happy to see so many states will hand over more than we expected them to," an EC Commission official, who

demanding anonymity, said after a meeting of the 12 EC development ministers.

The EC executive earlier this month promised about R500 million from its budget to buy 400 000 tons of food.

At the same time, it asked the EC governments together contribute a further 200 000 tons.

Besides Britain, Greece promised 10 000 tons and R6,25 million, and Spain offered 11 000 tons.

Other countries said

they were still considering the size of their contributions.

British Development Secretary Lynda Chalker criticised ministers who did not make specific offers at the meeting.

"Today was a day for member states to stand up and be counted," Chalker told reporters. "Some stood up. Some didn't. I hope they will think again, and think and act fast."

She said the 200 000-ton figure was "only a target" that has been

overtaken by the growing tragedy in Sub-Saharan Africa.

"It is not enough," she said. "The situation is getting worse by the day."

About 30 million Africans face starvation because of a food shortage estimated at 1.5 million tons, officials said.

In their daylong meeting, the ministers also discussed a Commission proposal to link future development aid to respect for human rights in recipient countries. - SAPA-AP.



An Ethiopian Jew sits in his new Mobile home with his two daughters and grandson in Mabulia, Southern Israel. The family arrived in Israel after a massive airlift of Jews from Ethiopia.





German Christian Democratic Union parliamentary spokesman on Africa Volkmar Köhler and the ANC's Ahmed Kathrada in Pretoria yesterday after Kathrada met visiting German MPs who are on a fact-finding mission. At a news conference later, Köhler said economic relations with Germany and the EC were likely to be restored at the end of the year.

Picture: ROBERT BOTHA

German MPs are optimistic

GERALD REILLY

PRETORIA — Normal economic relations with Germany and the EC were likely to be restored at the end of the year if all apartheid laws were scrapped, German Christian Democratic Union parliamentary spokesman on Africa Volkmar Köhler said in Pretoria yesterday. (S6A)

Köhler, who is heading a fact finding mission of German MPs, said the "gigantic" problems in education, housing and social services could only be tackled if SA's economy was strengthened.

Köhler said Germany would do all it reasonably could to stimulate development in southern Africa, including SA, when the last apartheid laws had been scrapped.

He stressed the importance of establishing strong regional economic co-operation in the subcontinent. However, it had to be based on equality of opportunity and on partnership between the regions involved.

There were businessmen interested in investing in SA, but no hard decisions could be taken until violence subsided significantly.

German development aid to SA was unlikely to increase significantly. Germany contributed about a third of the R200m which came annually from the EC.

This was mainly allocated to non-governmental organisations to stimulate black business and small business development.

EC to assess aid for Africa

Sowetan 27/9/91

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BRUSSELS - European Community development ministers meet today to assess members' contributions to fighting a famine that threatens more than 20 million Africans.

EC officials said the Council of ministers would examine how much the 12 member states had given to complement Community efforts and discuss how to co-ordinate their initiatives.

"The Council will look at what member states have done to make sure they are doing their bit," one EC diplomat said.

Stopped

The EC has raised its 1991 budget limits by R453-million to send an extra 400 000 tonnes of food to Africa. The European Commission, the EC's executive, wants members to contribute a further 150 000 to 250 000 tonnes.

Aid organisations are lobbying for faster shipment of food.

"Speed of delivery is the crucial issue at the moment. I'd be surprised if a single ounce of the 400 000 tonnes is moving yet," Tony Vaux, emer-



gency co-ordinator of Oxfam, said.

Oxfam feared much of the aid would reach the Horn of Africa late in the year and coincide with lo-

cal harvests, he added.

The ministers will discuss plans to link development aid to respect for human rights.

The Commission has stopped aid in the past to some countries where human rights were judged to have been violated but wants clear guidelines for future action. - Sapa-Reuter

Own Correspondent

There's no stilling the clamour for full EC membership

BRUSSELS — The EC could have as many as 18 members by the middle of the decade after the six EFTA (European Free Trade Association) countries made it clear last week they no longer put faith in plans to give them increased trading rights.

Iceland walked out of talks designed to create a "European Economic Area" (EEA), saying Spain was making

rapacious demands for fishing access. As the talks have foundered, a spate of applications for full EC membership has become inevitable.

Last Wednesday the Swiss government said the negotiations were "unsatisfactory", and that party representatives would meet on May 17 to discuss full membership.

Austria applied to join the EC in 1989, and Sweden has said it will formally apply this June. EC experts believe both will be admitted soon after the beginning of 1993.

The EEA was originally designed by Jacques Delors, commission president, to stave off the membership ambitions of the Nordic countries, Austria and

Switzerland, so that the 12 could concentrate on building a "united states of Europe."

The EFTA countries were to be given the same basic "four freedoms" — movement of goods, people, services and capital — which are sacrosanct within the EC, without being full members.

But as the negotiations approach their mid-year deadline, it has proved all but impossible to set up such a halfway house, with fishing rights and policing the EEA the stumbling blocks.

If foreign ministers from the 18 countries fail to crack the problem at a meeting on May 13, the negotiations could collapse. But even if the EEA goes ahead in some weakened form, the clamour for full membership will not be stilled. — Daily Telegraph.

Public support for EC ^{Star 315791} ^{56A} military force rockets

BRUSSELS — Public support for a European Community military force to intervene in conflicts outside Europe has rocketed to 61 percent since the Gulf War, according to an opinion poll released yesterday.

Support rose from 50 percent in December and 30 percent in April last year, the EC's Eurobarometer polling service reported.

It attributed the increase to "the feeling that the EC had been powerless when faced with the Gulf crisis".

The EC came under heavy criticism for its lack of com-

mon action in the war. Only France, Britain and Italy contributed combat forces to the war against Iraq.

The 12 EC states are discussing how to forge a common foreign policy and, possibly, a common defence structure to be able to react militarily in future crises.

The Eurobarometer poll was based on telephone interviews with about 1 000 people in all 12 EC countries in mid and late March.

The poll also showed that approval of a single EC currency has risen five points to 60 percent. — Sapa-AP.

Danes thwart EC sanctions vote

CAT/TMP 30/4/91

564

146

Own Correspondent

LONDON — A coalition of left-wing parties in the Danish parliament is effectively preventing European Community member states from formally implementing the EC decision earlier this month to lift the ban on the import of South African iron, steel and Krugerrands.

The decision was taken unanimously by the EC Foreign Ministers' Council in Luxembourg on April 15.

However, Danish Foreign Minister Mr Uffe Ellemann-Jansen, who represents a right-wing coalition government comprising the Conservative and Liberal parties, was later confronted with a vote in the Danish parliament in favour of retaining sanctions.

While the coalition government has the support of several small centrist parties on most issues, the major opposition party, the Social Democrats, commands their support on sanctions.

A spokesman for the European Community said from Brussels yesterday that as long as the view of the Danish parliament remained that sanctions should stay, the new EC decision could not be put into effect.

The issue will again be discussed when the European Foreign Ministers' Council meets on May 13 and 14.

There are sharp differences between Britain and France on a future EC defence role, writes David Usborne

Sec 30(4)(9)

S6A

Head-on clash could destroy European unity bus

DIFFERENCES between Britain and France on development of a possible defence dimension for the European Community deepened significantly at the weekend, raising the prospect of a head-on collision at the next EC heads-of-government summit in June.

The rigidity of the French and British positions, with France leading a majority of states keen to give the EC a direct defence role and Britain resisting, overshadowed informal talks on future foreign and security policy between EC foreign Ministers in Mondorf, southern Luxembourg.

Jacques Delors, the European Commission president, predicted for the first time that the issue, which is central to continuing constitutional negotiations on political union, would only have a chance of being resolved at the June summit.



Francois Mitterrand . . . clash with British expected.

This could herald a damaging confrontation between John Major, the British Prime Minister, and Francois Mitterrand, the French President.

Mr Delors also echoed several Ministers in criticising Nato for

lagging behind in its parallel review of military and political strategy, not now expected to conclude for months. Urging the alliance to catch up, Mr Delors said its members "were too busy ogling at the EC's political union conference as if it were some kind of pornographic show".

Douglas Hurd, the British Foreign Secretary, told Ministers that although he favoured an increased European defence identity, it would have to be built on the foundations of the Western European Union (WEU), which is formally linked to Nato, and should not lead, even in the long term, to any role for the Community. Britain has the broad backing of Portugal, Denmark and the Netherlands. Ireland, which is neutral, is also reluctant.

Mr Hurd said he foresaw a European rapid-reaction force, with



John Major . . . hard work could be undone.

out US participation, for operations outside the Nato area. That could be in Africa or the Middle East, for instance. It would be a mixed force that would come together only at moments of crisis.

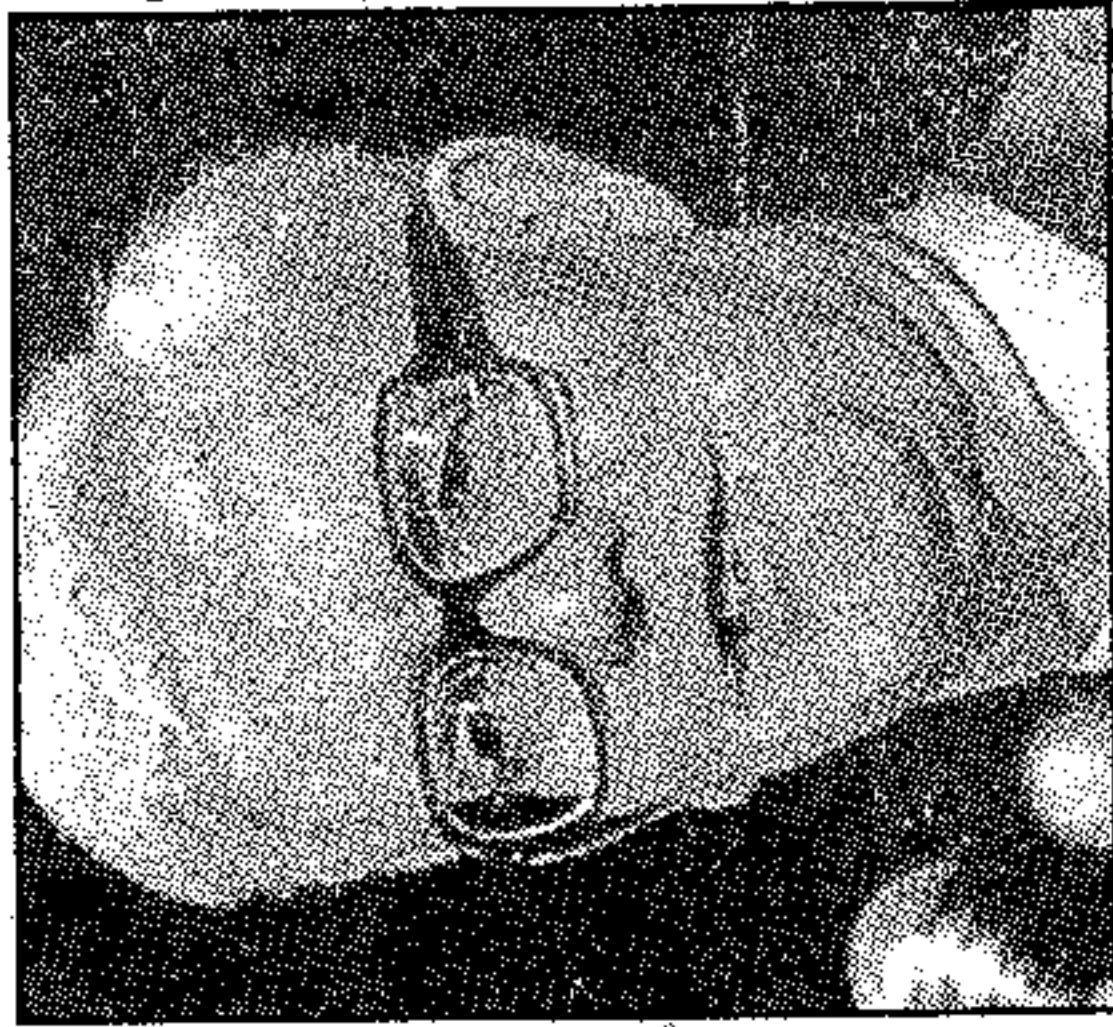
At other times only a small

planning cell would exist. Nato would retain its sole security role within its traditional territory, and would be involved in any interventions in Central and Eastern Europe.

Roland Dumas, the French Foreign Minister, voiced frustration with the emphasis being laid on the WEU as the first foundation for a European defence. He was provoked especially by a document prepared for the Ministers endorsing the move of WEU headquarters from Paris to Brussels.

"It is wrong to be spending time looking at relationships and structures, we must concentrate on the principles," he said. "A political union treaty must state the goal of establishing, in time, a defence role for the EC."

Mr Hurd and Mr Dumas met on Saturday to try to narrow their differences, but officials said no



Douglas Hurd . . . stresses Nato links.

progress was made.

A clash at the June summit could undo much of the work done by Mr Hurd and Mr Major himself in repairing relations between Britain and its EC partners. — The Independent News Service. □

Commonwealth's SA agenda delayed

56A
30/4/91
LONDON — A key meeting of nine Commonwealth foreign ministers to consider a response to changes in SA has been delayed.

The influential Committee of Foreign Ministers on Southern Africa, expected to meet soon after the expiry of today's (April 30) ANC deadline for the removal of obstacles to negotiation, will now only meet in July, it was confirmed yesterday.

But the decision could be good news for South African sport.

When the committee, which monitors progress in removing apartheid, met in London shortly after President F W de Klerk's reformist speech on February 1 this year, it agreed to meet after April 30 to review the situation in SA and "consider the appropriate response".

Because of May elections in India, a Commonwealth Secretariat spokeswoman said yesterday, they would now only meet in early or mid-July.

This means a scheduled meeting here in June of 10 Commonwealth leaders — including British Prime Minister John Major and Australian Prime Minister Bob Hawke — will have the first opportunity to pronounce on progress in SA.

Both Major and Hawke have pledged to

seek the removal of sanctions, starting with the lifting of the Gleneagles ban on sporting links with SA.

In particular, the sport-loving premiers — Major last week became a member of the MCC — hope to see nonracial South African cricket back in international competition as soon as possible.

The June meeting, which will coincide with the repeal of apartheid legislation by Parliament, will give them an opportunity to call for cricket's immediate return, along with other sports like athletics now integrated under a single umbrella.

This will add impetus to moves within international sport to allow nonracial South African sporting codes to compete on the world stage.

Although the 10 leaders — from Australia, Bahamas, Britain, Canada, India, Jamaica, Nigeria, Singapore and Zimbabwe and known collectively as the High Level Appraisal Group — will deal primarily with the future role of the Commonwealth, the recent reforms in SA are sure to be addressed.

SA's future membership of the Commonwealth, which includes nearly all the crick-eting nations, should be on the agenda.

KIN BENTLEY

De Klerk's tour has won encouragement and support for SA

'A need for common aims'

By MICHAEL MORRIS, Political Correspondent

PRESIDENT F W de Klerk's short but intensive tour of London, Copenhagen and Dublin has reinforced the need and the urgency of forging a common purpose among South Africans.

REVIEW

On this, Mr de Klerk has learned, depends the degree to which business and political leaders will be prepared to underwrite the transition he has convinced them is real.

In 1990, they were anxious to find out if he was serious, and if the process he had begun was indeed irreversible.

A year later, they doubt that no longer — they are wondering, simply, if his vision is achievable.

The question that arises is whether Mr De Klerk has convinced them that it is.

Future

In fact, it is a false question. It is not a question he alone can answer.

It was notable that after he had addressed the Confederation of British Industry in London on Friday, these hard-nosed businessmen wanted brass tacks answers on the future of the economy — and that among his responses, was an assurance from Mr De Klerk that the ANC was coming round to capitalist thinking, was recognising the supreme need for growth and economic stability.

Before they put down their money, businessmen want to know more or less

what's going to happen to it in the medium term.

They are all for political change, but not so much of it that the apple cart topples over.

Leaders

Perhaps one of the most significant statements of the tour — in a speech to the Institute of Directors at the Royal Albert Hall last Tuesday — was that while he rejected the notion of an interim government, he was prepared to consider drawing the leaders of major negotiation partners into legislative and even executive decision-making.

The concept of co-responsibility during the transition process has problems of its own — it might be seen to be a form a co-option and leaders might be wary of discrediting themselves.

But besides next month's peace summit, it is one of the few opportunities being mooted for the forging of a common purpose.

What bankers and businessmen really want is an assurance from a South African leader they know speaks for all his people, or, crudely perhaps, for the larger portion of the black majority they know must inevitably determine the course the country takes into the future.

Mr De Klerk was eloquent, sometimes impassioned, serious, humble, confident — but, however determined, he remained the leader of a white minority government.

Even so, given these difficulties, it is undoubted that Mr De Klerk made headway

in conveying the complexity of the task of creating a new nation, and the seriousness with which he is tackling it.

Influence

His five-day three-nation tour has extended South Africa's influence and won further encouragement and support.

He has broken new ground in Ireland and Denmark and has the ear of politicians there.

However one looks at it, South Africa's shares have risen.

And Mr de Klerk made it clear to all he saw that their help now would make a difference to the country's future.

He said on his return that he did not "canvas concrete pledges" of new investment, "so I did not receive any", but that investment was nevertheless growing slowly and that trade relations with the world were on the way to normality.

Test circuit

His visit to London certainly does seem to have given South Africa's return to the international sports arena a big boost.

He has predicted a return to the international test circuit quite soon.

This was a key subject in his talks with British Prime Minister Mr John Major.

In fact, Mr De Klerk quipped that he had one major difference of opinion with the Prime Minister — over who would win the first cricket test.

"We agreed there should be such a test as soon as possible," he said.

In Denmark — where Mr De Klerk and Prime Minister Mr Poul Schluter seemed to get on famously, exchanging views on such mutually favoured pursuits as hunting, golf and reading South Africa's prodigious Wilbur Smith — the President took an effective swipe at the notion that sanctions should not be lifted until he has done more to abolish apartheid — in short, to scrap the existing "apartheid" constitution.

New order

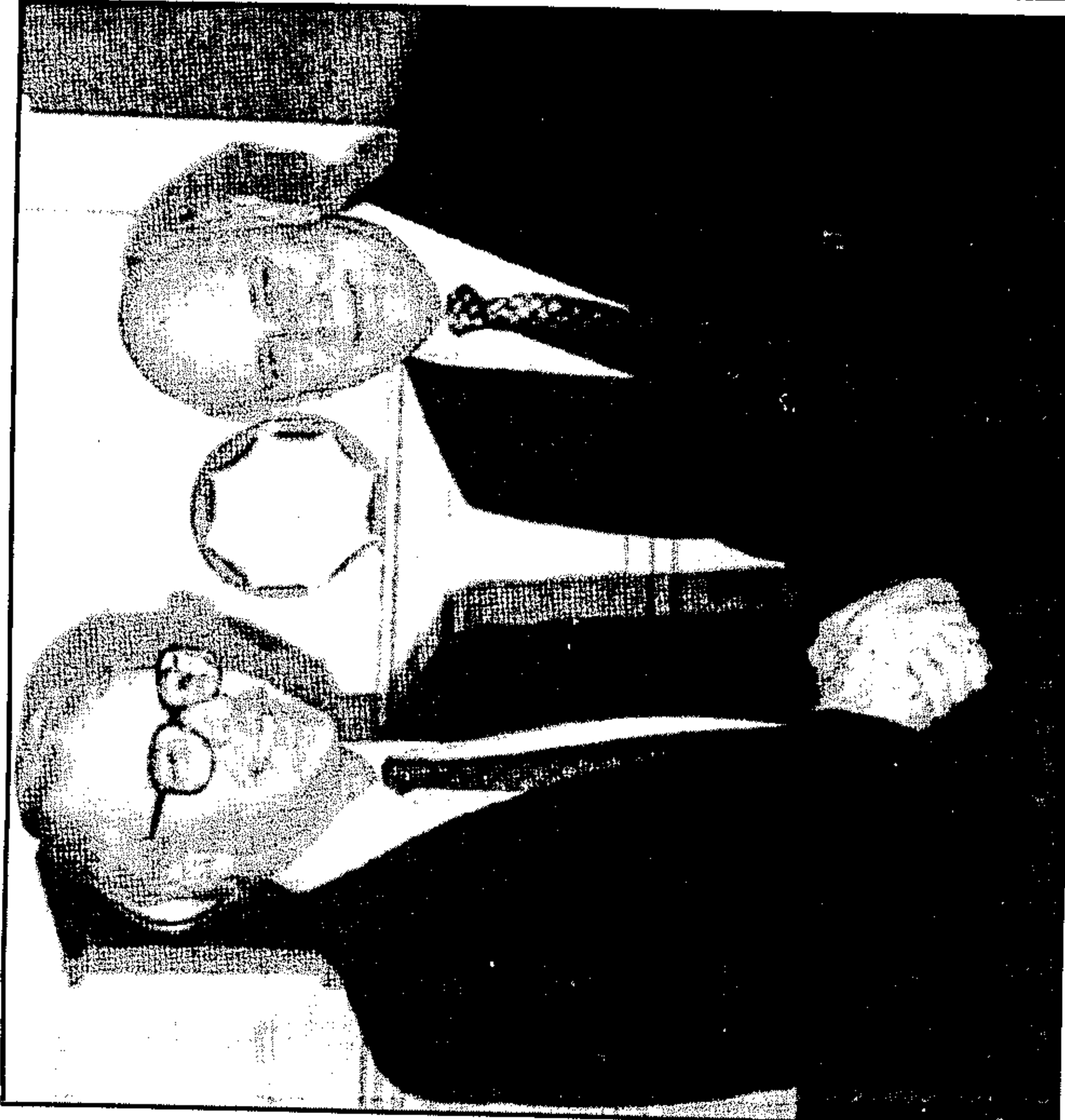
This, he argued, was tantamount to asking him, as one of several key negotiation partners, to circumvent the talks process and unilaterally impose a new order. Much like his discredited predecessors.

After years of urging him to negotiate, was this, he posed, what his detractors really wanted him to do now?

In the same television interview, he was asked about his son Willem's love affair with Erica Adams and was entirely unphased, perhaps to the surprise of many Danish viewers.

Home front

The Irish response clearly heartened the South African team. They encountered the stiffest protests (though even these were muted compared with the clamour of years gone by) in Dublin, but such a clear signal of encouragement from Prime Minister Mr Charles Haughey, that this one-day visit stands out as a highlight in South Africa's breakthrough to international



The British Prime Minister, Mr John Major, greets President F W de Klerk at Number 10 Downing Street, London, during Mr De Klerk's tour of Britain, Denmark and Ireland.

al contact and acceptance. In the most important sense, it is now that happens on the home front that counts more than ever. The impression Mr De Klerk must have is that a unity of purpose among the majority of South Africans to end the violence and to get cracking on restoring economic growth will create a far more positive impression overseas than even the most successful working lunch with a Prime Minister or the frankest heart to heart with a huddle of bankers.

FW has 'message of hope'

CAL T-7FS 27/4/91 (56P)

LONDON. — South Africa's honourable and credible return to the international community was being turned from a possibility into reality, President FW de Klerk said yesterday on his way home from a three-nation European tour seeking foreign investment to fund his vision of a new, apartheid-free democracy.

"I am coming back with a message of hope and encouragement for our country... a new era in our international relations is dawning," was how he summed up his tour of Britain, Denmark and Ireland for breakthrough political meetings with government and opposition leaders and major potential investors.

"We are now in tandem with the international community, and will be supported when we take reasonable action to maintain stability and order in South Africa," he said in reference to his plans to stop the violence standing in the way of negotiations.

"Essentially, my message to South Africa is the same as after my last visit to Europe. Our objective, of returning South Africa to its proper place in the international community with honour and credibility, is no longer merely possible — we are making it a reality.

Mr De Klerk and his entourage, which includes Deputy Foreign Minister Mr Leon

FW 'an example to Irish'

From PATRICK CULL

LONDON. — President FW de Klerk's initiative in South Africa is being held up as an example to the unionists in Northern Ireland as preliminary talks begin to end the festering violence there.

An editorial in the Irish Times yesterday morning on the president's visit to Ireland said that as the "white South African leader" had broken out of a "closed system of entrenched attitudes, then why can't the Unionists do the same?"

Editorials generally were favourable after the president's 24-hour stay in Ireland during which he met Irish leader Mr Charles Haughey and won a commitment from him for a total review of Ireland's policies on South Africa.

That includes sanctions — particularly

Wessels, were on a scheduled SAA flight from London to Johannesburg last night.

But these diplomatic advances were offset by a failure to persuade bankers and business leaders to make immediate offers of new

those on fruit and vegetables which have been legislated by the Dail, the Irish parliament.

The editorial adds that Mr Haughey had been correct in stating that the South African president needed political support if he was to be able to persevere with plans to rid the country of apartheid.

Sanctions, it adds, should be reviewed in the light of progress made, and any review of Irish attitudes should take cognisance of the need to get substantive talks under way.

It adds that continued dialogue with black leaders as well is needed for the government to retain a correct perspective.

The Independent said President De Klerk would return to South Africa knowing that within the European community, Ireland would be adopting a friendlier stance on sanctions than had been its policy in recent years.

investment in SA because of continuing violence and political instability.

"I think he was successful in communicating the important role that foreign capital and investment has to play in ensuring the

success of political reforms... but less successful in persuading businesses to go ahead and invest immediately," said Mr Jonathan Leape of the London School of Economics.

British banking sources' said investors were waiting for clearer signals of what political and economic structures would emerge in a post-apartheid government.

Investors also wanted to see concrete moves to end the violence.

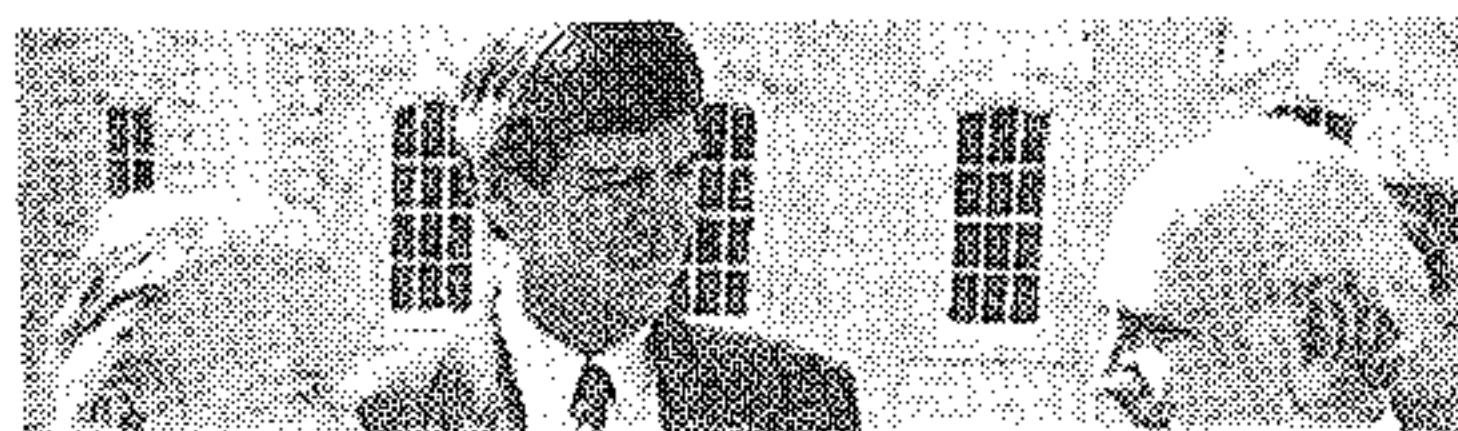
"There is some way to go before companies feel it is safe to get in there," said Mr Gordon Leak, spokesman for Britain's Institute of Directors.

Yesterday Mr De Klerk met New Zealand's Deputy Prime Minister, Mr Don McKinnon, in London for half-an-hour of discussions at Mr McKinnon's specific request, South African officials said.

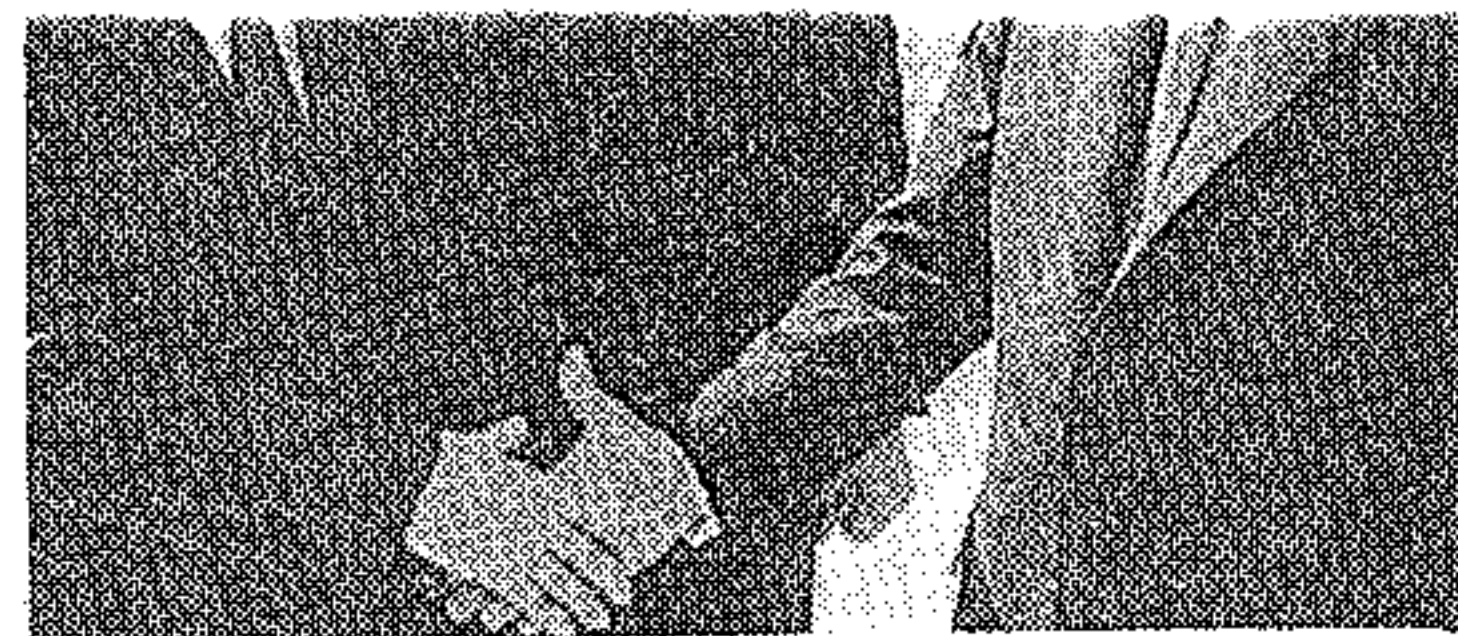
Mr McKinnon said afterwards that he had found the president "a very determined man" regarding his reform plans.

And at a meeting of leading British industrialists yesterday, Mr De Klerk said South Africa was poised for fundamental revision of the financial rand and exchange controls the moment US sanctions were lifted and relations with the International Monetary Fund and the World Bank were normalised.

— Sapa-Reuter



IRISH WELCOME: Irish Prime Minister Mr Charles Haughey, left, greets President De Klerk in Dublin.



Ireland the 'cherry on top' of tour

56A
APR 26/4/91

From **MICHAEL MORRIS**
Political Correspondent

DUBLIN. — President De Klerk's breakthrough in Ireland — where his influence in talks yesterday prompted Prime Minister Mr Charles Haughey to order a full review of relations with Pretoria — comes as a welcome boost at the end of a tiring, whistle-stop tour.

Back in London today, Mr De Klerk rounds off his engagements with an address to the Confederation of British Industry. He flies home tonight.

The South African team was heartened last night by a breakthrough in Dublin that was not entirely expected.

PROTESTERS DAMPENED

Ireland, along with Denmark, a long-time hardline foe of apartheid, softened markedly.

Even the demonstration by activists was not on the anticipated scale, and the protesters admitted Mr De Klerk's "momentous changes" had dampened anti-apartheid fervour.

After lengthy, detailed discussions with Mr De Klerk and Deputy Foreign Minister Mr Leon Wessels, Mr Haughey declared the reform process "irreversible and fundamental" and ordered a full review of all aspects of contacts and relations with South Africa in a "wide context" not restricted only to the European Community and Irish sanctions.

"It is clear," he said, "South Africa has embarked on a definite process, the ultimate end of which is the complete and final abolition of apartheid."

While it is understood sanctions were not discussed during the meeting, Mr Haughey said he looked forward to full trade relations with South Africa and, ultimately, diplomatic relations.

Mr De Klerk believed the tour, as a whole, had been successful and he returned to South Africa knowing relations with countries he had visited had improved.

He was struck by the "positive approach everybody is taking towards South Africa".

ANC CLAIMS

Mr De Klerk also dealt at length with questions from Irish journalists on African National Congress claims that the government had fallen behind with the release of prisoners and indemnification, and that the government was guilty of complicity — along with Inkatha — in the violence.

He said that, in both cases, propaganda had distorted the perspective, but that the government was working hard and was on schedule to meet the April 30 deadline for the handling of prisoners and exiles, and had launched the peace summit and standing commission to deal with violence.

(56A)
Star 25/49

EC trims inflation to 5,2 pc

LUXEMBOURG — The European Community's average annual inflation rate fell to 5,2 percent in March, its lowest level in 17 months, the EC statistics agency Eurostat has reported.

It said inflation across the EC was 5,5 percent in February.

March's annual rate matched the previous low of 5,2 percent of October 1989 and compared with 4,9 percent in the United States and 3,8 percent in Japan.

Consumer prices in the EC as a whole last month rose by only 0,2 percent.

Consumer prices in March dropped in Belgium by 0,4 percent and in Germany by 0,1 percent and rose slightly in the other 10 countries, except for Greece, where the one-month rise was 1,8 percent.

Eurostat said all 12 EC states saw their inflation rates for the 12-month period to March go down or hold even, except the Netherlands, Britain and Greece. — Sapa-Reuter

Crucial talks with Danes

MICHAEL MORRIS, Political Correspondent, reports from Copenhagen

CONVINCING the Danes to drop sanctions now and give his reform process a boost was among the chief concerns of President F W de Klerk as he flew into Denmark this morning.

He — like the Danish Prime Minister Mr Poul Schluter who met him at the airport

— is up against 179 MPs who remain unconvinced that going along with the European Community's decision to lift the ban on imports of South African iron, steel and Krugerrands is the right thing.

Mr Schluter's 59-seat Conservative/Liberal coalition backs the EC's position. Observers say the remarkable thing about Denmark is that South Africa is a strong domestic issue and MPs voting against the lifting of sanctions are doing so in large measure because they believe that is what their constituents would wish.

Mr De Klerk must be wondering how he can reach out to change their minds on this one-day stopover. He was to have lunch with Mr Schluter and Danish Foreign Minister Mr Uffe Ellemann-Jensen and then go into talks afterwards. After a press conference this afternoon, Mr De Klerk addresses the Danish Foreign Policy Society at the Houses

of Parliament and then has discussions with prominent Danish editors.

The schedule ends with dinner with Mr and Mrs Schluter tonight.

Despite likely reservations from the Danes — the question of security legislation could well be raised again today — Mr De Klerk is almost certainly assured of a warm reception.

The Danes will be eager to encourage him to press on along the road to negotiations and the search for consensus with the black majority.

Mr De Klerk is buoyed up by the success of his two days in the British capital and although it will take some time to tell if his assurances have convinced British industrialists and financiers to come forward with fresh investments, he certainly won the political endorsement he sought.

His open invitation to British Prime Minister Mr John Major was not taken any further this time, but the Prime Minister will be sending Foreign Secretary Mr Douglas Hurd to South Africa soon.

Mr Major also gave sports unity talks the kind of nudge Mr De Klerk will have welcomed — an immediate grant for cricket equipment in the townships.

Mr De Klerk is anxious to pass rewards of political reform to the very people whose hardship and deprivation it is intended to address.

Hopes that South Africa is nearing a breakthrough on the international sports front have also been strengthened.

Mr De Klerk noted in London that this would make an invaluable contribution to reconciliation and nation building.

He got a rousing reception from the Institute of Directors yesterday and went out of his way to assure them their investments would be safe and profitable in South Africa.

He urged them not to be "mesmerised" by Eastern Europe and rather consider South Africa's "first class" infrastructure and abundant human and natural resources as big investment risk pluses.

His meeting with the bankers was behind closed doors, but he emerged from it feeling they were keen to invest as soon as conditions normalised in the country and he predicted investment growth in the months to come.

And, while his meeting with Labour Party leader Mr Neil Kinnock evidently failed to convince this long-time critic of the South African government that lifting sanctions was the right thing to do now, Mr De Klerk was warmly encouraged, as could be anticipated, by former Prime Minister Mrs Margaret Thatcher, who joined him for tea.

Mr De Klerk returns to London on Friday for more talks.



President F W de Klerk escorts former British Prime Minister Mrs Margaret Thatcher after her visit to the hotel yesterday.

Irish papers praise De Klerk's 'courage'

AKB
24/4/91

SBH

ANTHONY GARVEY of the Argus Foreign Service reports from Dublin

THEY'RE already playing the music of Vivaldi — said to be Mr F W de Klerk's favourite composer — in the Berkeley Court Hotel in Dublin, and the penthouse suite has been made ready for the president and his wife.

IRELAND

Security for tomorrow's first official visit to Ireland by the South African leader will be the strictest seen in the Irish capital for years, according to police reports. Almost certainly, it will be totally unnecessary.

Mr De Klerk has been enjoying such a favourable Press in Ireland in recent weeks that the protests against his visit — voiced almost exclusively by the Irish Anti-Apartheid Movement and the left-wing Labour Workers Party — have been drowned out by the editorial plaudits for his courage and leadership.

The inevitable protest pickets tomorrow will be more ritual than real.

One Dublin columnist, Shane Ross, a member of the Senate, even took the Irish government to task for not having invited the president "to drop in during his European tour last year."

He wrote: "That omission was a mistake. We were bullied by our anti-apartheid movement into snubbing Mr de Klerk and leading the charge for continuing sanctions against a regime rapidly reversing the appalling wrongs of the past."

Senator Ross, a member of Fine Gael, the main Opposition party, once led by Dr Garret FitzGerald, was in no doubt about the future of sanctions. He declared: "Sanctions against South Africa are a dead duck. Even the Taoiseach (Prime Minister) Charles Haughey — Mr de Klerk's host tomorrow — has recognised this at last."

Other columnists had similar encouraging news for the South African visitors. In the influential Sunday Business Post, Mary Ellen Synon wrote: "It is unfortunate that the excellent Mr de Klerk has to waste time on such a visit, because the Irish government, before now, should have dropped its support for sanctions."

She added: "Outside Government Buildings will be the usual mobs of orthodox anti-South Africans. Calling themselves anti-apartheid, they will be baying against a man who is the best hope of the end of apartheid."

In the face of such editorial unanimity, it has been difficult for

the anti-apartheid campaigners to whip up public support for their opposition to the visit, and for the maintenance of sanctions. Newspapers have been circulated with letters from some Irish citizens in South Africa objecting to the visit and also with statements from prisoners on death row in Pretoria, urging that sanctions stay.

But the strategy has had little impact. Instead, it is Mr de Klerk who has been winning the headlines with his decision to reprieve



Mr Charles Haughey ... a 'dramatic gesture' of friendship likely

death row prisoner Robert McBride, a great-grandson of Ireland's Major John McBride and relative of the late Sean McBride, the former UN Commissioner for Namibia. His fate would have featured high on the Irish agenda for tomorrow's talks.

So what can Mr de Klerk expect from the Dublin visit? The fact that the Irish government — for so long the leader of the anti-apartheid fight in the EEC and at the UN — is meeting him is significant in itself. It is an indication that the Irish accept things have changed fundamentally in South Africa, and for the better.

But Charles Haughey — the man whose word is law in the Irish government — also likes to make an impact on international issues. A dramatic gesture of friendship to South Africa, or even the re-establishment of certain trade links, could well be announced after the talks. Sanctions, as Senator Rose said, are effectively dead.

For Mr de Klerk, the Irish visit will seem almost like a busman's holiday. He will be in a country that, just like his own, is being torn by parliamentary violence and about to embark on an all-party conference to try to find a political solution to the Northern Ireland crisis.

One Irish journalist has already suggested that Mr de Klerk be asked to stay around to help the Anglo-Irish peace conference opening at the end of the month. The likelihood is, however, that South Africa will sort out its problems before the Irish find their solution. But, with the soothing strains of Vivaldi in the air, no one will be impolite enough to mention that at tomorrow's meeting.

Star 24/4/91

(287) (56A) (1)

EC move 'premature, inappropriate'

UNITED NATIONS — African ambassadors yesterday condemned the European Community's decision to end a five-year ban on buying gold coins, iron and steel from South Africa.

Nigerian Ambassador Ibrahim Gambari, head of the General Assembly's Special Committee Against Apartheid, said the EC decision was premature and "counter-productive at this stage of development in South Africa".

"Neither the conditions for negotiations in a peaceful en-

vironment have been established, nor agreement ... on the mechanisms to be employed for the preparation of a new constitution," he said.

"Many political prisoners are still in jail and political exiles have not yet been permitted to return without restrictions," Mr Gambari said.

"The eradication of apartheid and the creation of a united, non-racial, democratic South Africa is still far on the horizon," he said.

Ghanaian Ambassador Kofi Awoonor criticized the EC

and the impending visit of UK Foreign Minister Douglas Hurd to South Africa.

"These signals are wrong for the process in the country," said Mr Awoonor, chairman of the General Assembly's subcommittee on the Implementation of the UN Resolutions and Sanctions against South Africa.

"I don't know whether the EC is gauging the level of difficulties that are being encompassed, that are being felt within the process in the country," he said. — Sapa-AP.

Investment campaign launched

FW meets top bankers in London

(S6A)

B/day 23/4/91

Own Correspondent

LONDON — President F W de Klerk opened his campaign yesterday to persuade Western business to resume investing in SA.

De Klerk, who is keeping his visit low-key, met senior bankers and financiers at the SA Embassy in London to underline the urgent need for new investment to give poor blacks a stake in the "new SA".

Sapa-Reuter reports that an SA official said Bank of England governor Robin Leigh-Pemberton attended the meeting. But he declined to name other participants or give details of the discussions.

But London banking sources, who said National Westminster Bank chairman Lord Alexander and Barclays Bank chairman Sir John Quinton were also at the meeting, believed British banks were unlikely to resume lending to SA before full democracy was introduced.

Bankers said they doubted whether De Klerk would have made a direct request for new financing at yesterday's meeting, although he would probably do so at a later stage.

De Klerk was due to discuss ways of ending the spiralling political violence in SA during a working dinner with Prime Minister John Major last night, the first meeting between the two.

He meets opposition Labour Party



● DE KLERK



● MAJOR

leader Neil Kinnock today.

De Klerk is visiting Britain, Denmark and Ireland to seek investment after last week's EC decision to lift the ban on imports of SA coal, steel and gold coins.

The EC has recommended a voluntary investment ban, but financiers believe the political instability is a far more important disincentive to new investment.

Meanwhile, a picture in the Mail on Sunday showing an attractive blonde who was described as Marike de Klerk's personal 007-type bodyguard had the presidential party laughing.

Spokesmen said the picture was of Elise Wessels, a secretary in the President's party. She was a "sweet and gentle person" who did not know one end of a gun from the other.

Consult blacks urges Mandela

31 day 23/4/91
KYOTO — ANC deputy president Nelson Mandela yesterday accused security forces of conniving in township violence, and urged foreign governments to consult blacks before lifting sanctions.

Mandela was speaking to an international conference of journalists in Kyoto as President F W de Klerk began a tour of Britain, Denmark and Ireland to argue that apartheid was being dismantled and remaining sanctions should be lifted.

Mandela arrives in London tomorrow to try to counter the President's message.

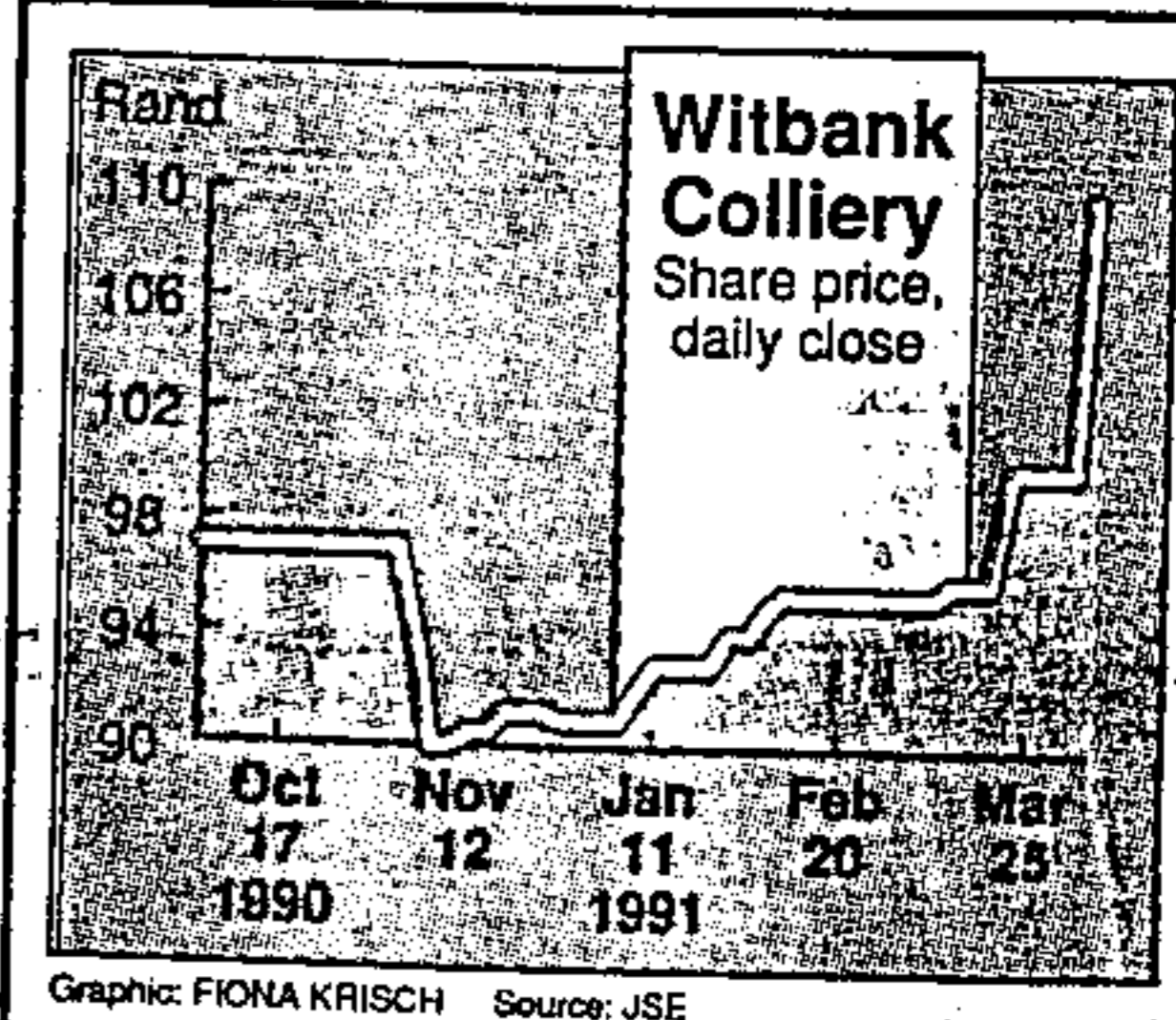
Mandela said disputes between rival black groups were no longer the major cause of township violence and suggested security forces were involved in a deliberate campaign to foment unrest.

"What we are witnessing is an attempt to bludgeon African communities into submission." The aim, he said, was to "instil a psychosis of mistrust and insecurity".

Mandela said the persistent violence made opposition parties less convinced than many international leaders that government's dismantling of apartheid was irreversible.

He criticised foreign governments and businesses for rushing to lift sanctions, but praised the US for its "exemplary attitude". He said the US had been in regular contact with the ANC "and has not treated the issue of sanctions as if the only people who matter are the SA government". — Sapa-Reuter.

● Comment: Page 10



610am 22/4/91.

More doors opening — Sacob

PRESIDENT F W de Klerk's visits to Dublin and Copenhagen — both of which have a history of strong support for EC sanctions against SA — are another indication that doors are being opened to SA, says Sacob deputy director-general Ron Haywood.

Haywood expects the visits to improve political and economic relations between these countries and SA.

A Department of Trade and Industry (DTI) spokesman said that Ireland and Denmark were the last two EC countries which De Klerk would visit officially.

However, any hopes of the Danish government lifting sanctions were quashed at the weekend when it was reported it had reversed its agreement with the EC decision to lift sanctions on the import of SA iron, steel and Krugerrands.

The lifting of EC sanctions has already been authorised at EC ministerial level and now requires implementation in each of the 12 states.

The DTI spokesman says apart from the limited EC sanctions, trade with Ireland continues as in the past, while Denmark still maintains a total trade embargo against SA.

Total two-way trade in 1986, the year

ZILLA EFRAT

prior to the imposition of sanctions, amounted to R308m with Denmark and R170m with Ireland. Present trade levels may not be divulged.

Safto international division senior manager Mike Veysie says Danish companies have already been making inquiries about trade with SA.

(SbA) (JRP)
Operations

The Danish Chamber of Commerce recently visited SA and Safto is aware of a low-key visit by two members of the Danish parliament to SA last year.

But Safto's contact with Ireland has been limited.

Two of the larger SA companies with operations in Ireland are Boart International and De Beers.

Boart International chairman Hilton Davies says while there has been a strong anti-apartheid lobby in Ireland, his company's Irish operations have not experienced any political interference.

Denmark and SA maintain diplomatic relations but there are no official relations between SA and Ireland.

Commission to open EC's skies

BRUSSELS — The European Commission yesterday unveiled radical plans to open the European Community's skies to free competition.

The proposals form the third and final phase of a process launched in 1987 to strip the EC's heavily protected air-transport sector of barriers to free competition by 1993. (56A)

"What is under way is the creation of one single market," Transport Commissioner Karel van Miert told a news conference.

Government restrictions on new fares would be eased from 1993 under a system called "double disapproval", which would mean that governments at both ends of a route would have to veto a fare for it to be ruled out. (56A)

Airlines holding EC licences would be free to fly any route in the Community, including picking up and dropping off passengers at intermediate stops and so-called cabotage — flying routes between two airports in another member state.

Safeguards were built into the package to protect public service routes, Van Miert said. — Sapa-Reuter.

LONDON — Untangling the affairs of the Bank of Credit and Commerce International SA (BCCI), assets of which have been frozen in several countries after fraud allegations, could take more than four years, its court-appointed administrator said yesterday.

Brian Smouha, chosen by a Luxembourg court on July 8 to investigate BCCI's affairs, said prospects for reopening the bank looked slim.

"It's a very complex group in 60 or so countries and you cannot rush at these things," he told BBC television. "Banks that have reached a stage such as this do not normally reopen."

Smouha is a senior banking partner of accountancy firm Touche Ross.

Parent company for BCCI is BCCI Holding SA, which is 77.4% Abu Dhabi-owned. Both are based in Luxembourg.

Untangling bank's affairs could take over four years

B1D say 18/7/91

Luxembourg Monetary Institute director Jean Guill told Reuters the bank would probably be liquidated if Abu Dhabi did not agree to cover its losses.

"The bank's losses will have to be covered by the shareholders and, if they are big enough, by the creditors as well. If they are not, then liquidation is the likely outcome."

The bank operated in 69 countries worldwide with assets of about \$20bn.

BCCI's major shareholders, the Abu Dhabi government and its ruler Sheikh Zaid bin Sultan al-Nahayan, have attacked a swoop on BCCI led by the Bank of England on July 5 and said a restructuring plan was sent to the British central bank on July 3.

The plan involved setting up three new and separate banks in London, Hong Kong and Abu Dhabi.

Bank of England governor Robin Leigh-Pemberton returned to London

from Abu Dhabi yesterday after talks which are believed to be related to the affair.

The BBC television report said BCCI was preparing to shift its European headquarters to London when operations were frozen earlier this month. International officials had been working together for years to restructure it and move its base.

The British government has defended the Bank of England against accusations that it acted too slowly against BCCI. The Bank says it was presented with hard evidence of fraudulent activities only in June this year.

But the Financial Times newspaper said the Bank received a report from BCCI auditors Price Waterhouse last October which warned of "inappropriate transactions" involving senior members of BCCI. — Sapa-Reuter.



Federal Reserve chairman Alan Greenspan ponders question as he testifies before a House banking subcommittee on Capitol Hill. He said central bank policymaker had stopped nudging interest rates lower.

Picture: A

(56A)
Japan, EC meet to
smooth relations

1979
THE HAGUE — Japanese Prime Minister Toshiki Kaifu was yesterday preparing for the adoption of a trade pact between Japan and the EC that would ease mutual fears of protectionism.

The first-ever EC-Japan summit is aimed at smoothing what has been a period of testy relations between two of the world's largest economic powerhouses and mutual irritation over barriers to trade.

Kaifu, who is coming from the Group of Seven meeting in London, will hold talks with EC Commission chairman Jacques Delors and Dutch Prime Minister Ruud Lubbers, whose country is hosting the summit as the current holder of the rotating EC presidency.

Foreign ministers Hans van den Broek of the Netherlands and Taro Nakayama of Japan, and EC External Relations Commissioner Frans Andriessen will also attend.

The leaders are expected to discuss Japan's skyrocketing trade surplus with the EC and Japanese access to the EC's upcoming single market.

While Japan fears rising EC protectionism as the 12-nation trade bloc approaches political and economic union, Europeans accuse Japan of closing its doors to European imports.

In the first half of 1991, Japan exported \$14.4bn more to the EC countries than it imported — up 60% from the same period last year, EC figures show. — Sapa-AP.

EC sanctions to stay

56A

AR 20/7/91

COPENHAGEN. — Denmark will maintain its trade sanctions against South Africa, blocking European Community efforts to ease them now. Pretoria has abandoned apartheid.

Danish foreign minister Uffe Ellemann-Jensen said yesterday Denmark's embargo would remain in force after the centre-right minority government failed to win support from opposition parties for a plan to phase out sanctions gradually.

Any EC decision to lift sanctions would have to be unanimously agreed by the 12 member states to take effect.

"The government goes in for a stage by stage phasing out of the embargo as the best way to support reform in South Africa," Mr Ellemann-Jensen told reporters after a Danish parliamentary committee meeting.

"We pressed the opposition to agree to our plan, some parties supported us but it was impossible to gain majority support... it is unwise for Denmark to be the only EC nation still opposing an easing of sanctions, it threatens our goodwill in the Community", he said.

Denmark imposed a total embargo on Pretoria in 1986 for its apartheid policies and played a strong role in pushing the EC into stopping trade

Denmark blocks move to ease trade restrictions

with South Africa the same year.

In April the EC decided to lift its ban on imports from South Africa of gold coins, iron and steel. But Denmark's parliament refused to ratify the decision, effectively blocking the EC move.

Earlier this year, Denmark started easing other sanctions on Pretoria, the toughest in the EC, by lifting bans on sporting, cultural and business contacts.

The Danish opposition, led by the Social Democrats, feels it is premature to lift sanctions on Pretoria, despite recent legislation passed by South Africa's parliament removing the legal foundations of apartheid.

It says it prefers to wait until South Africa changes its constitution, which still guarantees white supremacy, and frees all political prisoners. — Sapa-Reuter.

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Danish govt's defeat rules out lifting of EC embargo

support reform in South Africa," Mr Ellemann-Jensen told reporters after a Danish parliamentary committee meeting yesterday.

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Denmark imposed a total

South Africa changes its constitution and frees all political prisoners.

German Economics Minister Juergen Moellemann said in Bonn yesterday he would visit South Africa next month.

Officials said Mr Moellemann, a member of the liberal Free Democratic Party, would be the first German Minister to visit South Africa for some years.

Mr Moellemann told a news conference he would visit South Africa from August 18 to 25, meeting Government officials, African National Congress president Nelson Mandela and Inkatha leader Chief Mangosuthu Buthelezi. — Sapa-Reuter.

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EC could ignore Denmark's refusal to lift sanctions

51 Day 22/7/91
KIM BENTLEY

LONDON — Britain and its EC partners could soon start implementing an EC decision to lift trade sanctions against SA, despite the fact that Denmark continued to block the move, informed Whitehall sources said yesterday.

The Danish parliament on Friday turned down a government proposal to lift sanctions against SA, which would have aligned it with other EC states on the issue.

The EC decision to lift the ban on imports of SA iron, steel and Krugerrands was approved in principle by all EC foreign ministers in April, subject to Danish parliamentary approval.

The Whitehall source said yesterday Danish Foreign Minister Uffe Ellemann-Jensen's view that Denmark was in danger of bringing itself into discredit was likely

to be proved correct, as other EC countries would simply ignore the Danish stand. However, an EC official quoted in Saturday's Financial Times said he did not expect member states to break sanctions.

PAUL ASH reports that the Australian and SA private sectors are not waiting for Australia to lift sanctions officially.

On Friday Sapa director-general Raymond Parsons said there was a strong desire in the Australian business community to normalise relations with SA.

Parsons, who recently returned from a visit to Australia, said the relationship between the two countries was being re-defined. The political changes in SA were perceived as irreversible in Australia and

the business relationship between the two countries could be re-evaluated. However, Australian businessmen were concerned about continuing violence, which was not conducive to business confidence.

Parsons said a "gateway" could be created for Australia through SA into sub-Saharan Africa and for SA through Australia into the Far East.

□ Sapa-AP reports that in New York on Friday, Mayor David Dinkins said his city would not drop economic pressure against apartheid, despite US President George Bush's lifting of sanctions. (56A)

□ In Pretoria on Friday, Japan's Deputy Foreign Minister Muneo Suzuki said his country would like to consider lifting sanctions in a manner beneficial to "black Africa", Sapa reports.

Soviets look to EC-style market to preserve union

Blay 9/9/91.

56A

MOSCOW — Republics are peeling away from the Soviet Union and the country's ethnic problems are growing, but a framework like the European Community (EC) could still emerge to hold things together, according to Soviet officials.

On Saturday, a day after the Baltic states secured independence, acting Soviet Prime Minister Ivan Silayev called for an economic agreement embracing both former Soviet republics and Central European nations, to stand side-by-side with the powerful EC.

Away from the Baltics, in other secessionist republics and regions of the remaining Soviet empire, there were ethnic clashes in Georgia, a huge pro-democracy rally in Azerbaijan and a railway blockade in Moldavia.

Russian Federation Economics Minister Eveniy Saburov also pledged on Saturday to allow free trading of the Soviet rouble on world markets next year, the Interfax news agency reported.

The rouble is worthless outside the Soviet Union. It is not freely traded on international currency markets for so-called "hard" currencies such as US dollars, German marks and Japanese yen.

Changing this would reduce the value of the rouble, as artificially set exchange rates in the Soviet Union would be eliminated and currency traders would pay whatever they thought it was really worth — resulting in higher costs for goods or equipment bought from the West.

The collapse of the economy has already reduced the rouble's buying power and spawned a complicated

system of exchange rates. The official commercial rate is \$1.77 to the rouble, while tourists may buy roubles legally from state banks at 32 roubles to the dollar. The black market rate is 35 to 40 roubles a dollar.

Although the Soviet Union is disintegrating, the constituent republics and former republics — and East European countries — are still linked by economic ties built up over decades.

"We believe we will have a similar arrangement to what you have now," said Silayev, referring to EC cooperation on trade and economic policies.

"There might be doubts about the number of countries that will join such an agreement — maybe Czechoslovakia, Bulgaria, Poland and Hungary," he told a Moscow meeting of the Geneva-based World Economic Forum. — Sapa-Reuter-AP.

Israel defies Bush by delivering request

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EC predicts economic (56A) growth in '92

BRUSSELS — The European Commission said world economic growth, excluding Eastern Europe and the Soviet Union, would slow to 1,5 percent this year from 2,4 last year.

But the EC's executive commission said the most probable later scenario was a moderate upturn in growth, and it forecast world GDP growth of 2,8 percent in 1992.

"On the whole the chances of a progressive recovery of the world economy are positive," the commission said in a periodic report on economic development. "The first signs of recovery in the industrialised economies now in recession are becoming evident." *Blom 13/8/91*

The commission's forecast does not take into account a projected 5% to 15% fall in output this year in Central and Eastern Europe or a worsening of the economy of the Soviet Union.

The report predicted that economic activity would pick up to some extent in Eastern Europe in 1992, but it was more pessimistic about the Soviet Union.

The forecast assumes a GDP rise of 1,4 percent in the 12-nation EC this year, and 2,4 percent in 1992.

For the US it predicts growth of only 0,1 percent during 1991, rising to 1,6 next year and the Japanese economy is seen racing ahead at 3,8 percent growth this year and 4,1 next year.

But the prediction could be scuppered by, among others, financial instability if major industrial countries fail to adopt the correct monetary and fiscal policies.

CA 11 0468

chemicals, fertiliser and explosives, and the pound/dollar

Yugoslavia is forcing the Twelve to confront some differences, writes David Gardner

Dilemma reveals EC's limits

Star 9/8/91.

56A

THE European Community this week came up against the limits of its ability to influence events in Yugoslavia.

At the Hague on Tuesday, where the Twelve's Foreign Ministers assembled hastily to propel forward the EC's stalled attempt to bring about a settlement to Yugoslavia's ethnic feuding, the Community was able to do little more than enhance its existing policy.

That came to grief at the weekend when the EC failed to secure a ceasefire in secessionist Croatia between Croats and the minority Serbs, fighting to join their enclaves to a Greater Serbia.

The Ministers seemed at first divided and were certainly feeling frustrated by the obstacles to shaping peacefully the disintegrating Yugoslav federation's future.

These obstacles are Serbian intransigence, the constraints of international law and procedure, and emerging divisions within the EC, which appear magnified by the intractability of the crisis.

The Serbian leadership has in effect refused even to allow the EC's team of 200 monitors in Yugoslavia to witness at first hand the relationship between Serbian

paramilitaries in Croatia and the Serb-dominated federal army.

The prospects of it agreeing to an EC-sponsored peacekeeping force as suggested by France were therefore nil. While this remains the case, Slobodan Milosevic, the president of Serbia, holds the key to developments.

The EC package of measures therefore tries to target pressure on the Serbian leadership in two ways. The more than \$1 billion in Community aid and credit to Yugoslavia frozen last month may now be released selectively to those republics supporting EC mediation. But the aid lever has so far failed to impress Mr Milosevic and his allies, who may well have carved out Greater Serbia before the end of the month.

Hans van den Broek, Foreign Minister of the Netherlands, which currently holds the EC presidency, has therefore warned the Serbians they will be treated as an outlaw state if they alter Yugoslavia's internal borders by force.

"Trying to arrive at a fait accompli is just not on and will be counteracted by us through all means possible," he said, stressing that he meant peaceful means.

International law, let alone the fact that the EC as such has no

defence dimension, means the Community can now do little more than gather the widest possible support for this view.

"While there is no peace to keep, what we would have would be an opposed landing by troops from EC member states," a senior UK official pointed out.

Only the UN Security Council should it choose to decide that, for example, the Yugoslav crisis presented a threat to international peace and security — could provide the legal authority to send in a buffer force to separate Serbs and Croats. At the moment it is most unlikely the Security Council will even try, especially in view of the warning this week from the Soviet Union against military intervention.

The EC is therefore harnessing support on three fronts:

● The 35-nation Conference on Security and Co-operation in Europe — the CSCE — includes the US and Soviet Union, and at its meeting in Prague today is expected to endorse the EC line.

● The UN Security Council — France as current president, the UK as the other EC permanent member, and Belgium as non-permanent member — are to keep the

council abreast of EC actions, with a view to the Security Council taking such actions as may be deemed appropriate.

● The Western European Union — the nine-nation WEU, which France sees as the nucleus of Europe's future defence identity and the UK sees as a bridge between the EC and the North Atlantic Treaty Organisation, is to ready itself for the possible supervision of an agreed ceasefire, should one take hold.

There is little more, at this stage, the EC can do and what it has done throughout the crisis has been agreed unanimously. The member states do approach the crisis with differing concerns, interests and agenda, but these have not widened into divisions yet.

Disentangling these concerns is not easy. France, for instance, is seen by some as traditionally pro-Serb and opposed to German suggestions that Slovenian and Croatian independence be recognised. This is said to be through fear of a new Teutonic bloc emerging and/or to discourage its Corsican separatists.

Yet the continuing insistence of Roland Dumas, France's Foreign Minister, that a WEU force may eventually have to interpose itself

in Croatia could, if carried out, greatly strengthen the Croat case for recognition. What appears overriding in the French position is its vision of Europe's defence future.

This aspect of the French posture may cause division in so far as it is seen to be prejudging the debate unresolved within the European political union negotiations on what sort of foreign and security policy, and eventually defence policy, the EC should have. The Yugoslav crisis itself undoubtedly strengthens the case of France and its EC allies.

Even UK officials recognise the Community has in practice started operating a common foreign policy. But they still strongly resist the idea that in future this policy will have to be agreed by majority vote rather than unanimity, a battle which would have taken place in the autumn even without the Yugoslav stimulus.

Germany, linked through one his torical episode to Croatia by Nazi sponsorship of a fascist state there during World War 2, nevertheless advocates the right to self-determination it itself exercised in re-unification. This idea has provoked concern in Paris (because of Corsica) and London (because of the Scots and Northern Ireland), and anger in

Madrid (because of the Basque and Catalans).

At the Luxembourg summit in June, Felipe Gonzalez, the Spanish Prime Minister, tetchily pointed out Spain had proven with traditional minorities that it was able to have self-determination in existing nation-states. The stream Basque and Catalan nationalists, with their limited disagreements and see the precedent German unification and the emerging new Europe as a long-term opportunity to gain independence.

But at the core of the EC effort to get a ceasefire and negotiations on Yugoslavia's future is the statement issued on Tuesday by the Twelve that any change internal and international brought by force is not acceptable.

Gianni de Michelis, Italy's Foreign Minister, shrewdly observed this was one of the most important results of the emergency deliberations.

It brings comfort to those member states with reticent national minorities. But it offers no guarantee that the EC can avoid deep divisions when the time comes for it to recognise whatever mosaic emerges from Yugoslavia. Financial Times News Service.

CT 26/7/91

EC to make new statement on SA

Own Correspondent

(56A) LONDON. — European Community foreign ministers, who meet in Brussels on Monday, are expected to issue a statement on South Africa following the Inkatha "slush-fund" disclosures.

And suggestions that the Danes would be put under pressure at the meeting to lift their veto and enable the EC to implement last April's decision to lift trade sanctions against South Africa appeared yesterday to have been scuttled by the latest developments.

But a British Foreign Office spokesman confirmed yesterday that should the question of sanctions against South Africa arise, Foreign Secretary Mr Douglas Hurd would continue to press for trade sanctions to be lifted "as soon as possible".

1101





Hard at work . . . British Prime Minister John Major with his Foreign Secretary, Douglas Hurd, at Maastricht. Picture: AP

Major hails EC victory, others less sure

STAR 11/12/91

S&P

LONDON — Prime Minister John Major returned to Britain today hailing the European Community summit at Maastricht as a victory for Britain, but opposition parties were not so sure.

To accommodate Britain, the 11 other EC states agreed to implement a charter of basic workers' rights outside the structure of political and monetary union.

"Game, set and match for Britain," said Mr Major.

But Tony Blair, employment spokesman for the Labour Party, said the deal on workers was "an opt-out in all but name".

Trade unions leader Norman Willis said: "British in-

dustry and workers have been left isolated and denied the rights guaranteed to their EC colleagues."

Margaret Thatcher worked for 10 years to roll back trade union rights and restrictive labour practices in Britain.

All 12 European Community leaders put their names to the Maastricht agreement and declared themselves happy. Here is what the other 11 achieved:

- Helmut Kohl (Germany): Secured a decisive step forward on EC integration, binding Germany more tightly to the Community through political and monetary union, strengthened co-
- operation on immigration, asylum and international crime-fighting through the new Europol force.
- Francois Mitterrand (France): Secured the monetary union deal France has long coveted, including a commitment to a 1999 deadline for a single currency, helped conceive the embryo of a future European defence independent of the US.
- Felipe Gonzalez (Spain): Obtained the binding commitments he sought for greater transfers of EC funds to poorer countries.
- Giulio Andreotti (Italy): Won the first commitment to monetary union with a strict timetable. But the price he

- had to pay was accepting some tough performance targets for Italy's struggling debt-ridden economy.
- Wilfried Maarens (Belgium): Gave the European defence debate a push towards a greater EC role.
- Jacques Santer (Luxembourg): Saw the draft political union treaty his government painstakingly negotiated as EC president emerge as the clear basis for the Maastricht deal.
- Poul Schluter (Denmark): Obtained a protocol allowing Denmark to hold a referendum before the final stage of a single currency, and another allowing it to continue to ban foreigners, especially

- Germans, from buying holiday homes in Denmark.
- Charles Haughey (Ireland): Secured protection of Irish neutrality, will benefit from the extra funds for poorer countries, and obtained a protocol allowing Ireland to retain its ban on abortion.
- Constantine Mitsotakis (Greece): Will be another beneficiary from the money for poorer countries.
- Anibal Cavaco Silva (Portugal): Will also benefit from the extra cash available.
- Ruud Lubbers (Netherlands): Won the heartfelt claim of all for having brokered an agreement against all odds. — Sapa-Reuter.

Reuter

STAR 4/12/91 (S&A)

EC political, monetary union 'in sight'

BRUSSELS — A last bargaining session before the 12-nation European Community's Maastricht summit has brought a long-sought deal on political, economic and monetary union within reach.

But despite their optimism after marathon talks by Foreign and Finance Ministers on Monday and yesterday, diplomats do not discount last-minute surprises when EC leaders meet next week to hammer out a final deal

after a year of treaty talks. "It is complicated, but it can be done — so keep smiling," Dutch Foreign Minister Hans van den Broek said last night.

Other officials pointed out that although EC states had narrowed their differences on key points, enough issues remained open to raise the spectre of a failure if the summit next Monday and Tuesday becomes bogged down in haggling over details.

On economic and monetary union (EMU), the Finance Ministers struck a deal which makes it virtually certain that at least some countries will launch a single currency by the end of the century.

Apart from a handful of minor items, the summit would only need to agree on the precise wording of specific exemptions allowing Britain and Denmark to opt out of a currency union.

On political union, the

two-day talks in Brussels showed EC states drawing closer on how to forge a common foreign and security policy, including a military role for the first time in the Community's 34-year history.

But the Foreign Ministers were unable to agree on plans to give the EC a greater say in social affairs or on demands by poorer states, led by Spain, for more money from their rich partners. — Sapa-Reuter.

17 killed in

EC states give green light for accession talks in 1993

BRUSSELS — The 12 EC states have agreed to start formal accession talks early in 1993 with other countries seeking to join the bloc, British officials said yesterday.

The decision is a blow to the hopes of Austria and Sweden of an earlier start to formal negotiations on joining the bloc, although it does reaffirm the EC's commitment to accepting new members.

It also increases pressure on countries such as Norway, Finland and Switzerland, currently considering membership, to act fast if they wish to form part of the group who will start negotiations early in 1993.

At a meeting yesterday, their last before next week's Maastricht summit, EC foreign ministers agreed that their leaders would include the enlargement pledge in their final statement, the officials said.

The summit will also call

on the European Commission to carry out a study on the general question of EC enlargement, since almost a dozen countries have either applied to join or plan to do so before the year 2000. (S61K)

The idea of a study by the commission, the EC executive, is regarded with suspicion by those who want the community to expand quickly. They fear it could delay any new accessions by raising the enormous institutional problems which doubling the size of the bloc would bring.

France and other "federalists" have been reluctant to throw the community's doors open too fast. Britain and Germany, at odds over many other basic questions of EC policy, have, however, agreed that the community must respond to calls from its neighbours and from East European reformers seeking admission. — Sapa-Reuter.

4/12/91
SIPERS

Support wanes for EC integration

310cy 4/2/91 (S6A)
Own Correspondent

BRUSSELS — Support for EC integration is failing across Europe as the community stands on the brink of momentous changes at the Maastricht summit next week, an EC Commission opinion poll shows.

Traditionally sceptical countries such as Britain and Denmark record the highest level of opposition. But the poll shows falling support even among usually pro-Europeans.

The results will reinforce the claims of Euro-sceptics that EC integration advances primarily by stealth, with people tending to be vaguely favourable in the absence of serious debate.

In France and Spain, the numbers who believe their country has benefited from the EC have fallen by up to 7% over the past two months. A large increase in opposition to the EC was also recorded in Germany.

The findings show support for most integration plans, such as a common foreign policy and a single currency. The British lead Europe in their hostility to a central bank — 41% are against the idea while 39% are in favour.

The poll, which interviewed 1 000 people in each country, found Europeans nervous about the changes ahead.

There is greater reluctance to see a common currency replacing national currencies than in the past. The Danes are especially hostile, with 54% against the idea. — Daily Telegraph.

EC finance ministers try to end deadlock

BRUSSELS — EC finance ministers resumed last-minute bargaining yesterday to overcome obstacles to a treaty giving the trade bloc a common currency and central bank.

The ministers were to focus on demands by the poorest EC nations — Portugal, Greece, Spain and Ireland — for more money from their richer partners to fund development.

The three-day meeting reconvened in Brussels after opening on Sunday in the Dutch town of Scheveningen.

After that session, Dutch Finance Minister Wim Kok said he was "optimistic and positive" about the chances of resolving all sticking points by this evening.

EC leaders are due to meet next Monday in the Dutch town of Maastricht to approve the treaty, along with a parallel accord forging a closer political union of the 12 EC nations.

EC foreign ministers also met yesterday in Brussels to work out the larger problems of a political union.

On Sunday, the finance ministers rejected proposals that would have allowed any EC nation to decide later in the decade whether to adopt the common currency. But they broadly agreed that Britain, the most reluctant EC country about closer integration, could draw up a special document giving it the right to "opt out" of the currency union.

All EC nations, except Britain, have accepted plans to bring EC economies closer over the

next few years, and then set up a common currency and central bank after January 1997.

Britain, backed only by Denmark, favoured plans that would have given all nations the right to decide at the last minute to back out of the currency union. In that way it would avoid special provisions that isolated it from its partners.

But EC commission president Jacques Delors said the general opt-out clause would have created damaging uncertainty on financial markets for the next several years.

"A general opt-out clause would have been the sword of Damocles hanging over the head of economic and monetary union," Delors told a news conference.

The ministers were to discuss the issue in detail yesterday.

They were also due to move on to other key stumbling blocks, including new development funds for poor EC members.

Spain has hinted it may block the treaty unless its northern EC partners make large new commitments, but those nations have been reluctant.

Many EC officials believe it is essential to increase development funds in a more closely integrated EC to avoid dangerous imbalances between different regions.

The ministers were also due to discuss the amount of money each EC nation would put into the central bank. Those amounts will determine how nations share profits and losses from the bank. — Sapa-AP.

B/Duty 3/12/91

56A

Britons don't want to be left behind

STAR 2/12/91

SBA

BRTAIN cannot afford to be left behind if the rest of the European Community decides to press ahead with a treaty on political union at this week's Maastricht summit, two out of three British electors believe.

According to an NOP poll for The Independent newspaper and BBC-2's "Newsnight" programme, the electorate is divided over whether Britain should try to block a European political union: 40 percent think they should do all

they can to prevent a union, 36 percent disagree.

But 64 percent agree that Britain cannot afford to be left out of a political union, while only 18 percent disagree.

The poll figures, which show that many more British voters trust Prime Minister John Major to negotiate a deal on Europe than his predecessor, Margaret Thatcher, also show that Tory Euro-sceptics such as Mrs Thatcher and Norman Tebbit do not

have as much public support as they believe.

Mr Major's stand on the future of Europe has cut the lead of the opposition Labour Party to one percentage point.

The poll finds that as many as 56 percent of voters trust John Major "a great deal" or "a fair amount" to take the right decisions about Britain's relations with the rest of Europe, while only 16 percent do not trust him at all.

Mrs Thatcher is trusted by just 38 percent — while 42 percent do not trust her at all on this issue. Mr Major also comfortably outscores Neil Kinnock, the Labour Party leader, (trusted by 34 percent, not trusted by 35) and Paddy Ashdown (34-23).

It is clear that most electors would prefer to keep key decisions in the hands of individual governments rather than see power transferred to the EC: 70 percent think immigration laws should continue to be decided at national level, 59 percent want defence and foreign policy kept in national hands, the same percentage opposes moves to surrender to Brussels the power to determine workers' rights.

On only one issue, pollution, does a majority (60 percent) still want laws to be set by the EC rather than national parliaments — and this figure is down sharply from the 71 percent willing to accept EC lawmaking a year ago. — The Independent News Service. □



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British Prime Minister JOHN MAJOR

Tug o' war for spoils of Europe

SI Times 1/12/91

56A

WITH LESS than two weeks until the keynote European Community summit in Holland, the final national bargaining positions are becoming clear. One official has described negotiations as a game of 12-dimensional chess.

Special correspondent BORIS JOHNSON of the London Daily Telegraph's European Community staff analyses four groups of players.

FEDERALISTS

Germany

CHANCELLOR Helmut Kohl, the key to Maastricht (as the summit is universally known from the Dutch town where it will be held), wants a great leap forward so that he can truly say he has brought about a "united Germany in a united Europe".

He wants a single currency, on condition that it is not debased by the lax economic policies of some countries, notably Italy. Therefore European Monetary Union must be accompanied by strict economic "convergence" and an independent central bank.

He badly wants a European policy on immigration and asylum, probably to reinforce Germany's weak legal defences against the flood of job-seekers.

He agrees with the French that Europe must have a muscular foreign policy, backed up by majority voting. He has crusaded incessantly to give the European Parliament more powers, to the bemusement of many EC countries and the hostility of Britain.

For Mr Kohl, a limited advance at Maastricht would be acceptable only if the map for future integration had been well plotted with dates and times for the next moves. That will be very difficult for Britain.

Above all, he wants a deal, and he may trim his ambitions to suit British prime minister John Major.

Italy

THE ITALIANS are super-federalists. Mr Mario Andreotti would like the strongest agreement possible on the Euro-parliament, social policy, extending the powers of Brussels, common foreign and security policy, and dates for further evolution. He is concerned to ensure that the monetary union treaty is not drafted too tightly, so that Italy's wayward economy would not prevent it from being in the first rank of countries using the European Currency Unit.

Belgium

THE BELGIANS are perhaps the most combative in fighting for a European "social" policy — and are therefore prepared for some disappointment.

The prime minister, Mr Wilfried Martens, believes in the Euro-parliament and in extending EC authority. Belgium is one of the EC's founders, wedded to the idea that it can have a strong voice only in a tightly unified Europe. It is strongly committed to the single currency.

Holland

THE DUTCH are convinced that their national interest is best served by transferring power as much as possible to EC institutions, which it believes prevent political bullying by the big three, Britain, France and Germany.

What the prime minister, Mr Ruud Lubbers, wants above all, as host of the talks, is a deal, and he will trim to get it.

But the Dutch are akin to the British in wanting to preserve the Atlantic alliance, demanding tough economic conditions for monetary union, and in being wary of a Brussels social policy.

Luxembourg

LUXEMBOURG is not keen on extending the powers of the Euro-parliament, in which it has very few members.

But, with their disproportion-

ate weight in the EC Commission and council, Luxembourgers are out-and-out federalists.

MONEY-GRABBERS

Spain

THE SPANISH lead a group of southern countries that see the main purpose of Maastricht as guaranteeing them more money from central EC funds.

The prime minister, Mr Felipe Gonzalez, has even threatened to block the negotiations unless he gets satisfaction.

But Spain quietly sides with Britain over Brussels-imposed social norms, which it believes would damage its competitive advantage.

Portugal

PORTUGAL wants the rich countries to set up a special fund to pay for infrastructure networks.

Lisbon, like Madrid, is keen on European integration but shares anxieties about social policy.

Greece

LOOKING at the trouble in the Balkans, the Greeks urgently want a strong European foreign and security policy.

They favour the Franco-German approach, with its emphasis on the EC, because their ancient rival, Turkey, is a member of Nato.

Greece also champions more financial support of "social and economic cohesion" from the rich EC countries. It will probably sign whatever is agreed.

Ireland

THE IRISH share the doubts of other money-grabbers about social policy.

Ireland's historic neutrality has "evolved" to the point where it could accept a treaty explicitly laying out the EC's future role in defence.

The Irish will demand a veto on abortion.

Dublin, like London, is cautious about any timetable towards federalism.

SCEPTICS

Britain

BRITAIN began the year in the unenviable position of not wanting almost everything that other governments wanted. But Mr Major knows that in electoral terms he must avoid isolation.

He does not accept the goal of a single European currency, though he will sign a treaty to bring it about. He does not want more powers for the Euro-parliament, though he concedes that some are inevitable.

Britain does not want any more EC control of social policy, and over that it will fight to the end. It does not want more majority voting, though it has given in on the environment and may yield more. It does not want a "federal" goal.

Denmark

THE DANES are a nation of Euro-sceptics who have nevertheless come round to integration. They favour a single currency, a strong EC social policy and stringent laws on the environment.

But they are not too keen on an EC defence policy that endangers Nato; nor are they fond of the Euro-parliament; nor do they want the Brussels Commission to frame laws for an ever-greater number of policy areas.

AND THE FRENCH

FRANCE wants what is good for the French.

For President Francois Mitterrand, the summit is the culmination of a long campaign to achieve currency union with Germany. That would regain for Paris a say in its own monetary policy, which it feels it has lost to the German Bundesbank.

But perhaps more than anything else, it would cement the ancient rivals in a political marriage. France will fight to the last to ensure that any "opt-out" clause, giving Britain a final say in 1997, does not delay the monetary union treaty.

France objects strongly to "American dominance" through Nato. In the end, however, France will accept a treaty that closely ties the EC's defence to Nato.

The French are also passionately committed to a European "industrial" and "social" policy. The first conjures up a vision of Brussels squandering cash on ailing French giants; which alarms

Germany and Britain. The other is unwelcome to Britain, and smacks of "socialism by the back door". Some of the heaviest fighting may be here.

Paris has led the calls for a joint EC foreign policy, with details decided by majority vote. But there are signs that it could accept a compromise.

No fortress in EC's powerhouse

PARIS — Fears of "Fortress Europe" have not completely disappeared, but there is remarkable optimism that the emergence of a European economic powerhouse will be a boon for the global trading system.

Instead of marking another step towards a world of rival trade blocs, many businessmen and academics see the advent of a single market crowned by a single currency as an opportunity for everybody, not just Europeans, to produce and sell more.

French President Francois Mitterrand is among those who see growing economic clout giving Europe a collective political influence that individual nations could never hope to wield.

"We have to be able to talk to the Americans and the Japanese on an equal footing, and we can do that through Europe," Mitterrand said.

An economically united Europe would clearly pose more of a challenge to US leadership, especially if

the European Currency Unit (ecu) grows into a global reserve currency.

But there is a danger that the trio of trade blocs that is emerging in Europe, North America and Asia, rather than trading and investing freely with each other, will turn inwards behind high tariff walls.

"At a time when the Berlin Wall and the Iron Curtain have come down, it would be tragic if they were replaced by (trade) restraints and competing blocs," Jean-Charles Rouher, International Chamber of Commerce secretary general, said.

Even if growing optimism about success in the Uruguay Round of world trade talks turns out to be misguided, EC officials insist the Community will not become a fortress.

With multinational firms assembling products from components produced around the globe, broad restrictions on trade would have such a devastating effect as to be unthinkable, they say.

Harvard University Professor Robert Lawrence said that by stimulating growth and spurring the role of market forces, the creation of a single EC market will be of benefit to everyone, not just insiders.

"A tough set of rules which inhibits governments from subsidising domestic firms aids all their competitors, not just those located in the European Community," Lawrence argued in a recent prize-winning essay.

A senior US economic diplomat agreed. American business was bullish on Europe, which it saw as having greater growth potential than the domestic US market, he said.

By opening up public procurement and exposing other areas of the economy to greater competition, the EC has estimated that the single market could, over time, add 5% to the Community's output of goods and services. — Sapa-Reuter.

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NANCE

'No exception can be made for Japan's rice market'

8/02/91 28/11/91
TOKYO — No exception could be made for Japan's fiercely protected rice market in the Uruguay Round of global trade talks, European commissioner for external relations and trade policy Frans Andriessen said in Osaka yesterday.

Japan bans imports of rice. (S6A)

Leaders have balked at EC and US demands to open the rice market to limited imports, imposing tariffs that would start out high but gradually be cut to nil, reducing the adverse effect on farmers.

Andriessen said farm products were as sensitive in the EC and the US as they were in Japan. All parties had to make a contribution if the Uruguay Round of GATT was to succeed.

He said it would be a big concession for the EC to reduce export subsidies and that Japan should also make a concession.

If Japan allowed rice imports of 300 000 tons, or 3% of the market, while imposing import tariffs of 700%, its rice farmers would be well protected, he said.

Andriessen was speaking on the last day of a three-day visit to Japan, during which he met Prime Minister Kiichi Miyazawa. He was expected to return to Brussels yesterday.

A European diplomat said Tokyo's response on rice had been doctrinaire and unconstructive. Washington and Brussels were likely to agree on farm issues, and Tokyo would be left with a take-it-or-leave-it decision instead of negotiating more favourable conditions.

Another major theme in the talks was Japan's soaring trade surplus with the EC, which in the first 10 months of this year reached \$23bn, against \$18,5bn for the whole of 1990. — Sapa-Reuter.

EC doors ajar for (56A) B/Docy 28/11/91 ex-communist trio

BRUSSELS — Poland, Czechoslovakia and Hungary have tied their closest links with Western Europe for half a century.

But with association accords initialled last Friday, they are rejoining a continent vastly changed since their exile as Soviet satellite states after the Second World War.

The 12-nation EC is itself on the brink of closer integration.

It has come of age as a political and economic counterweight to the US.

For the three former communist states, association with the EC means closer political and economic relations and a first step to full membership when their reforms are advanced enough, perhaps by the end of the decade.

"I hope and believe the new accord will give a boost to Polish morale," said Poland's chief negotiator, Andrzej Olechowski.

The first practical effect of the Europe accords from the newcomers' point of view is likely to be a quick transfusion for their anaemic economies through a boost in trade.

The traditional markets of the former communist states have collapsed with the break-up of the Soviet Union, and the three countries are looking westwards as they try to revive their economies.

Trade concessions to be activated early next year will be the first measures to make a practical impact.

The three countries can hope to earn more hard currency in the short term through exports of farm produce, steel and textiles — the goods poorer countries typically have on offer before they climb the rungs of development.

"It's not a kick-start but it will be a significant improvement in those three areas," said Olechowski.

For Poland, agriculture

would have the biggest export potential but the EC is reluctant to open its doors too wide. Olechowski, therefore, expects textiles to produce the quickest results.

Hungary has similar priorities to Poland.

Agriculture is less important to Czechoslovakia, the most industrialised of the three. It will be relying more on textiles, steel and light industrial products.

Importers in the three countries will also feel benefits. Entrepreneurs shopping in the EC for equipment with which to modernise their businesses will appreciate cheaper prices.

Once the accords have been ratified in all parliaments, the three countries will be privy to much more information about the EC's political decision-making.

— Sapa-Reuter.

Thatcher evokes storm with attack on Major *56A*

LONDON — Margaret Thatcher was at the centre of a storm within the ruling Conservative Party on Saturday after branding her chosen successor John Major "arrogant and wrong" for refusing to hold a referendum on Europe. *B10 ay 25/11/91*

In a tough tirade which delighted Britain's opposition parties, "Iron Lady" Thatcher on Friday night bitterly criticised Major's decision to rule out a national referendum on European monetary union.

"I think it is arrogant and I think it is wrong," she said.

Senior Conservatives on Saturday expressed anger and dismay at the attack, which came precisely one year to the day after her downfall as premier in a row over Britain's policy towards Europe.

Thatcher whipped up a storm in parliament last week when she called for a referendum if Britain eventually agrees to join a single currency, an issue to be debated at a key EC summit next month on political and monetary union.

Major rejected the call, saying he did not accept the need for a referendum either after the summit or when the single currency issue is likely to be finally decided in 1996. After a two-day debate he won a parliamentary vote on his Europe policy. — Sapa-Reuter.

Thatcher slams EC treaties

blocus 22/11/91. (SGA)
LONDON — Prime Minister John Major on Wednesday forcefully rejected proposed treaties on European union, and in a noisy parliamentary scene his predecessor Margaret Thatcher warned Europe was on "a conveyor belt to federalism".

Nearly a year after Thatcher's combative attitude toward Britain's EC partners helped precipitate her downfall, the ex-prime minister denounced the EC treaties due to be signed next month at an EC summit in the Dutch town of Maastricht.

The treaties, if approved, would set a new path for the 12-nation trade bloc. They would establish the EC's economic and monetary union and create a form of political union which would include a common foreign policy.

The two-day Commons debate was widely seen as a bid by Major to win the full backing of his divided Conservative Party and to demonstrate to other EC leaders the domestic pressures behind Britain's negotiating stance.

Before cheering supporters, Major said he would not back down on Britain's demands for a special parliamentary vote before a single EC-wide currency was adopted and for the removal of the word "federal" from the political treaty.

Thatcher, in rare parliamentary intervention, briefly reasserted her dominance over the packed House of Commons.

She accused the EC's Brussels-based executive commission of seeking more powers through the treaties. "That is the conveyor belt to federalism and that conveyor belt will not be stopped just by removing the word 'federal' from the treaty," she declared.

Major succeeded Thatcher on November 28 last year after she was toppled in a Conservative Party revolt, primarily against an unpopular new tax.

In Strasbourg, France, EC president Jacques Delors told the European Parliament the political union treaty did not go far enough. — Sapa-AP.

numbers of immigrants, writes Stanley Uys

Sandbags against the human tide

Star 21/11/91

56A

TO READ a European Community newspaper these days (or at least the less squeamish ones), you would think Europe is about to be engulfed by a rising tide of illegal immigrants — Turks, Arabs, North Africans, Asians, East Europeans.

The word "ethnic" appears as frequently in the EC media these days as it does in South Africa. Politicians talk just as passionately about "national identity" and "homogeneous culture" as ours do. Immigration, or rather the importance of keeping immigrants out of Europe, has become a mobilising issue, a real vote-catcher. It is "poisoning the political agenda", some observers say.

Governments and major political parties are trying to handle the situation with as much restraint and dignity as they can muster, but anti-immigration controls are being tightened almost everywhere in the Community. Clearer official lines are being drawn between the relatively small number of genuine seekers of political asylum (for whom space must always be found) and the much larger number of economic refugees simply seeking a better life (for whom the doors will be closed).

New right-wing organisations opposing immigration mingle with old ones — the National Party in Britain, the National Front in France, an assortment of German organisations, the Freedom Party in Austria, the Lombard League which hopes to win 20 percent of the votes in northern Italy in the next elections.

In Bremen, the extreme right holds 10 percent of the votes — as much as the Liberals and Greens combined. Even Denmark, that model of non-racialism, is about to expel unwanted Palestinians, and in Sweden the New Democracy fans the anti-immigration flames. Immigration in the EC, according to one writer, has "taken on a new and sometimes monstrous life".

Europe is caught in a contradiction. On the one hand, it is moving towards closer union and the piecemeal surrender of national sovereignty, on the other, in immigration terms, it has become fiercely possessive about both its national and collective identity. Writing in the Guardian, Martin Wollacott claims that "Europe is trip-wiring and barring the continent against all comers".

In Britain, the question of national sovereignty seems to engender stronger emotions than in

most other EC countries. Is this because being an island race breeds a stronger sense of identity and therefore a greater reluctance to see it diluted? The debate on Britain's membership of the EC and what this entails is causing some havoc to Conservative Party unity.

Resistance to immigration, whether in Britain or in the rest of the EC, is of course also part of the struggle for scarce resources, although in Austria and Switzerland, where unemployment is minimal, the anti-immigration mood apparently is just as potent as it is in, say, Belgium or Italy.

The EC is not the only target of immigration, though. Other targets are the wealth zones of North America, the Gulf and Japan. Japan, one report suggests, is "in a state of advanced neurosis about illegal immigration".

By the turn of the century, according to estimates, there will be a "surplus" of 100 million people in the Mediterranean Arab countries, many of them looking to Europe for their livelihoods. And this connotes another west European fear — the spread of Islamic fundamentalism.

Another reservoir of potential refugees is building up in the Soviet Union and eastern Europe, although the scale of the likely exodus clearly has been exaggerated by Soviet leaders as a way of persuading the West to donate more aid.

Where do these refugees end up if they succeed in finding new homes? Toynbee predicted that "the whole of the world's additional population is going to silt up in urban slums of one kind or another".

South Africa itself might well experience an immigration problem in the post-apartheid years. How many foreign Africans are employed in South Africa? If, as is predicted, the South African economy recovers with fresh injections of foreign capital, it will attract even more work-seekers. Will South Africa ring down the shutters on them in the way Europe is ringing down the shutters?

In Africa food production has fallen behind population growth in 27 of the 39 sub-Saharan countries, and some experts think that by 2025 Africa will be feeding only 40 percent of its population — precisely the conditions that give rise to immigration waves. The next two decades, therefore, may well see humanity on the move — on a scale the modern world has never seen. — Star Bureau, London. □

Thatcher-Major clash on EC looms

LONDON — British Prime Minister John Major faces one of his toughest tests as Conservative leader this week when pro- and anti-Europeans in his party join battle in a two-day parliamentary debate over European union.

Major's predecessor Margaret Thatcher and other Conservative sceptics on Europe are expected to argue against Britain finalising treaties on political and economic union at an EC summit in the Dutch town of Maastricht next month.

Major wants Parliament to back his government's "constructive negotiating approach" on the treaties during the debate tomorrow and on Thursday.

And he wants to avoid any open split in his party so close to a general election he has to call by next June.

Thatcher resigned during a Conservative leadership contest last year, fought partly because of her strident opposition to closer European ties.

But already senior Conservative MPs,

including former Cabinet members, have fired the first salvos in this week's campaign for and against closer European integration. (SGA)

Former Conservative Party chairman Cecil Parkinson said he would feel compelled to support the government's position at Maastricht because opposition could topple the government.

"What is the alternative? Bringing the government down and putting into power a group of people who would go much further? ... The prime minister will not put us in that position," he said in a television interview.

Former Chancellor of the Exchequer Nigel Lawson said Major was keenly aware of what Conservative MPs were prepared to accept.

He warned the government that a single currency meant Britain would face "a single central bank, a single finance ministry and a single government". — Sapa-Reuter.

(56A)
15/11/91
EC political unity on track

Star
BONN — Chancellor Helmut Kohl and President Francois Mitterrand last night expressed cautious optimism at the progress in the EC negotiations on economic and political union.

At a first round of talks at the Franco-German summit here, the

two leaders said they had no differences on political union and believed none of the remaining issues were beyond compromise.

Both said they welcomed the signs of movement by Britain in the negotiations — Financial Times News Service.

Setting the standards with consumer labels

56A
Swehan 15/11/91

LONDON - "Green labels" awarded to consumer goods that meet environmental targets are fast gaining favour in industrialised nations.

They are a way of encouraging environmental awareness through free market forces rather than legislation.

Granted to products that measure up to a set of government-established standards, green labels are currently offered in only nine countries, led by Germany, Canada and Japan.

But labelling programmes could be in place in at least 22 countries by the end of 1992, according to the Organisation for Economic Co-operation and Development (OECD).

On December 10, European Community environment ministers are widely expected to approve a Community-wide programme to start next year.

EC Environmental Commissioner Carlo Ripa di Meana said the plan represents a new phase of EC policy that will emphasise market forces.

"Up to now we have taken the legislative approach" of establishing mandatory pollution limits, he said when proposing the so-called Eco-label programme. "By using market forces, we will attempt to influence market realities."

"Market forces" is the favoured approach of government officials in several Western countries, led by the United States and Britain. These officials would prefer to foster voluntary environmental compliance by industry rather than impose more legislation.

Green labels are a leading strategy for the free marketers, because they tap into a rising tide of "green consumerism" and are designed to pre-

vent pollution before it happens. Most legislative approaches penalise a polluter rather than reward prevention efforts.

But the OECD, in a recent survey of labelling programmes around the world, warned that "their role must be viewed as a modest one as a part of a broader environmental policy."

It found that labelling programmes do not run smoothly and multiple trade-offs are involved.

Angel

Germany was the first country to enact a labelling programme - its "Blue Angel" scheme dates from 1978 - but sees it as a soft approach amidst some of the toughest environmental regulations in the world.

The German plan demonstrates some of the pitfalls. More than 3 600 "Blue Angel" labels have been awarded to products in 64 categories but over half of these fall into only four product categories - low-pollutant varnishes, low-emission gas burners, stripping agents for waste water treatment and recycled paper.

Japan reported the same phenomenon of a small group of products accounting for more than half the labels, indicating that many industries largely ignore the label.

"The German experience shows that eco-labelling does not eliminate the need for other regulations, especially in regards to production and disposal," said Franz Joseph Fraundorfer, of Arthur Little management consultants.

The OECD said a rising green consumer movement in the 1990s should spur industry involvement in eco-labelling schemes. Most official labelling schemes have a precise set of criteria for each product category and take a "cradle-to-grave" approach - every aspect of a product's life cycle from production through disposal is considered when awarding a label. - *Sapa-Reuter*



Dutch Foreign Minister Hans van den Broek, centre, puts his arms around the shoulders of some of his colleagues yesterday before a meeting of European foreign ministers in Noordwijk, the Netherlands, to discuss European political union. Clockwise from bottom left: unidentified, Belgium's Marc Eyskens, Luxembourg's Jacques Poos, Italy's Gianni de Michelis, Ireland's Gerald Collins and Portugal's Joao de Deus Pinheiro. Picture: AP

EC ministers meet for 'fireworks'

BRUSSELS — EC foreign ministers shut themselves away yesterday for two days of talks on political union with little hope of a deal but considerable chances of a clash. "There will be fireworks," predicted Jacques Delors, president of the EC's executive European Commission. The ministers are meeting in the Dutch town of Noordwijk to agree on new treaties on political union and economic and monetary union (EMU). *B/2007 13/11/91* On the eve of the talks, Belgium set the tone by accusing Britain of trying to trick its partners into lowering their sights. "Europe cannot become ensnared in the trap the British are setting for it," Belgian State Secretary for European Affairs Anne-Marie Lizin said in a statement. As Belgium and other member-countries start hiding their cards ahead of the

summit, the Netherlands' State Secretary for European Affairs Piet Dankert, whose country holds the EC's rotating presidency, has little hope of seeing progress at the two-day talks. *SLA*

A source close to Dankert quoted him as predicting there would be no breakthrough and that agreement would come only in "the famous last five minutes" at the summit in Maastricht on December 9 and 10. The ministers will pore over a draft treaty compiled by the Netherlands but summing up the majority view after nearly a year of highly complex negotiations.

It lays out a blueprint for a common EC foreign policy, endowing the European Parliament with greater powers and opening new fields of EC action in social and immigration policies. — Sapa-Reuter.

Success in sight for trade reform talks

Star 11 11 91

GENEVA — A successful conclusion to five years of talks on world trade reforms could come before the end of the year, says Arthur Dunkel, director general of the General Agreement on Tariffs and Trade (Gatt).

He says non-stop talks will be held in Geneva from today so that the texts of agreements in all the areas under negotiation in Gatt's Uruguay Round can be ready by the end of this month.

A breakthrough in the long-running dispute between the US and the European Community over farm reforms is now seen as attainable as a series of top-level meetings gets under way.

Weekend talks between President George Bush and Jacques Delors, European Commission president, and



Arthur Dunkel . . . a breakthrough attainable.

European ministers in The Hague, and between Edward Madigan, US agriculture secretary, and Ray MacSharry, EC farm commissioner, in Brussels could open the way for an agreement on world farm reforms in the Gatt round, which in turn would trigger a series of other trade-liberalising agreements.

The complex and shadowy trade negotiations have become an exercise in real life, Mr Dunkel says.

Matters were now being handled at the highest decision-making levels as governments realised the world economy, which was in urgent need of stimulation, required greater growth, re-

quired the right signal from the Gatt round.

Radical reforms taking place in the Soviet Union, Eastern Europe, Asia and South America relied on the adoption of basic Gatt rules ensuring that competition in trade was not distorted.

Mr Dunkel has presented a 10-page assessment on the progress of talks to the round's governing trade negotiations committee, listing a multitude of problems that remain in the seven sectors covered by the talks.

But, he says, most of the difficulties could be settled in five minutes, if the wish existed to do so.

A more cautious note was sounded by El Ghali Benhima, Morocco's ambassador to Gatt, speaking in Geneva on behalf of the developing countries. He said access to de-

veloped countries' markets for their farm, textile and tropical products was still limited.

Negotiators still faced serious problems, and if these persisted the round would incontestably be in danger.

Failure would gravely compromise the future of the world trading system and threaten investment and employment.

However, US and EC officials temper hopes that they are on the verge on a breakthrough in agriculture.

A US official has cautioned not to expect any substantial developments from the meeting between Mr Madigan and Mr MacSharry, while an EC official doubts whether President Bush's talks could settle the points still at stake. — Financial Times.

Quality control to EC standards

B 11/10/99
31/10/99 LINDEN BIRNS (S6A)

SA's first EC-certified quality control centre, run by Armscor subsidiary Gerotek, was officially accredited yesterday.

The facility, previously devoted to environmental and ballistic testing, was adapted to meet standards set by the EC for goods manufactured by the private sector.

Gerotek group manager Henk Snyman said yesterday that by the end of next year SA-manufactured goods for export to EC countries would have to pass strict quality control tests. The Gerotek facility would be certified to run these.

SA Engineering Association president Roy Marcus said the facility would help exporters generate the foreign exchange needed by SA to embark on a social upliftment programme.

SA's private sector would realise substantial cost savings using the new facility as it would be able to pay for EC testing in rands.

Never on Sunday, EC decrees

LONDON — God said everyone should have a day off a week. Muslims chose Fridays, Jews Saturdays, Christians Sundays. *Star 26/10/91*

Now the European Community is pretending to be God. It is about to decree that EC citizens must take Sundays off. What business is it of the Community to decide such things, you may well ask.

The Sunday edict is being sneaked into a directive on working time which EC ministers are likely to approve when they meet on December 3. A few countries are fiercely opposed to the EC dictating the rules on such things, but they may be unable to stop it.

The reason is that the European Commission introduced the working-time directive as a "health and safety" measure, and matters of health and safety are decided in the Community by majority vote.

The culprit is Germany. An awesome combination of German Christian Democrats and German trade union-

ists (who want to stop "exploitation") has prompted the effort to ban Sunday working. *(56A)*

Into the working-time directive Germany has inserted a rule that, in everyone's minimum weekly rest period of 35 hours, Sunday should "in principle" be the day off.

Besides anything else, the move looks illegal. It plainly makes no difference to anyone's "health and safety" whether they refrain from work on a Sunday rather than a Wednesday. If asked (as it surely would be), the European Court of Justice would presumably overturn the ban on Sunday work.

But the court takes about 18 months to reach its decisions, during which time the law would stand.

The worst damage from EC rules on Sunday working, however, would be to cause a citizens' revolt — exactly the opposite of what the promoters of EC social legislation are aiming for. — The Economist.

Common market accord

LUXEMBOURG — The EC and the European Free Trade Association struck an accord yesterday on the world's biggest common market, a 19-nation European Economic Area (EEA) stretching from the Arctic to the Mediterranean, EC and association officials said. (S6A)

"This is a tremendous achievement. It opens the way to the creation of the largest and most integrated common market in the world," Finland's external trade minister, Pertti Salolainen, told a news conference.

His country holds the rotating presidency of the association bloc, which also comprises Austria, Iceland, Norway, Sweden, Switzerland and Liechtenstein.

The EC and the association already conduct about 60% of their external trade with one another, accounting for 40% of world trade. *6/10am 23/10/91*

Under the deal, association countries will from 1993 implement hundreds of EC rules in their national legislation in areas such as the free movement of goods, capital and services and EC competition policy.

The two blocs will also set up a joint ministerial council and a joint court to settle disputes.

Officials said the legal text had to be fine-tuned before the 19 countries could put their names to it officially.

Salolainen said the accord would hold good for association countries that have applied to join the EC outright — Austria and Sweden to date — and those that have not.

— Sapa-Reuter.

Wheat surplus grows from here to Pluto

Own Correspondent

BRUSSELS — The Common Market's titanic surplus of wheat — now reaching record levels — is boggling the imagination even of the officials who helped create it.

With 30-million tons expected to have poured into silos and granaries across Europe by the end of the year, Brussels bureaucrats are at a loss for words. All they can say is that it is the largest amount of uneaten food produced by any civilisation.

"I don't know how to describe it," said one official. "It's certainly a heck of a lot of wheat."

EC agriculture ministers met in Luxembourg yesterday for the second serious discussion on ways to abolish the excess have awesome comparative statistics to consider.

St Peter's in Rome, the largest ecclesiastical building in the world with a volume of 40-million cubic metres, would accommodate less than one third of the intervention wheat stocks the commission expects to have bought in by December.

And with the Soviet Union facing a winter of near-starvation, the ministers should know that this stock could produce no less than 67.5-billion loaves of bread.

According to millers and bakers Rank Hovis MacDougall that would comfortably supply 1.75-trillion slices of toast — enough to cover 36 252km² or roughly the surface area of Sicily, whose wheat-growing capacity made it once the breadbasket of the Roman empire and of Europe.

Thanks to the EC's dairy regime, there is no shortage of butter to spread on the toast. There are about 1-million tons in refrigerated storage across Europe. Beef is being stored in similar quantities, some of it now seven years old.

Not all of the wheat is of the quality normally required for the standard white British loaf. Much of it would have to be made into biscuits, though these would presumably be no less welcome in the Soviet Union or Ethiopia.

But there are nevertheless so many edible grains of wheat now going to waste that, if laid end to end, they would stretch 6,688-million km — rather more than the distance between the Earth and Pluto.

Figures like these may help to concentrate the minds of farm ministers as they begin again next week on the proposals drawn up by EC farm commissioner Ray MacSharry, amid renewed signs that the French government is opposed to reform.

The EC is shackled not only with the cost of buying in and keeping the surplus, which has unexpectedly shot out of control in the last two years, but also with the consequences for the GATT world trade talks.

These have been stalled since last Christmas because of US objections to Common Market attempts to dump the produce on the world market. — The Daily Telegraph.

Probe routine, says Gordon

8/0ay 11/10/91
LIBERTY LIFE chairman Donald Gordon says he is not concerned that an EC Commission investigation may derail the recent joint Liberty and French UAP takeover of the UK Sun Life Corporation.

AP-DJ quoted a spokesman for the EC Commission on Wednesday as saying it would launch a preliminary probe into the takeover deal.

Under EC merger regulations rules, the commission has the power to block or significantly alter large cross-border deals which could endanger competition in the 12-nation community.

Gordon said the investigation was nothing more than routine procedure, considering the size of the joint Liberty and UAP venture.

He added that extensive documentation had been lodged with the commission and a decision would be taken in a couple of weeks: "I am totally confident there won't be any complications arising from the investigation."

Gordon said the commission had been consulted prior to the announcement of the deal, "and we would not have gone through

SA
BRENT VON MELVILLE
and SEAN VAN ZYL

with it had there been any uncertainty".

Liberty asset management chairman Roy McAlpine played down the probe, and said it amounted to nothing more than standard procedural comment.

"All it means is that the EC has received the necessary documentation."

Liberty — through its Luxembourg-listed TransAtlantic Holdings — and UAP notified investors last month that the property and financial services giants had consolidated their holdings in Sun Life in a joint company, Rockleigh Corporation.

Liberty and UAP also enlarged their joint controlling stake to 59.9% of the UK assurer's issued share capital.

Our London correspondent reports that a spokesman for the commission's mergers section confirmed the preliminary investigation was normal procedure.

The inquiries, which lasted a month, were routine and usually ended up with the deal being waved through. In a minority of cases a further inquiry was instigated, he said.

UNTIL four months ago, Europe's stock markets spent a lot of time getting cosy. They talked of the need for co-operation — of working together to serve international investors and companies looking to raise capital overseas. The free movement of capital in Europe demanded a unified capital market, they argued.

Such rhetoric has now largely vanished. Instead, there is a new rallying cry for European bourses: "Sauve qui peut!" (every man for himself). Instead of co-operation, national markets are now fighting openly to protect their own share of stock market trading as the securities business becomes increasingly international.

Attempts at harmony evaporated last May when two years of work towards a joint trading system, Euroquote, was scrapped. Europe's national stock markets are scrapping old cartels and practices and introducing new systems to make themselves more attractive to capital users and providers. Part of the battle is to win business back on to organised stock markets. As much as 43% of equity trading in Europe does

Nationalism upstages EC rhetoric

8 Days 4/10/91

RICHARD WATERS

not take place on stock markets at all, or happens without being reported to market authorities, according to the Federation of Stock Exchanges in the EC.

In France, for example, a group of brokers under the chairmanship of Credit Commercial de France MD Rene de la Serre has proposed radical changes to make the Paris bourse more competitive internationally.

In Germany, there seems finally to be some headway towards unifying the country's eight regional stock markets. And in London, the stock market authorities are feeling their way towards the creation on British soil of the same European Wholesale Market that earlier this year they tried unsuccessfully to persuade other countries to join them in building. The first stage of the reform process is well in train in most countries, though not complete. This is the wave of deregulation through which the old clubby ways of the various markets are being unwound.

It has taken a common form: ending monopolies enjoyed by small groups of brokers and dealers, and admitting banks to the official stock markets. As monopolies have gone, fixed commissions have in some cases gone with them.

The second stage of the process is still in its infancy: the re-regulation of national markets, and the development of new infrastructure to make all aspects of the trading and settlement of shares quicker and cheaper.

The move to greater regulation of national markets is a recognition of the demands international investors place on free and open equity markets — something not previously accorded high priority in continental countries traditionally attuned more by debt than equity financing.

The re-regulation is taking place on a number of fronts:

The introduction of insider-trading legislation and the development of tighter policing of markets — the revelations in Germany in recent weeks about dealing practices in some banks has confirmed investors' worst fears and led to calls for tighter trading rules;

Tougher capital adequacy rules for brokers/dealers — while the European Commission feels its way towards agreement on a unified system for assessing the capital backing of securities companies, national pressures are already at work in some countries. In France, for example, the De la Serre committee, stirred into action by the collapse of the broker Tuffer a year ago, has argued for tighter capital rules, and a strict segregation between the different activities of securities companies; and

The introduction of Anglo/US-style protection for minority shareholders — in Switzerland it is proposed that anyone buying more than

a third of a company's shares should be forced to make a general offer to all the other shareholders.

While such reforms are intended to instil greater confidence, moves to remodel national trading arrangements are driven by a perceived need to make local stock markets cheaper and easier.

In some cases, national markets are being created for the first time. In Germany and Switzerland, pressure from the few banks that dominate the securities business seems to be leading towards the unification of regional exchanges.

Not all the sparking new electronic trading systems will succeed. The German exchanges have experimented with two versions of the IBIS electronic system to give them a leg-up in the battle for market share.

Part of the argument for scrapping Euroquote was that it was too expensive and did not justify the investment. There is a danger now that each national market will spend far more trying on its own to build a version of a cross-border trading system, and the pay-back will be a long time in coming. — Financial Times.

REVIEW

Danish opposition party calls for a new constitution in SA

Bipoy - 2/5/91 KIN BENTLEY

LONDON — The major opposition party in the Danish parliament, which is preventing the EC from implementing its decision to lift trade sanctions against SA, has spelt out its demands.

SA, says the Danish Social Democratic Party, should begin the process of reform by introducing a new apartheid-free constitution from the outset, thereby automatically scrapping the various apartheid laws like the Group Areas and Land Acts.

The Social Democratic Party (SDP) and two small centrist parties have effectively blocked the EC's recent decision to lift trade sanctions against SA.

The SDP is not satisfied with draft legislation which is supposed to replace the Group Areas, Land and Population Registration Acts this month, saying it will retain apartheid in another guise.

The SDP adds that until apartheid is eradicated in its entirety, the party and its allies will continue to block the EC decision to lift the ban.

Although all 12 EC countries on April 15 voted to lift the ban on imports of SA iron, steel and Krugerrands, a subsequent vote within the Danish parliament saw a pro-sanctions alliance headed by the opposition Social Democrats vote against the decision.

With the removal of consensus, the formerly unanimous EC foreign ministers' decision to lift the trade bans has apparently been stymied.

Social Democrats spokesman Pernille Forchhammer said the decision to block the move was taken after analysis of the Bills to replace the Group Areas, Land and Population Registration Acts. All three, she said, perpetuated white domination in another guise.

She said the European Commission might try to force through the decision to lift trading in Krugerrands by putting it to the Council of Trade Ministers, where only a two thirds majority was required.

However, she said, because they were governed by the European Steel and Coal Treaty, an EC decision to repeal the ban on SA imports of iron and steel had to go through the Council of Foreign Ministers — which required unanimity, currently denied it by the Danish decision.

Forchhammer noted that the Social Democrats would only change their stance when apartheid had been completely removed. Instead of tinkering with laws, she said, the SA government should tackle the apartheid constitution itself, from which the laws flowed.

A new constitution would entrench civil rights, the right to live where one wanted, nonracial schooling and so on. This would obviate having to then remove each apartheid law piecemeal.

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BERT BOTHA

By JENNIFER POGGRUND
 FIVE leading Danish parliamentarians

arrived in South Africa on Friday to assess whether the government has met conditions stipulated by the Danish parliament for the ending of Danish and European Community sanctions.

Depending on the finding of the delegation, the way may be opened for the lifting of EC sanctions on steel, iron and Kruger rands. In April the Danes effectively vetoed the 12-member C's wish to lift these sanctions. For the first of a three-phase plan of Danish sanctions laws against South Africa to be lifted, the delegation will have to be satisfied that the five pillars

Danish MPs to decide on EC sanctions

of apartheid legislation have been abolished; that a binding agreement with the United Nations High Commission for Refugees (UNHCR) on the return of exiles has been concluded and that all political prisoners have been released.

Said Erik Boel, charge d'affaires of the Danish embassy: "Once these conditions have been fulfilled, the way will be clear for the lifting of the first phase: the reservation against the abolition of the EC sanctions, and legislation that bans Danish investments and the exchange of services such as

banking.

The delegation, which is in the country on a week-long unofficial visit as guests of the South African Council of Churches, will meet a range of government representatives as well as other political leaders and representatives of non-governmental organisations.

The three-phase plan for the lifting of sanctions is a consensus document agreed to by the five major Danish political parties, which are all represented in the delegation. In the delegation is Jørgen Winther of the Liberal Party and chairman of

the Foreign Affairs Committee, which will make the final decision on whether to lift the first phase of sanctions at this stage.

Also in the delegation is Jørgen Estrup of the Social Liberal Party, the man who holds the swing vote on the lifting of Danish and EC sanctions. An opinion poll conducted in Denmark this week showed that most Danes still support the retention of sanctions. Whereas it is widely considered that two of the conditions have been met — the repeal of apartheid legislation

and the signing of the agreement between the government and the UNHCR on September 4 — the still-unresolved issue of the release of remaining political prisoners may prove to be the stumbling block.

But while the lifting of EC sanctions remains unclear, it is an almost foregone conclusion that the Commonwealth Heads of Government meeting in Harare next month will accept recommendations to lift the sports, cultural and academic boycotts. The proposals of the New Delhi foreign ministers' meeting last weekend made it clear that substantial progress has been made and that these "people-to-people" sanctions could now go.

Foreign aid for SA could double

S/T/Wes

29/9/91

S6A

FOREIGN development aid to SA is expected to double to well over R1-billion annually, with the agreement this week by SA's main three developmental agencies to actively co-operate.

In addition, the chief executive of the Independent Development Trust, Dr Jan Steyn, is in Europe making presentations to bankers of an IDT flotation of a Eurobond, which will take place in November and is already attracting considerable European interest.

Promise

Mr Jolyon Nuttall, director of communications for IDT, said it expected the loan would exceed \$100-million (about R280-million).

The aid budget increases are expected from US, European and Pacific Rim countries and aid agencies in the wake of the promise of more effective aid distribution and implementation in SA.

The promise came early this week when SA's three developmental agencies, the Development Bank of SA, the Kagiso Trust and the IDT presented a proposal to the European Commission in Brussels detailing how they proposed to more closely co-ordinate their activities.

It was the first time the

By CHARLENE SMITH

IDT and DBSA had met with the EC. Both receive funds from the SA government and the private sector, but are keen to begin tapping foreign capital markets.

The EC had pushed for co-operation between the three groups for some time. SA receives around R700-million in foreign aid each year, most of which, until recently, was channelled to assist anti-apartheid groups.

Achmat Dangor, national director of the Kagiso Trust, said the move would draw on "the financial resources of the IDT, the technical skills of the DBSA and Kagiso Trust's access and experience in working with communities."

Mr Dangor said: "People want to see tangible benefits from the process of peace and some change in their lives. This is a way of achieving that. Development has to transcend political divides, if people are not to lose faith in the peace process."

Rural

Co-operation between the three agencies will initially focus primarily on education and rural problems, especially the provision of infrastructure and job creation.

The developmental needs which are critical to the economic regeneration of the country and future political stability are immense.

A third of the country has no access to clean water, two-thirds has inadequate sanitation, 28-million don't have electricity and infant mortality rates are unacceptably high.

More than 2 million homes are needed — with only about 20,000 a year being constructed. Urban-

isation is among the highest in Africa.

Kagiso Trust receives two-thirds of EC aid to SA, and this year will allocate R80-million to development projects, R50-million of which will go to education, of which 80 percent will go to bursaries.

The IDT, on the other hand was established with a R2-billion government grant, of which around R1,5-billion has already been allotted to a number of community projects such as housing for squatters. Housing is an IDT focus.

The DBSA was established by the government

eight years ago and operates on an aid budget of around R1-billion a year.

DBSA's chief executive, Dr Simon Brand, said: "All three organisations agree that we must be careful not to go for spectacular projects, but smaller community-based and directed projects."

The DBSA and Kagiso Trust are both transforming themselves. Kagiso Trust has moved away from funding political organisations, and the DBSA which has homeland leaders on its governing body and board of directors can expect that "when there are changes in SA's

constitutional make-up, and some of those regions rejoin SA, the nature of that relationship will have to change," Dr Brand notes.

He sees land reform as a huge area of future work: "People should not just be dumped onto land, but helped to develop it."

Although there have been reports of aid cut-backs in Africa, and SA, because of the crisis in Eastern Europe, SA's aid agencies report that the opposite is true.

Mr Nuttall said there was a feeling in Europe that SA should be rewarded for its progress.

EC urges easing of restrictions on SA

Star 25/9/91
Special Correspondent

NEW YORK — European Community members yesterday urged the gradual lifting of "restrictive measures" on South Africa, to the degree that reforms were implemented.

The 12-nation group also said it was "absolutely indispensable" that negotiations begin soon on a new constitutional order in South Africa, with the broadest possible participation of all segments of society.

The EC, in a statement read out to the UN General Assembly by Netherlands Foreign Minister Hans van den Broek said that there was reason for "some optimism" over the South Africa situation.

He said it was undeniable that President de Klerk's reform process had moved the country into what he termed a "qualitatively new phase".

But the measures taken so far were not enough to create a united, non-racial and democratic South Africa, the Minister added.

Calling for early negotiations, he said all parties, particularly the Government, had to help create a climate conducive to the success of such talks.

"The international community, which is committed to the complete dismantling of apartheid, should monitor these developments," Mr van den Broek said.

"In order to encourage

constructive change it should be willing, gradually, to revoke restrictive measures to the degree that reforms have been put into effect."

The Netherlands is the current chairman of the EC, which also submitted to the UN a memorandum covering several international problems, including that of South Africa.

Essentially, the South Africa segment reviewed developments in the Republic over the past year and reaffirmed members' commitment to support the complete abolition of "the unacceptable system of apartheid by peaceful means and its replacement by a democratic system".

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Europe '92 will not bar SA goods, says envoy

SHARON WOOD

56A

NEW barriers would not be erected against SA products when the European common market came on stream in 1992, British consul-general John Doble said yesterday. Speaking in Johannesburg at an Institute of Directors' seminar on Europe 1992, Doble said free trade was absolutely vital for Europe because its exports were far larger than those of any of the other major industrialised countries.

"Europe would suffer most from protectionism... so we have a greater interest than anyone else in preventing protectionism," he said.

SA companies should take full advantage of the opportunities available in the world's largest market by setting up an office, joint venture or new factory inside the EC. However, there would be no barriers to foreign products exported to Europe, he said.

The common market had not been completed because numerous barriers remained in place.

Exchange controls still existed, preventing the free movement of capital; company law and taxes varied; and standards, specifications and patent regulations differed between countries. *Blom 13/9/91*

The removal of remaining barriers would add about 5% to the EC's GDP; create about 1.8-million new jobs, and reduce business expenses.

Europe 1992 was well on its way. Three-quarters of the 282 measures needed to achieve the single market in 1992 had been accepted by governments, which had agreed to allow decisions to be made by majority vote.

Some progress had been made on reforming common agricultural policy, but much more work needed to be done on farming subsidies.

Doble said he hoped central European countries would be able to sell surplus agricultural products to the EC.

Eastern European countries did not need aid: they needed trading opportunities, he said.

S6A



Soviet plea for food aid staggers EC

BRUSSELS — The European Community, staring in disbelief at a Soviet plea for six billion dollars in urgent food aid, yesterday gave a muted cry for help from its Western partners.

"The size of the (Soviet) request is such that I presume it's a request to the international community," said a spokesman for the EC's executive European Commission.

"This must concern the Group of Seven (richest nations), all the industrialised countries, not just the Community."

Moscow's request, channelled through the European Commission on Wednesday, includes 5.5 million tons of wheat — a volume roughly equivalent to an entire year's wheat sales to the Soviet Union from France, Moscow's leading EC supplier.

US Agriculture Secretary

Edward Madigan said on Wednesday Washington would help meet Soviet food needs for the winter.

Even before the failed hard-line coup in Moscow last month, the EC had been expecting a request for more food aid. But the size of the request clearly came as a shock.

"There were a lot of telephone calls going on in Brussels this morning to find out what is going on," one EC diplomat said. "There's a lot of clarification to be sought. We don't really know the facts."

One of the main questions will be how to distribute EC food supplies through the Soviet Union's collapsing networks.

"A very large part of their problem is not lack of food but the absence of a system to distribute it before it rots," said one diplomat.

Soviet officials estimate their request to be worth five to six billion European currency units (\$7 billion).

European Commission President Jacques Delors was not aware of Moscow's plea when he announced in Strasbourg on Wednesday that Moscow would need two billion Ecus (\$2.4 billion) in food aid, the spokesman said.

Diplomats said current EC aid programmes for the Soviet Union — \$300 million in emergency food aid now under distribution and \$600 million in credit guarantees — would probably count towards the new package.

But the Commission will now have to draft a proposal for EC ministers on how to procure the goods if they agree to Moscow's request, with two main alternatives already shaping up.

One would be based on proposals made by France last week when it blocked an EC decision to let in more farm produce from Poland, Czechoslovakia and Hungary.

Paris, anxious to avoid further irritation to its already restless farmers, suggested instead a triangular system in which the EC would subsidise food exports from the three reformers to the Soviet Union.

If the idea gains favour with the other 11 EC states, the Community would have to pay near market prices for the entire emergency package requested by Moscow this week.

Some fear this would put the EC in the ironic situation of effectively paying to rebuild COMECON, the defunct trade bloc between Moscow and its former satellites.

The other possibility would be for the EC to reach into its

stores for the massive surpluses generated by its Common Agricultural Policy, so successful over the past decades that it ended up producing millions of tons of unwanted grain, beef, butter, sugar and wine.

The wheat request could be covered by existing EC stocks, but the Community routinely uses stored grain to make up a market shortfall when it needs to fulfill an export order.

The bloc's sugar stocks are at a low and would not cover the 900 000 tons requested by Moscow.

The 350 000 tons of butter requested would consume nearly all of the EC's stocks, as would the 800 000 tons of beef.

No figures were immediately available to show how far EC stocks would cover the rest. — Sapa-Reuter.

European divisions endure

Star 20/9/91
THE British and Dutch prime ministers, John Major and Ruud Lubbers, have acknowledged that deep divisions may force the European Community to lower its sights in negotiations for a federal political union.

The two leaders emerged from talks in The Hague in solemn mood about the differences between member states in the political union talks, which, alongside those for monetary union, are due to be concluded at the Maastricht EC summit in December.

Although most member states have problems with some parts of the political union plan, Britain is alone in opposing almost all its key aspects, notably the extension of main EC powers — including the legislative role of the European Parliament — and moves towards common foreign and defence policies.

After hearing the long list of British objections, Mr Lubbers, whose country holds the EC presidency, admitted for the first time that it may be necessary to tone down the union proposals to ensure that some trea-

DAVID USBORNE reports from The Hague that the likelihood of political unity for the European Community remains elusive.

ty, albeit a modest one, is agreed on at Maastricht. It could then be built upon at further inter-governmental conferences.

But even with some concessions, likely to focus on common foreign and security policy, the union proposals are certain to remain difficult for Mr Major. The final presidency drafts, due for adoption by the Dutch government today, will emphasise a full federation as the eventual goal. They will also still include a significant expansion of powers for the European Parliament and the European Commission. Mr Major contrasted the obstacles ahead on political union with the seemingly better prospects for monetary union, where let-out clauses for Britain seem certain now to be introduced.

(56A)
Wednesday's meeting signalled the start of a round of bilateral meetings in the run-up to the Maastricht summit. Similar visits have been arranged to see President Mitterrand of France and the German Chancellor, Helmut Kohl, the other key players.

Of key importance is the stance taken by the Dutch on how far new areas of EC business, especially on foreign policy, defence and immigration issues, should be treated in the traditional EC decision-making structures, where both the commission and Parliament have key roles. Britain, supported by France, is adamant that areas of such key importance should be left to the member states to handle.

In contrast to the papers released last week, the new Dutch paper is expected to strike a compromise where these areas of business will temporarily be treated on a new basis, with limited commission and Parliament involvement, but on the understanding that they will pass under classic EC control in the future. — The Independent News Service. □



"We have surrendered nothing" . . . Foreign Secretary Douglas Hurd listens to Mr Major at a post-summit press conference.

Picture: AFP

It's unity — on Major's terms

STAR 12/12/91

ELA

A YEAR after succeeding Margaret Thatcher as British prime minister, the mild-mannered John Major has won a key diplomatic victory in Europe: the battleground that precipitated her downfall.

In some ways, the European Community summit, which ended yesterday with a far-reaching agreement on European union, looked like a replay of the Thatcher years.

Britain was isolated by its long-time resistance to European union; the arguments with the pro-union leaders of Germany, France, Italy and the rest dragged on into the early hours; the summit teetered on the brink of collapse.

The big difference was that in the end Mr Major got his way, the 12-nation trade bloc got an historic accord — although well short of Continental visions of a federal-type Europe — and no tempers were frayed.

The haggling was hard, but eventually John Major had his way at Maastricht, wringing special concessions for Britain over European union, reports MAUREEN JOHNSON.

"The United Kingdom is very much the same," Dutch Prime Minister Ruud Lubbers, the summit host, remarked wearily when two days of haggling finally ended in the early hours.

But, he added, this British "prime minister does not have a handbag".

The quip underlined the contrast in style between Mr Major and Mrs Thatcher, who during her 11 years in office was regularly depicted by cartoonists as pounding male colleagues with her trademark handbag.

"We have surrendered nothing and we have lost nothing," Mr Major declared early yesterday. "I think it is a success both for Britain and for the Community."

Mr Major won special exemptions for Britain on two

key provisions of the new union treaty.

Britain will be allowed a special vote in parliament before deciding whether to abandon the pound sterling for a single European currency, the Ecu, to be adopted by January 1 1999.

And Mr Major, after threatening to veto the treaty, persuaded the others to drop a cherished "social chapter" on labour regulations.

He said provisions for maximum working hours, maternity benefits and union consultations would undermine the union clampdown by Britain's Conservative government and make the Community uncompetitive.

Political opponents of the Conservatives in Britain attacked the deal Mr Major

reached at the summit with his EC counterparts.

Labour Party employment spokesman Tony Blair said of Mr Major's refusal to accept Community-wide EC laws on labour rights: "It means, effectively, isolation for Britain yet again on an issue as basic as minimum employment standards for people throughout the European Community, which is a tragedy for the long-term interests of Britain in Europe."

On the single currency deal, Paddy Ashdown, leader of Britain's centrist Liberal Democratic Party, said: "At the heart of this agreement lies the single currency, where Britain now suffers a damaging opt-out. This is a treaty negotiated in the interests of the divisions of the

Tory party, not for the long-term prosperity of Britain in Europe."

For Mr Major, whose Conservative Party is split over Europe, Maastricht appeared a boost to his prospects in the general election which he must call by July.

The main opposition Labour Party, running neck-and-neck with the Conservatives in opinion polls, accuses him of running the only country in Western Europe standing out against workers' rights.

But a Maastricht collapse blamed on Britain would have reopened divisions in the party.

Mrs Thatcher was ousted as Conservative leader in November last year after her flat rejection of European union moves left Britain isolated in Europe.

The crisis inflamed a simmering party revolt over her increasingly autocratic style at home. — Sapa-AP. □

Gatt throws cat among farm pigeons

56A

GENEVA — Bidding to force agreement on a world trade pact, Gatt chief Arthur Dunkel has laid down his package plan for an accord that could put European farmers on the warpath.

The 450-page document, delivered at the weekend to negotiators from 108 countries involved in the trade watchdog's Uruguay Round, would cut agricultural supports.

It looked certain to upset West European farmers who get subsidies, and Japan and South Korea whose farmers want their rice markets kept firmly closed.

Mr Dunkel said his package sought "to strike the best possible balance across the board" of proposals that have emerged in the five-year-long talks, known as the Uruguay Round.

Just hours earlier, and facing possible collapse of the talks which negotiators hope will boost the limping international economy, he had appealed to world

leaders and governments to study his plan urgently.

The package covers all seven areas of the talks — including market access, trade in services, textiles and clothing and intellectual property rights — but diplomats said the sector dealing with farming could make or break an accord.

Mr Dunkel's proposals, turned down sight unseen by European Community Agriculture Commissioner Ray MacSharry, went to the heart of the dispute that brought the talks to collapse last year and now has them on the brink of final failure.

He said that government cash support for farm export subsidies should be cut by 36 percent between 1993 and 1999 and the volume of subsidised exports should drop by 24 percent against average figures for the period 1986-90.

Domestic support, or money paid to farmers to maintain and expand production, should be

slashed by 20 percent between 1993 and 1999 from a base of the average figure for the years 1986-1988, Mr Dunkel proposed.

The subsidy issue has been at the centre of a fierce struggle between the EC and the US, which argues that markets should be opened up so that supply and demand can fix prices across the world.

On Friday, an EC official in Brussels said talks there during the day between Mr MacSharry and US Agriculture Secretary Edward Madigan had collapsed after failing to achieve any breakthrough on the issue.

Farmers in much of West Europe fear an end to the subsidies would leave them unprotected against cheaper produce outside the EC and push them towards extinction, a view echoed by Japanese and Korean rice-growers.

Some 500 Swiss farmers besieged the Geneva headquarters

of Gatt, the General Agreement on Tariffs and Trade, as senior trade diplomats were gathering to hear Mr Dunkel's plea for his plan to be approved more or less as it stood.

The only formal reaction after the plan's release came in a prepared statement in Brussels by US Trade Representative Carla Hills who said it was "an earnest effort to resolve many difficult issues".

Watching anxiously were representatives of developing countries and former communist states who say they need easier access to the vast EC market for their products to bolster their fragile economies and drive to democracy.

Analysts fear that if Mr Dunkel fails to stave off a final collapse of the Uruguay Round, the world will plunge into protectionism and trade wars that would devastate the poorest countries and end hopes for a lasting economic recovery. — Sapa-Reuter.

Inflation eroding price advantage of exporters

By Neil Behrmann

5/11/2 19/12/91

LONDON — Last week's historic European Community Agreement will increase pressure on South African exporters and the rand, unless rampant inflation is checked.

The most significant economic agreement at the summit held in Maastricht in the Netherlands is that the 12 member states should meet strict economic goals of low inflation, limited budget deficits and uniform interest rates.

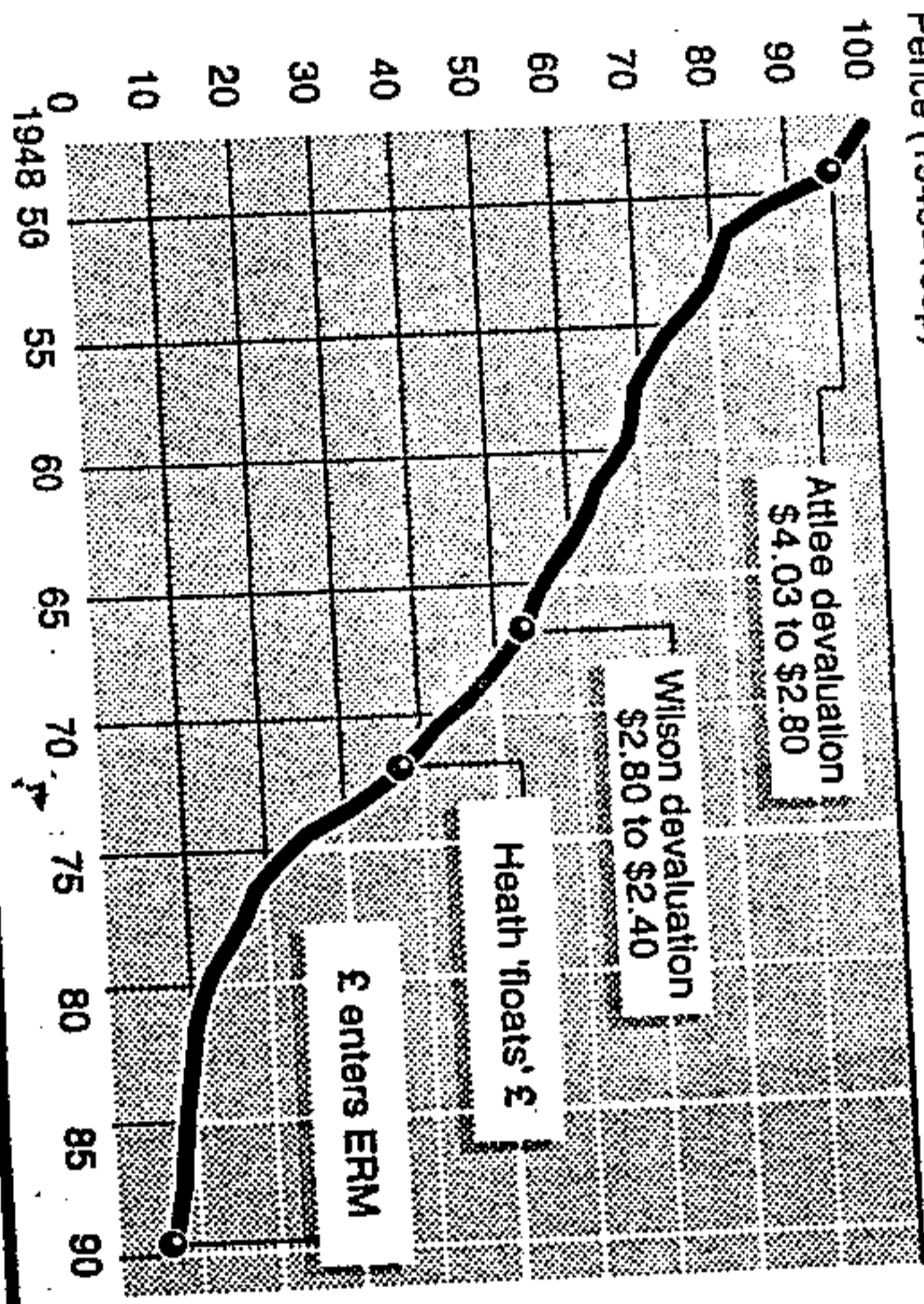
By the end of the decade, those member countries that will meet these goals will be in a position to forge a single currency, managed by an independent European central bank.

Britain has the option to keep sterling free, but in reality it is likely to follow other European nations.

What is the importance of all this to the South African economy?

Purchasing power of the sovereign pound

Pence (1948=100p)



Going down... how the British pound has fared.

To remain competitive with the biggest economic bloc after North America, inflation must decline. If price rises are not kept in check, it is inevitable that the rand will slide against European currencies during the rest of the decade. The rand is, of course, already under pressure. Latest South Afri-

can inflation rates are now nearly more than three times the level of the European Community average of 4.6 percent.

According to Organisation for Economic Co-Operation and Development (OECD) projections, European inflation will slip below four percent by the end of 1992.

At current rates of inflation, consumer prices in South Africa would double in under five years, while in Europe it would take 15 years.

Since the 12 European states intend grinding down inflation in tandem with Germany's sound money policy, the gap with South Africa will widen even more.

Take Britain as an example. In 1979, inflation was 22 percent. Now it is just over four percent.

In a foreign press briefing last week, UK Chancellor of the Exchequer Norman Lamont said the pound would not be devalued in the European Exchange Rate Mechanism.

It would eventually trade in a narrow 2.25 percent fluctuation band against a central German mark rate of 2.95, he said.

Tough anti-inflation policies run the risk of a prolonged recession in the UK and other European nations, which will cramp demand for South African exports.

For the present, South African manufacturing exporters have a price advantage because the rand has been weak during the past eight years.

Unless inflation falls drastically or the rand depreciates, exporters will be priced out of the European market.

The ambitions of Maastricht could ruin Europe, says William Rees-Mogg

The Euro-dodo that's too stupid and fat to fly

STAR 18/12/91

THE interesting question about the new European order is not whether it can be created but whether it will survive.

The laws of social survival have been studied for the past three centuries, but most originally in Gibbon's *Decline and Fall of the Roman Empire* (1776), Adam Smith's *Wealth of Nations* (1776) and Darwin's *Origin of Species* (1859). The rules are the same for an individual, a nation, a species or any smaller institution — a family, a business, a university or a newspaper. To survive, it is necessary to adapt to challenges, swiftly and decisively.

Western Europe faces three historic challenges. They will determine the future of European life in the next decade, and in the next century. The most immediate is the crisis of Eastern Europe and the new commonwealth in the former Soviet Union.

The civil war between Croatia and Serbia is a warning of what could happen in many ex-communist countries where nationalist hatreds are explosive. The ex-Soviet republics also face famine this winter. It is said they are short of a thousand shiploads of grain, and have only two major grain ports open. In St Petersburg, the bread queues are already four hours' long, starting at five o'clock in the morning, and it is still only mid-December.

We cannot live safely in Western Europe if Eastern Europe is collapsing into anarchy, famine and war. We must not play Dives to the Russian Lazarus. President Bush has called an international conference for next month, which may produce some good results, probably when the famine is over. Europe has allocated some aid to the ex-Soviet republics. But little time was spent at Maastricht on the needs of Eastern Europe; it was an essentially inward-looking conference.

Indeed, the Eastern European countries were given little encouragement to believe that they will be able to join the rich man's club without enduring a long waiting list. The Maastricht document might raise their hopes by stating that "any European state may apply to become a member of the union". They would soon be lowered again by the provision that applications will be decided by the European Council, acting unanimously, after consulting the

Commission, and after receiving the assent of the European Parliament. The European club has adopted the principle that one blackball excludes, that all members shall have a blackball, and that the Parliament shall have a blackball as well. That is our good neighbour policy.

The second challenge is economic. The world is experiencing the worst recession of a decade, probably the worst since 1974, conceivably the worst since 1932. The world banking system is barely solvent, the summer recovery in the United States has failed, the recession in the United Kingdom continues, even in Germany there is a downturn. We are in some danger of a world depression in 1992. How did Maastricht deal with that problem?

The European monetary regime already imposes extremely high real interest rates on the member countries, rates that have made the recession far worse than it needed to be. Britain ought, on economic grounds, to have a base

rate of between 7 and 8 percent, our base rate is still more than 10 percent.

The proposals for a single currency require in their first stage a deflationary adjustment by all the European partners between now and January 1 1994. This is obligatory even in Britain, because the UK protocol only exempts us from obligation to the third stage. In particular, the Mediterranean countries — Italy, Spain, Portugal and Greece — face an impossible task. Maastricht is a deflationary currency agreement at a time of severe world recession. That will either prove unworkable or catastrophic. It is the stupidest economic decision for the past 50 years.

The third challenge is Japanese competition in world trade. The United States, the European Community and Japan are the three great competitors in world export markets. In the past 30 years Japan has been by far the most successful. Maastricht ought, therefore, to have concentrated on improving Europe's competitiveness. Otherwise Japan will accelerate away from us in the '90s.

The historic rules are clear enough. A competitive economy must have high productivity, advanced technology, good education, high investment, high savings, little bureaucratic regulation, low government expenditure, low taxation, low interest rates, low costs and relatively stable prices. That was Britain's formula when we led the world, was the American formula when they led the world, and is largely, though not entirely, the Japanese formula now that they lead the world. We should be trying to build a low-cost, free-trade, lightly regulated, low-tax, high-productivity Europe.

Professor Tim Congdon has made some forecasts that show that the EC countries, which have ageing populations, will have public expenditure drifting up to 55 percent of national income, and above. Britain, thanks mainly to the work of Margaret Thatcher in the '80s, can remain, in percentage terms, in the low forties. Anything above 45 percent tends to be inflationary, puts excessive burden on the economy, and tends to crowd out productive investment.

Maastricht was a qualified success for John Major. He did better than could have been expected in reducing the damage to Britain. He certainly did better than the Labour Party would have done, it would have joined every anti-competitive policy. But Maastricht looks like a disaster for Europe.

This is not an anti-European sentiment. Good Europeans want what the founding fathers of the European Community wanted: a highly competitive, free-trade Europe, with low costs, minimum bureaucracy and a maximum capacity to meet the challenges of the outside world. The founders rejected Euro-socialism on the post-war British or Scandinavian model. Maastricht reflects the opposite ambitions and priorities of French socialists such as Jacques Delors and Francois Mitterrand. Socialism in the 20th century has ruined most European countries individually, and may be about to ruin them collectively.

Why did the dodo perish? It was because the bird was too fat, too stupid and could not fly. — The Independent News Service. □

UN and EC name Codesa missions

KIN BENTLEY

LONDON — The UN and the EC yesterday named high-powered teams to observe the inaugural session of Codesa in Johannesburg on Friday and Saturday.

And a powerful Commonwealth delegation, named last week, flew to SA from London last night.

These delegations — and the OAU is scheduled to join them — constitute the most representative body of international opinion to visit SA at one time.

Their presence indicates the importance with which the international community views Codesa.

In the UN party is the chairman of the special

committee against apartheid, Ebrahim Gambari, who is also Nigeria's permanent representative to the UN in New York.

The UN delegation will be led by Sadako Ogata, the Geneva-based High Commissioner for Refugees.

The other key member of the UN party is assistant secretary-general Mousouris Sotirios, also head of the Centre against Apartheid at the UN.

London information officer for the UN Julian de Wet, a South African, said the team had been put together in response to a Co-

desa invitation. It would arrive in SA shortly before the talks started.

An EC spokesman said Chris van de Klaauw, a former Dutch foreign minister, would represent the holder of the EC presidency, the Netherlands, at the talks.

She said the European Commission would be represented by a former commission vice-president, Karl Heinz Narjes.

In another development yesterday, the Foreign Office indicated that Britain would encourage the PAC to reconsider its decision to boycott the talks.

for a special permit from the DTI to... al motor components now had to... e manufacturers of goods not rated... ty... democratically... he had not been officially notified of the... investigation. He was unaware of any de... (repeatedly) director Denzil Vermooten said... manufacturers

Wood's litigation

NEWS IN BRIEF

US plea to Israelis and Arabs

WASHINGTON — President George Bush yesterday urged Israelis and Arabs to end procedural wrangles and get down to talking about peace.

Bush delivered his message to Israeli Foreign Minister David Levy. Similar appeals were made to Arab representatives, administration officials said. The talks, at the State Department, are in their second week.

Baker notches up 380 000km

WASHINGTON — US Secretary of State James Baker could travel more than 400 000km this year — further than the distance from earth to the moon.

The State Department said Baker had logged 378 626km this year up to but not including his current trip to Soviet republics. He had visited 35 countries, including some that had not existed last year.

Journalists vote to strike

LONDON — Journalists at the Financial Times, owned by Pearson plc, voted yesterday to strike in protest against plans to pension off nine colleagues on health grounds.

Members of the National Union of Journalists voted 173 to 67 to stage a walkout in support of their colleagues, who are suffering from repetitive strain injury.

Third Polish govt attempt fails

WARSAW — Polish Prime Minister Jan Olszewski gave up his efforts to form a government yesterday, saying he could not carry on because President Lech Walesa refused to co-operate with him.

Olszewski, a former Solidarity lawyer, is the third politician to fail to form a government in the seven weeks since elections returned a deeply divided parliament.

REPORTS: Sapa-AP-Reuter, AP-DJ.

Row looms over EC stand on Yugoslavia

B Monday 18/12/91.

(56A)

BRUSSELS — The US and its European allies are heading for a potentially serious rift over how to handle the crisis in Yugoslavia, after the EC said yesterday it might recognise breakaway republics within weeks.

EC foreign ministers, after a marathon session of talks aimed at heading off pressure from Bonn on the issue, agreed in the early hours to recognise the republics on January 15 if they met certain conditions of good conduct.

But this was not enough for Germany, one of the key EC members, which said it would go ahead with plans to recognise Croatia without conditions — a decision likely to enrage Serbia, which is blamed by Bonn for the continuing civil war.

The US warned its European allies on Monday against recognising the republics too quickly, saying that this would only make the conflict worse.

Washington's message was delivered at a meeting of Nato ambassadors in Brussels, alliance sources said, as EC foreign ministers met nearby.

"The outcome of the EC meeting has not done much to reassure the Americans," said one diplomat.

"The Germans are still going ahead and now they've got everyone else to agree to a pretty tight timetable for recognition, despite the fact that a lot of the other Europeans were not so keen originally.

"Washington is not happy."

A trans-Atlantic row on this issue is likely to test the limits of the EC's emerging foreign policy and how far it can afford to ignore the opinion of the US, which dominated European security policy during the years of the Cold War through its leadership of Nato.

Croatia and Slovenia sparked the Yugoslav civil war by unilaterally declaring their independence in June.

Thousands have died in the conflict since Yugoslavia's Serb-led federal army joined with Serbian irregulars to fight in Croatia, much of which is now under Serbian control.

Despite EC attempts to broker ceasefires, fighting has continued, dimming already slender hopes that a UN peacekeeping force may be sent to Yugoslavia.

It took the EC ministers nearly 10 hours of discussion to find a formula that would maintain a facade of unity in the face of German pressure to recognise Croatia before Christmas and demands by most of its partners to delay such a step.

German Foreign Minister Hans-Dietrich Genscher told reporters after the meeting that Bonn would go ahead tomorrow and announce recognition of Croatia but said the decision would take effect on January 15.

Genscher will be at a Brussels meeting of Nato foreign ministers tomorrow.

Bonn has argued that the EC must take action and recognise Croatia or risk encouraging Serbia to pursue what Germany believes is a "policy of conquest".

Dutch Foreign Minister Hans van den Broek, who chaired the EC meeting, said all Yugoslav republics would be asked to reply by December 23 if they wanted to be recognised as independent.

A commission set up through the EC-sponsored peace conference in The Hague would then investigate whether the republics concerned met certain criteria, including whether there was democratic rule, respect for international borders, ethnic minorities and human rights. — Sapa-Reuter.

Israel lauds UN move on Zionism Serbia critical

JERUSALEM — Israeli President Chaim Herzog says the UN has removed a "shameful blot on its record" by revoking a 16-year-old General Assembly resolution equating Zionism with racism.

It was rare praise from Israel for the UN, which the Jewish state regarded as...

18/12/91

Gatt talks still no nearer to conclusion

GENEVA — Gatt chief Arthur Dunkel's new draft paper for reforming agricultural trade makes no allowance for EC efforts to "rebalance" protection or Japanese demands for special treatment for rice.

The draft was circulated to key delegations late last week as part of a drive to reach overall agreement in the Uruguay Round of the trade talks by December 20. It will be reviewed over the next few days and could be amended.

It provides for across-the-board cuts in farm support, without allowing increases in protection

sought by the European Community (EC).

"Rebalancing does not form part of the (draft) agreement," a spokesman for the General Agreement on Tariffs and Trade (Gatt) told a news briefing.

The EC had sought to raise (rebalance) protection on some products in return for lowering it on others. But the US and the 14-nation Cairns group of farm exporters oppose adding protection.

A copy of the draft obtained by Reuters also makes clear that no provisions were being made

for exceptions to the concept of converting all farm import barriers into tariffs which would subsequently be reduced.

Japan and South Korea have been implacable foes of "tariffication without exception", arguing that this could force too wide an opening in their closed rice markets.

Canada and Switzerland have also opposed it, but most of the rest of the world says that exceptions cannot begin to be made.

The paper has not yet tackled some of the most important questions, such as the depth of cuts or

the base dates from which they would be made.

These questions are still under discussion between the US and the EC, though Mr Dunkel has made it clear that if they fail to come up with a mutually agreed proposal soon he will be forced to suggest his own numbers.

Gatt launched the Uruguay Round in 1986 in an effort to liberalise and stimulate trade.

The issue of farm support cuts has proved the most difficult to settle and has already made the conclusion of the Uruguay Round a year overdue. — Sapa-Reuter.

56A

Major has secured Britain's place in Europe and his party's support, says Peter

Jenkins

UK's each-way bet pays off

STAR 13/12/91

SM

THESE may not have been cheering in the streets, but for Britain's ruling Conservative Party the news from Maastricht came like that of the relief of Mafeking.

It was, indeed, a famous victory for the young leader who replaced Margaret Thatcher a little over a year ago after another European Community summit in Rome had triggered her downfall.

From the narrow British point of view or, more accurately, the government's point of view, the outcome could not have been more favourable. How great a day this was for Europe is another consideration.

As the Prime Minister rehearsed the chief points of the Treaty of Maastricht — claiming with much justice to have achieved in full the negotiating brief he set out before the House two weeks ago — grows of approval rose from his backbenches, none louder than for the removal of the social chapter from the treaty.

The opponents of monetary union and a single currency, among them Mrs Thatcher, will continue to insist that these are the germs of a federal Europe to which Britain will eventually succumb, the opt-out clause notwithstanding. In this fear they mirror exactly the hopes of Helmut Kohl and Francois Mitterrand, with their talk of "irrevocable" and "irreversible" steps towards union.

However, the irreconcilable rump of the Thatcherite Conservative Party is now left to fight a forlorn rear-guard action against an agreement that plainly has won the overwhelming support of the party. Mr Major has succeeded in essentially reuniting it.

Maastricht may be seen as the moment at which he imposed the full stamp of his authority and, as Prime Minister, became at last his own man.

The Thatcherites are half right, half wrong about monetary union and the "conveyor belt to federalism", as are Mr Kohl and Mr Mitterrand.

If monetary union and a single currency come into being, whether in 1997, 1999 or thereafter, they will give a strong federalist twist to the nascent union as conceived at Maastricht. And if monetary union there is, on the basis of the sufficient convergence of seven economies, it is scarcely conceivable that Britain could or would stand aside from it.

But Ministers are far from convinced that this will be the outcome, as Mr Major made plain again at his press conference and later to the Commons. They doubt whether that convergence will occur and wonder whether the desire for a union of that kind will remain as strong in the unforeseeable circumstances of five years hence.

Just as the British government has an attractive each-way bet on joining a convincing monetary union or opting out from an arrangement that seemed half-baked and hazardous, so the European unionists have had to gamble on the future.

The satisfaction of Mr Kohl and Mr Mitterrand with the outcome, for all the British crowing, was based, first, on their belief that principles were established in favour of a single currency (and, eventually, a common defence) and, second, on the provision for a review in 1996, with the opportunity then to launch another inter-governmental conference with a view to a further deepening of the union.

Mr Mitterrand's spokesman referred to these two principles as the foundation stones of a "sovereign Europe".

The Maastricht Treaty, by necessity a practical compromise, leaves that outcome open. Both models — the community and the inter-governmental — can be tested to destruction over the coming years.

As the old Europe addresses the challenge of the new Europe in the east, Jacques Delors could be vindicated in his conviction that without the driving force of community institutions, inter-governmental co-operation is a recipe for confusion and inaction.

Uncertainty about the future was much evidenced in the diplomatic cross-pressures of the Maastricht negotiation.

For example, the insistence of the Eleven on firm and "irrevocable" commitments by all but Britain to the creation of the monetary union reflected their own uncertainty, Mr Kohl included, about the future geo-political gravity of Germany. Mr Mitterrand's readiness to move away from the older orthodoxies of Gaullist nationalism reflected his concerns for France's leadership role in a Europe dominated by a united Germany.

Yet neither the saga of the British opt-out clause nor the standoff on the social chapter (more exactly, employment and labour laws) were at the heart of what was achieved or not achieved at Maastricht.

The opt-out from forward commitment to full monetary union is best seen as a legacy from Mrs Thatcher — a political necessity

for her successor, a device for party purposes, but not the true measure of Britain's negative intentions towards Europe.

Still less was the row over the social chapter integral to the enterprise, as was made manifest when, confronted with what was plainly considered a vital British interest, the others were unwilling to allow the deadlock to prejudice their grander designs and jettisoned the chapter from the treaty.

The essential elements of the Treaty of Maastricht are the goal of monetary union, the predominantly inter-governmental shape of the political union and, within that structure, the adoption of new common purposes in internal and trans-national security, foreign policy and defence.

These guarantee a British role "at the heart of European affairs" and provide a belated opportunity to take our proper place beside Germany and France, whose exclusive partnership was born of Britain's long half-hearted self-exclusion. The Independent News Service. □

Delors voices doubts about new EC treaty

STRASBOURG — The new EC treaty is too complicated and raises doubts about whether the 12 states share a long-term view of their destiny, EC President Jacques Delors said yesterday.

The head of the EC executive said that although he welcomed the pact on monetary and political union in general terms, he feared the bloc's 340-million citizens might be baffled by the intricate new mechanisms for reaching decisions.

"I remain worried about the complexity of the procedures," Delors told the European Parliament in his first report since EC leaders agreed on the new treaty at the Maastricht summit on Wednesday.

"The question is whether (EC) states are really aware that they share common interests and that they can best defend them together," he said.

"Pessimists will wonder whether there is really a basic consensus among member states."

EC leaders agreed on the treaty after a long tug-of-war with Britain over giving the EC a greater say in labour laws.

Unable to sway British Prime Minister John Major, his 11 colleagues went ahead without him and pledged they at least would use the EC to forge common social policies.

All 12 agreed to create a common foreign and secur-

ity policy but British objections forced them to decide that only minor issues could be left to a majority decision.

The Netherlands, holder of the six-month EC presidency until the end of December, welcomed the deal which capped a year of often acrimonious negotiations but said it was sad that the treaty did not go further towards the federalists' vision of a United States of Europe.

Dutch Prime Minister Ruud Lubbers criticised Britain for refusing to go along unless it was granted an opt-out provision allowing it to decide later whether to join a future single currency and for making the other states go their own way on social affairs.

Also in apparent reference to Major, Lubbers lamented the limited new powers given to the parliament, which will now be able to veto EC legislation in a small number of areas.

Delors said he was glad the final pact had not been watered down even more to obtain Britain's agreement on all points.

He described the agreement to create a common defence policy as a great step forward and said that despite his reservations, he and his colleagues welcomed the deal.

"The areas of light clearly outweigh the areas of darkness," he said. — Sapa-Reuter.

IT IS 10 years since the leaders of the EC last met in Maastricht. It was then an effort by the Dutch government to boost the ancient city of 117 000 stricken by the closure of coal mines and loss of thousands of jobs in Limburg, the triangular province surrounded on three sides and linked to Holland by a narrow neck along the River Maas.

The occasion was a success. A routine summit helped bring international agencies and jobs to Maastricht, and it has become the epitome of a pan-European city: about 20 000 Belgians and Germans commute to work there and its shops, bars and restaurants happily accept payment in guilders, Deutschmarks and Belgian francs.

Tomorrow's gathering of the 12 EC heads of government will be the climax of three years of the most heated debate in the EC since the founding Treaty of Rome in 1958.

And for many, with the most visible exception of Britain, the River Maas has become Europe's Rubicon. If it is not crossed, Winston Churchill's "united states of Europe" will not come about and the world's most powerful single market will be threatened with stagnation.

President Francois Mitterand of France has no doubts: "If the EC fails at Maastricht, it will be the start of its decline. This would be a historic drama."

Two draft documents will be on the table: one on political union (EPU) and another on economic and monetary union (EMU). Both are organic developments flowing from the establishment of a single, barrier-free market of 340-million people — accounting for more than 25% of the world's GNP — due to come into effect at the end of next year, and the older zone of monetary stability, the European monetary system (EMS) established in 1979.

If the ideals of the protagonists are realised, Maastricht will see the EC move into the 21st century — by when it may encompass up to 11 other economies — underpinned by a solid raft of unity. EMU envisages the convergence of economic performance in inflation, interest rates and budgets; by 1997 as a prelude to the substitution for 11 currencies by the European currency unit (ECU) which is the basis for the EMS and, for now, dominated by the two so-

Maastricht summit is the critical point for a united Europe

JOHN CAVILL in London

Called "strong" currencies, the Deutschmark with a weighting of 30% and its fellow, the Dutch guilder, which accounts for 9.4%.

The implication is the launch of an independent European central bank — anathema to Britain, which sees an infringement of sovereignty in monetary and fiscal policy by an "unselected, unaccountable" body. None of the rest offers any rooted objections.

Full EMS membership has given de facto leadership of monetary policy to the Bundesbank, constitutionally unrivalled for political independence. None can escape the effects of change in the Deutschmark. This is why the French, in particular, view a more malleable, consensus-driven European central bank as a way to escape the Bundesbank's hegemony.

Britain, however, wants to be able to opt out even though sterling became a fully fledged EMS currency more than 12 months ago. The doubts are about convergence of economic performance in the EC where last year German GNP growth of 4.5% and inflation of 2.5% respectively compared, for example, with 0.1% and 20% in Greece — whose drachma is outside the exchange rate mechanism of the EMS.

Devising common monetary policy to straddle such mismatched circumstances could be unworkable.

Then there is Britain's attachment to the pound — so strong that when it decimalised it opted for 100 units to the pound, instead of to 10 shillings, as SA did with the rand. Not wishing to be "un-European"

or isolated from the pack, Britain wants the opt-out provision to be applicable to any EC member. Here it stands alone. The 11 partners are prepared to accept the provision but it will specifically name Britain.

The UK has compromised, agreeing to the setting up in 1994 of a European monetary institute to steer the way to convergence. If by 1996 seven countries feel comfortable enough to merge their currencies they can go ahead. This, however, suggests the possible emergence of two tiers in the EC and the poorer states — Greece, Ireland, Portugal

and Spain — want EMU to include an increase in investment and development aid to help them catch up. That idea is not favoured by the rich northern economies.

Organised business likes the ECU, already gaining ground in the Euro-bond market. The costs of changing money add up to \$5bn a year in the EC and firms which have switched to ECU accounting for cross-border trade report savings of 80% in bank charges on imports and exports.

If EMU is a formidable obstacle, EPU is a vast minefield. The shadow of a European mega-state is being deployed to terrify Britons, but also other electorates.

Even under agreed EC rules there is interference from Brussels. Under monopoly provisions the EC vetoed the takeover of De Havilland aircraft in Canada (owned by Boeing) by a partnership of Aerospatiale (France) and Alenia (Italy). British plans for a new highway through an ancient woodland near London fell foul of environment requirements.

So the prospect of the "federal" structure of which European Commission president Jacques Delors is so enamoured — or even a hint of it — is the most emotive. Delors' "federal goal", however distant and vague, has the backing of everyone except Britain, and Prime Minister John Major will fight the "F-word" tooth and claw, or risk a split in his Conservative Party.

But there are other areas where unity is sought. A common foreign policy is one aim, especially after the EC's fragmented response to Yugo-

slavia and the Gulf war.

Here the argument is not over the principle but the method. The proposal is that a unanimous vote should decide broad foreign policy but implementation of it can be carried on a simple majority.

Britain, which cannot see any reason for differentiation, is supported by Denmark, Portugal and Ireland in opposing the method against a powerful bloc of Germany, France, Italy, Spain and the Benelux trio.

A joint defence force, which would report primarily to the EC rather than be a part of Nato, is also contentious with Britain leading the opposition to anything which might weaken American commitment to the alliance. Oddly, France which left Nato's integrated command, seems happy to submit its forces to centralised control along with Germany and Spain.

Passions are running high over the so-called Social Charter which, for example, would set a maximum working week of 48 hours, minimum wages, safety regulations and other social standards and rights, all to be set by a majority vote.

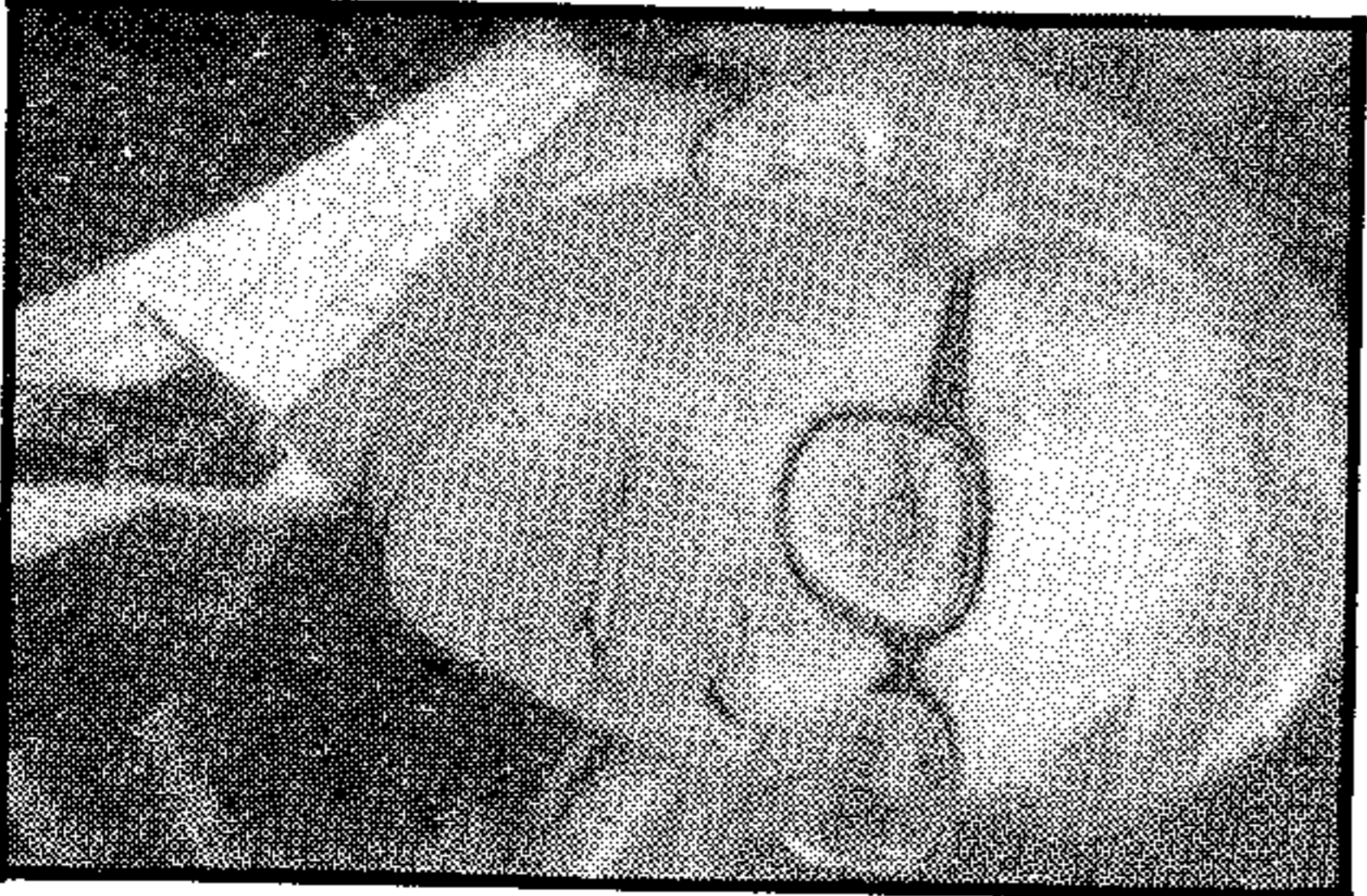
It is anathema to the UK government which predicts rising unemployment which will be the result. Spain, Portugal and Greece are in the British camp, along with Roman Catholic Ireland which wants to ensure no EC majority will ever make it accept legalised abortions.

Increased powers for the European Parliament — enabling what is largely a talking shop to veto even decisions of the European Council of national governments — have been put up, but seem likely to be tokens.

Practical matters are expected to get a quick nod from the 12 for common action. These include research and development co-operation, ecological matters and areas such as transport specifications and standards in the single market.

One sticky area is how a Europe with no internal borders will cope with crime and immigration. Germany favours a united ring fence but Britain, fearing free movement of illegal immigrants, favours inter-governmental co-operation rather than giving authority to the EC.

But there is one area of unanimity: the Maastricht summit must not be seen to fail. What emerges may be a set of woolly agreements, but few leaders doubt they will be able to report success when they go home.



MAJOR

Britain optimistic about EC union

13/04/91

56A

LONDON — British Prime Minister John Major reported to his cabinet yesterday that he had made progress towards a deal on European union during tough talks in Bonn and Rome.

British officials were optimistic in assessing remaining obstacles to EC treaties on political and economic union after Major's latest talks. The issue comes to a head at an EC summit in the Dutch town of Maastricht in 12 days.

"The intention was there to achieve an agreement at Maastricht. We hope and expect to do that," one official said.

Talks on Wednesday with German Chancellor Helmut Kohl and Italian Prime Minister Giulio Andreotti left Major with a clear idea of how much was left to be done.

Major told reporters on Wednesday night there was "a long way still to go, but we are edging forward".

Besides discussing elements of the union, Major pressed Andreotti and Kohl on the need for a declaration that EC union would not mean the bloc is closing itself off to Eastern Europe.

Britain wants any agreement at Maastricht to include some kind of

declaration in which the 12-member EC "expresses its openness", British officials said.

Major will raise that proposal with French President Francois Mitterrand in London on Monday. On Sunday he will meet Dutch Prime Minister Ruud Lubbers.

Major faces deep concern in his Conservative Party over any loss of sovereignty to a greater Europe. He is committed to winning the right for Britain to opt out of any drive towards a single European currency.

British officials denied Britain was being isolated.

They said Kohl and Andreotti took a close interest in a British parliamentary debate on Europe last week in which Major set out his negotiating stance in the face of a backlash from the so-called Euro-sceptics, including his predecessor Margaret Thatcher.

The officials denied that Germany and Italy had presented Major with ultimatums.

Instead, they said Kohl's speech to the German parliament on Wednesday was of greater significance. He had accepted the principle that immigration, asylum and justice issues be handled by inter-governmental cooperation and not by the EC, they said. — Sapa-Reuter.

Britain isolated at EC

MAASTRICHT (Netherlands) — Britain stood isolated at a historic European Community summit yesterday with its partners determined to set the 12-nation bloc on an irreversible course to a single currency.

British Prime Minister John Major had a rough ride in the opening session. He argued all EC countries should be left free to decide later this decade whether to join a common currency — a choice only Britain wishes to delay.

"There is no possibility

whatsoever of the United Kingdom committing itself now either to whether or when it will enter into a single currency. Without such agreement, there will be no agreement on the Economic and Monetary Union treaty," he said.

French President Francois Mitterrand and German Chancellor Helmut Kohl said the 12 nations must make an irrevocable commitment now to merge their currencies later in the decade, with any opt-out clause limited to Britain. — Sapa-

STIR 10/12/91

Call to set date for EC currency *(SLIT)*

MAASTRICHT (Netherlands) — The leaders of Italy and France said yesterday that the European Community summit should fix a final date for an EC single currency, an Italian government spokesman said.

Pio Mastrobuoni, spokesman for Italian Prime Minister Giulio Andreotti, told a press briefing: "Mitterrand and Andreotti say 'Let's fix a final date to say that on such a day we will have a central bank and a single currency'."

The proposal by Mr Mitterrand and Mr Andreotti, who met over dinner on Sunday night, dramatically increased the stakes at the opening session of the two-day summit to wrap up a treaty on economic and monetary union (EMU) as well as political union.

British Prime Minister John Major showed no signs of compromising on a single currency and Germany had toughened its terms for giving up the deutschemark in favour of a single European currency, officials said.

Isolates

In the first discussion of EMU by the heads of government, Mr Major argued strongly for the treaty to give every EC member the right to stay out of a single currency when the decision is taken later this decade.

Mr Major was quoted as telling his partners he was not convinced by the arguments against it.

"Any measure that isolates one of the EC governments is unacceptable," an official quoted Mr Major as telling the summit.

But a European Commission official said a majority of EC leaders had spoken up for the EMU treaty to clearly commit members to a single currency once they had signed and ratified it. — Sapa-Reuter.

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EC agrees on a united Europe, single currency

STAR 11/12/91

(56A)

MAASTRICHT (Netherlands) — European Community leaders agreed on a historic political and monetary union treaty early today that will give Western Europe a single currency by 1999 and a stronger joint voice in world affairs.

The accord came after a marathon, hard-fought 12-nation summit spilled over into a third day to circumvent deep British reservations about giving increased powers to Brussels.

The breakthrough came when 11 member states agreed to implement a Social Charter enshrining basic workers' rights outside the EC's legal framework, enabling Britain to sign a comprehensive treaty on other issues.

Under the deal a single currency, the Ecu, managed by an independent European

central bank, will be introduced as early as 1997 if seven EC states meet strict economic criteria, and at the latest in 1999.

Britain obtained a special protocol allowing it to defer a commitment on whether and when to join monetary union.

"I am very satisfied with the outcome, very satisfied," declared British Prime Minister John Major.

'Bolt-holes'

But Liberal Democrat leader Paddy Ashdown said that Britain was left "with more bolt-holes than a Gruyere cheese".

Tony Blair, employment spokesman for the main opposition Labour Party, said the deal on social affairs was "an opt-out in all but name".

Trades Union Congress

general secretary Norman Willis said the government had made a "bad miscalculation".

"They have left British industry and workers isolated. Workers in this country will be denied rights guaranteed to their colleagues in the rest of the community," he said.

The dispute over labour regulations underlined a gulf between Britain and the centrist or left-of-centre governments on the continent, which provide generous state-funded benefits and consult regularly with labour unions.

Britain's Conservative Party said the labour regulations undermined its union clampdown and would lower the community's ability to compete with the US and Japan. — Sapa-Reuter-AP.

● Major hails victory

— Page 4.

Currency union likely to be a tier-full affair

STAR 11/12/91. (S6A)

MAASTRICHT — Economic and monetary union (Emu) will end in tiers — at least two of them.

This seemed inevitable after European Community finance ministers pronounced themselves in favour of speedy and irreversible movement to a single currency which would definitely come into existence by January 1 1999, if not earlier.

Such rapid movement is certain to leave weaker economies out of the first tier of countries jumping into currency union. The irreversibility will come from the clear majority verdict that there should be no general let-out clause allowing any country to escape its commitment to Emu.

Instead, there will be special protocols, permitting Britain to decide later on adopting a single currency and Denmark to hold a late-1990s referendum on the issue.

The other 10 EC states will have only one bite at the Emu cherry, when their parliaments decide whether to ratify the Maastricht treaty next year. For them, everyone who says yes to the treaty has said yes to subsequent changes, including a single currency, said Mr Wim Kok, the Dutch finance minister.

But what really picked up steam here is the idea that the fateful Community summit decisions in the late 1990s on launching Emu should be taken by majority.

EC leaders had a first go on Monday morning at deciding the transition to the final stage of Emu.

President Francois Mitterrand of France and Prime Minister Giulio Andreotti of Italy urged their colleagues to fix a date for currency union and Chancellor Helmut Kohl concurred, with the all-important

proviso for Germany that strict economic criteria on budget, inflation and currency discipline should be respected.

They then left the matter to finance ministers to settle, which the latter did in no uncertain terms. With the UK and Danish finance ministers sitting silently by, the other 10 ministers agreed a plan to be put to EC leaders.

Under this plan: Before the end of 1996, an EC summit (or European Council) shall decide whether to launch Emu by qualified majority (which can be composed of as many as nine countries, depending on the way countries cast their weighted votes).

Any decision in 1996 to set up Emu would require that a simple majority of EC states must meet the economic criteria for Emu, so that there is a critical mass of countries forming the new currency union.

Simple majority

At present, such a simple majority would be seven out of 12. But if the economies of Austria and Sweden, which have applied for EC membership, enter the Community in the mid-1990s, there could be a majority of countries (eight out of 14) fit for Emu, but which did not include, say, Italy. If Emu does not get the green light by the end of 1997, the third stage will start on January 1 1999, according to the statement agreed by the ministers.

At this point, the only thing which EC leaders have to do is to hold a summit before mid-1998 which will, again on a qualified majority, confirm which members states fulfil the necessary conditions for the adoption of a single currency.

In contrast to the requirements for the 1996 decision,

there would be need for a critical mass. The reason, Mr Kok said, was that we don't want to lose momentum, to be stuck for another 10 years with only six countries qualifying for Emu.

Crucial backing has come from Germany, one of whose officials explained yesterday: We want to avoid at all costs the possibility that economically unserious countries could form a blocking minority which would hold up Emu.

Mr John Major, the UK prime minister, expressed fears about the disruptive effect of too small a group of countries entering Emu. Seeking to turn pro-Emu arguments against their proponents, Britain argues that, if participants in Emu were to see their inflation come down and economic performance pick up as a result of using a single currency, then the gap between them and those still outside Emu would widen.

Completing the ironic role reversal, Mr Kok retorted that such an argument, coming disingenuously from the UK, exaggerated Emu's immediate benefits.

The appearance of a firm final date for Emu, linked to majority voting, is bad news for Britain's case. A UK spokesman quipped that the dates may end up as fig-leaves to please the proponents of moving to Emu quickly. He pointed out that countries would still have to meet a rigorous economic test to enter Emu.

The UK remains most concerned about getting its specific let-out clause. Both the UK and Mr Kok dismissed President Mitterrand's suggestion, denied by French spokesmen but confirmed by others, that there should be a time-limit on Britain's exemption from Emu. Financial Times.

Racism on the upsurge

MAASTRICHT — The EC has expressed concern about the rising tide of racism in Europe and called on member states to combat the spread of discrimination and intolerance.

"The European Council ... considers it necessary that the governments and parliaments of the member states should act clearly to counter the growth of sentiments and manifestations of racism and xenophobia," the EC said in a draft statement. *B/Daw 11/12/91*

Germany, France and Belgium in particular have been plagued by a string of racist incidents and violent right-wing demonstrations, many of them directed at foreign immigrants and asylum seekers from eastern Europe, Turkey and north Africa. *(S6A)*

In Germany the emergence of neo-Nazi sentiments has long been a concern, while in France the anti-immigrant extreme right National Front has scored up to 18% in opinion polls. — Sapa-Reuter.

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INCE

EC chiefs clash on several key issues

B/Daw 11/12/91

(S6A)

MAASTRICHT — EC leaders clashed angrily over workers' rights and wealth-sharing on the second day of a crucial summit yesterday after agreeing to drop any reference to federalism from a new union treaty.

Officials said an overall treaty on political, economic and monetary union, enshrining closer EC integration, hung in the balance with wide differences on several key issues.

Britain dug in its heels, branding a compromise proposal on social policy unacceptable. France and Spain retorted that the social provisions were too weak and President Francois Mitterrand said Britain should simply opt out of social rules as it plans to do on a single EC currency.

Spanish Prime Minister Felipe Gonzalez also demanded a clearer commitment to redistribute wealth to poorer EC states.

"It's street fighting in there," said a Dutch diplomat emerging from the summit session.

Uncompetitive

The agreement to replace "federal vocation" with a reference to an "ever closer union" in the treaty preamble followed a breakthrough on Monday when finance ministers agreed on the introduction of a single currency by 1999.

Britain had threatened to veto any treaty containing the dreaded "F-word".

British Prime Minister John Major objected to extending EC powers over labour law, which London warns could make Europe uncompetitive with the US and Japan.

France's socialist government fought for minimum social standards. European Affairs Minister Ellsabeth Guigou said: "We don't want just a Europe of travelling salesmen, a big free trade zone. These elements are important for us and we want to see them in the treaty."

The Netherlands, chairing the summit as current president of the EC, slipped revised sections of a draft treaty under other delegations' doors before dawn.

"It will be a global agreement or nothing. It will all be decided in the last hour," the Dutch diplomat said.

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For the first time the draft mentioned the creation of a so-called cohesion fund next year to share money from richer states with Spain, Ireland, Portugal and Greece.

But Spain, handicapped by a consumer boom that has boosted its VAT-based payments to the EC budget, also wanted a fairer mechanism for setting national contributions to Brussels.

The new text held out the prospect of opening negotiations next year with Austria and Sweden on joining the Community once the existing members have overhauled the bloc's finances.

The Dutch presidency hoped the summit, capping a year of tortuous negotiations, would be more inclined to strike an overall deal after finance ministers agreed that at least some EC states would merge their currencies before 1999.

In a bid to meet British objections, the Dutch proposed that majority voting to implement foreign policy decisions would take place only if all EC foreign ministers agreed to the procedure.

France and Germany had led a majority of states who wanted majority voting as a general rule to make a common foreign policy more effective.

The wording of provisions to give the EC a role in military affairs for the first time sparked bitter arguments over the primacy of Nato, the US-led Western alliance which has been Europe's protector for 40 years.

Guigou said the Dutch draft left Europe too dependent on the Atlantic alliance.

The Dutch text included three draft summit declarations which struck an optimistic note on the Middle East, called for the release of the two German hostages still held in Lebanon and expressed concern about the rising tide of racism in Europe.

The Middle East text called for a halt to Jewish settlements on Arab land and an end to the Arab economic boycott of Israel. — Sapa-Reuter.

Push for single policy on new states

MAASTRICHT — France, fearing a common EC foreign policy may fall at the first hurdle over Yugoslavia, wants the 12-nation bloc to set strict criteria for recognising any new states in eastern Europe.

Presidential spokesman Jean Musitelli yesterday said French foreign minister Roland Dumas had submitted proposals to his colleagues "to put the problem of the emergence of new states in Europe into con-

text and avoid an improvised, disorderly policy".

He said the principles would be based on the charter of the conference on security and co-operation in Europe and might resemble last year's six-power accord on the international conditions for German unification.

Officials said there was an urgent need to establish joint ground rules before EC foreign ministers meet on Monday to consider

recognising breakaway Croatia and Slovenia, with Germany pressing hard for immediate recognition.

The French proposal upheld the right of peoples to self-determination, a foreign ministry spokesman said. He listed some of the proposed criteria as "respect of the rule of law, democracy, freedom, human rights and minority rights".

German Chancellor Helmut Kohl promised the Croatian and Slovenian presidents that Bonn would recognise their independence by Christmas.

But France has serious doubts about recognition, warning it would not stop the Yugoslav civil war and could lead to an internationalisation of the conflict.

The proposal would also apply to the Soviet republics. — Sapa-Reuter.

A GOLDEN OPPORTUNITY
 ISCERNING WINE LOVER



A Croatian demonstrator holds the EC flag, with the Croatian flag inset, at a rally in Maastricht on Monday. About 6 000 people staged a pro-independence rally in a soccer stadium to protest against the violence in Croatia.

Picture: AP

Monetary union a step closer

MAASTRICHT — EC leaders have thrashed out most of the complicated details of a treaty on European monetary union but drawn a blank on where to put a future European central bank.

Against a backdrop of political horse-trading about the site of the bank and other institutions, EC leaders have put off a decision on the bank's location.

A declaration on monetary union will leave dots at a passage detailing the site.

Belgium, angry that the Netherlands is trying to sew up a deal with France over the central bank, has insisted that no decision can be taken at the Maastricht summit.

But Germany, to the dismay of some of its partners, has again been pressing hard to bring the bank to Frankfurt, already the site of the powerful Bundesbank.

Belgium's caretaker Prime Minister, Wilfried Martens, told journalists on Monday evening: "I have said that under no circumstances can a decision be taken."

Martens, whose party lost ground in general elections last month, said his impending departure meant he was not in a position to take action on such key issues.

56A
But a Belgian official made clear Belgium was rejecting a bid by Dutch Prime Minister Ruud Lubbers to bring the European bank to Amsterdam in return for his blessing to make Strasbourg the permanent site of the European parliament.

Belgium is worried that this move would reduce the importance of Brussels.

Amsterdam is bidding for the site of the bank along with Frankfurt, Lyons, Manchester and Barcelona.

Germany has stepped up its campaign for the bank since many German citizens started getting cold feet about swapping their cherished Deutschmarks for European currency units (Ecu).

German finance minister Theo Waigel told parliament last week: "This European central bank should be based in Germany. In this way the tradition of independence and of commitment to stability would also be convincingly underlined."

But many of Germany's partners would see a decision to put the bank in Frankfurt as a clear signal that Germany would continue to dominate European financial affairs just as it did in the 1980s. — Sapa-Reuter.

C

foreign policy

EC bridges rifts on the road to unity

By Bob

12/12/91

SEA

MAASTRICHT — EC leaders overcame deep divisions yesterday to reach an accord on a loose political federation with a common foreign policy and a single currency by 1999.

In a last-minute compromise heading off the two-day summit's collapse, Britain was granted escape clauses on currency and labour policies, but EC officials said they expected London eventually to become a full participant.

The 12 EC nations decided to give up some of their sovereignty and forge a single economy of 338-million people to cope better with increasing competition from the Japan-led Pacific Basin and a trading bloc forming between the US, Canada and Mexico.

Member nations had already agreed to drop internal trade barriers by 1993. The community's new constitution, replacing its 1957 founding document, is to be signed in February and ratified by member nations by the end of next year.

"We have created a European union," French President Francois Mitterrand said as the gruelling summit ended after midnight in this ancient Dutch town near the German border.

"Maastricht stands as a decisive breakthrough for Europe," said German Chancellor Helmut Kohl. The accord should help dispel concern over a resurgent unified Germany by firmly anchoring his country into the EC, he said.

British Prime Minister John Major refused to commit his nation to abandoning the pound in favour of the European currency unit (ecu) by 1999.

He insisted that Britain's parliament be allowed to decide at the last minute whether to take part.

Major had pushed the summit to the brink of collapse by demanding that other nations drop efforts to bring workers' rights and other labour issues under community control. Instead, the other 11 nations will press ahead to implement the regulations on their own.

"I am very satisfied with the outcome, very satisfied," Major told reporters.

Dutch Prime Minister Ruud Lubbers, whose country has guided the negotiations since June, expressed disappointment that Britain remained outside. But he predicted Britain would come around.

Compete

London's stance is likely to change if Britain's governing Conservatives are replaced by the Labour Party, which has been running neck-and-neck in the polls and favours the EC's labour policy.

The Conservatives argue that the labour regulations will raise business costs and lower the EC's ability to compete with the US and Japan.

The summit capped negotiations opened a year ago to transform what has been a trading bloc of Belgium, Britain, Denmark, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal and Spain into a political, economic and monetary union.

The summit's outcome has started a process that will lead to a more united Europe by the end of the century — but not quite a United States of Europe.

There will not be a strong central government. The leaders bowed to pressure from Britain and deleted any reference to a "federal goal" for the new union.

"We are not aiming at a sort of melting-pot Europe," Lubbers said.

"What we do hope is that we can create a Europe in which the variety of cultures, languages and traditions will be . . . a source of richness."

After hard bargaining, the nations agreed to develop a common foreign and security policy.

In a concession to Britain and Denmark, the leaders agreed that nearly all foreign policy decisions should be unanimous. Germany, Belgium and others favoured majority voting to speed up decision-making.

They decided to strengthen the Western European Union (WEU), a security grouping of nine community nations, and turn it into a "defence component" of the new union.

They promised not to harm the 16-nation Nato but said the WEU could carry out defence actions independently.

In a stunning success, the nations agreed to merge tightly their economic and monetary policies and establish a European central bank on January 1 1997 at the earliest — but no later than January 1 1999.

The ecu would replace the German mark, the French franc and the other currencies by 1999.

Only those nations meeting strict economic conditions, including low inflation and modest budget deficits, could take part in the monetary union. Others would have to wait until their economies improved.

The leaders also promised Spain, Ireland, Greece and Portugal — the poorest members — more money to improve the performance of their economies.

They agreed to give the European Parliament greater say over community rules, a first step towards turning the 518-seat assembly into a fully fledged legislature.

They also decided to extend community control over industrial policy, consumer protection, culture, environment and other areas and to review their work in 1996. — Sapa-AP.

Accord on single EC currency

56A

STAR

12/12/91

MAASTRICHT (Netherlands) — European Community leaders agreed on a political and monetary union treaty yesterday that will give Western Europe a single currency by 1999 and a stronger joint voice in world affairs.

The accord came after a summit ran into a third day to circumvent British reservations about giving increased powers to Brussels.

Agreement came when 11 member states agreed to implement a Social Charter enshrining workers' rights outside the EC's legal framework, enabling Britain to sign a comprehensive treaty

Under the deal a single currency, the Ecu, will be introduced as early as 1997 if seven EC states meet strict economic criteria, and at the latest in 1999.

"I am very satisfied with the outcome," said British Prime Minister John Major.

But Tony Blair, employment spokesman for the Labour Party, said the deal on social affairs was "an opt-out in all but name".

Trades Union Congress general secretary Norman Willis said the government had made a "bad miscalculation". — Sapa-Reuter-AP.

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Emergency aid for food

Sowetan 12/12/91

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MAASTRICHT - European Community leaders here agreed yesterday to rush emergency food aid to two Russian cities and urged breakaway Soviet republics to cooperate with each other.

Worried that severe food shortages could lead to more political unrest, the leaders agreed in principle to give an extra R952 million to the Russian cities of Moscow and St Petersburg.

Germany, Moscow's largest Western backer, wants powdered milk and other basic foodstuffs distributed to Soviet cities within weeks if possible.

It has suggested that Western railway logistics experts and even soldiers in civilian clothes could help with distribution.

The aid will be on top of a food credit guarantee worth R4,48 billion and a technical assistance package of R1,45 billion still under negotiation with Moscow and individual republics.

The EC and the Group of Seven nations will work out details of the extra package over the next two weeks. -

Sapa-Reuter.

Accord on single EC currency

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● More reports — Page 25

Anatomy of new Europe

(SLA)

STAR 12/12/91
THE TREATY on monetary and political union European Community leaders agreed to in Maastricht yesterday has four main parts.

Introduction:

12/12/91
The preamble, entitled Common Provisions, is the so-called "chapeau" — French for "hat". This establishes a new European Union, an over-arching structure embracing the EC and its 12 member states.

It no longer contains the reference to a "federal goal" to which Britain had spent months objecting. Instead, it refers to "an ever closer union among the peoples of Europe", language drawn from the original 1957 Treaty of Rome.

Three other sections follow — what the negotiators have labelled as "the pillars" during a year of heated haggling: **New European Community:**

The first "pillar" is the existing EC treaty, expanded and amended. It gives the EC a new or greater role in subjects such as the environment, education, consumer protection, public health and pan-European networks (roads, computer links, power links and communications).

It also contains a slot into which the 90 pages of separate provisions for economic and monetary union — the blueprint for a single currency — will be slipped once officials and lawyers have polished the texts.

Foreign policy, defence:

The second "pillar" is devoted to a Common Foreign and Security Policy (CFSP), which remains outside traditional EC procedures as enshrined in the first pillar.

The treaty seeks to improve on co-operation on foreign policy matters by setting down rules for joint action by EC countries. Most decisions in this area will be taken by unanimity, but governments can decide unanimously to take some detailed decisions on implementing policy by a majority vote.

This section also creates the embryo of a future common European defence policy, but makes clear that this must be compatible with the Nato alliance.

Police and judicial co-operation:

The third section — familiarly known to negotiators as "the cops pillar" — covers co-operation among the 12 EC governments on matters ranging from immigration and asylum policy to the fight against organised crime and drugs trafficking.

It includes Europol, the new embryo EC-wide police intelligence corps.

Germany and other "federalists" wanted this pillar and the CFSP section merged into a single EC treaty rather than left to inter-governmental co-operation. — Sapa-Reuter. □

Britain under pressure at EC's Maastricht summit

B[Day] 10/12/91

56A

MAASTRICHT — EC leaders piled pressure on Britain at the start of their summit yesterday to accept a special exemption from the EC's commitment to a future single currency.

British Prime Minister John Major argued strongly that everyone should have the right to decide later whether to take part in the final stage of economic and monetary union (EMU). But no one wants it.

"The general opting-out clause should not be part of the text," Dutch Finance Minister Wim Kok, whose country is chairing the summit, told a news briefing. "A large majority supports that approach."

French spokesman Jean Musitelli quoted President Francois Mitterrand as saying any general exemption would undermine the commitment to the goal of a single currency.

"If such a clause was agreed upon, it would be an incentive for some member states to do nothing," he said.

German government spokesman Dieter Vogel quoted Chancellor Helmut Kohl as telling fellow EC leaders: "In Maastricht, we must begin an irreversible process."

France and Italy added to the pres-

sure by seeking a firm date for the introduction of a single currency.

The summit re-opened the crucial question of fixed exchange rates and a single currency, leaving finance ministers to grapple with alternatives.

A new treaty proposal circulated after a meeting of finance ministers on Sunday night suggested that the decision could be taken in 1996 or 1998 by a qualified majority vote — a system which gives larger countries a bigger say.

But the new proposal appeared to weaken the degree of convergence among EC economies needed for a move to a single currency. In 1996, at least seven countries would have to meet the criteria but by 1998, no minimum would be required.

"Then, in principle, even six or five countries could be enough to make it possible for the third stage to start," Kok said.

Finance ministers had tentatively agreed last week that the decision in 1996 should be by consensus but could be taken by simple majority in 1998.

EC officials said it was not yet clear whether the new procedure would be a tougher hurdle because it would depend on whether countries who failed to meet the economic per-

formance criteria were included in the vote.

Vogel said Germany was now backing a qualified majority vote in both 1996 and 1998.

But Bonn, determined not to see the Deutschmark replaced by a single currency more prone to inflation, insisted that strict and positive criteria for measuring a country's economic health would have to be adopted.

"Any dilution of these criteria would be a step in the wrong direction and would not be accepted by the German government," Vogel quoted Kohl as saying.

Despite Britain's objections to being singled out for an "opt-out" provision, Kok said ministers were to start work yesterday on drafting a treaty protocol especially for Britain. A special provision may also be needed for Denmark, which wants to hold a referendum on a single currency.

British Chancellor of the Exchequer Norman Lamont appeared untroubled.

"There are various options available here and we will have to discuss how they go but we are very happy and quite relaxed about the way this is going," he said after the morning session. — Sapa-Reuter.