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SUB-SAHARAN AFRICA REPORT

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ANGOLA

ANGOP COMMENTARY ON MPLA-LABOR PARTY SESSION

MB081613 Luanda Domestic Service in Portuguese 1200 GMT 7 Aug 85

[ANGOP commentary: "The Leadership Reaffirms Its Confidence"]

[Text] The MPLA-Labor Party Central Committee held its 16th ordinary session 30-31 July and 2-3 August 1985 under the chairmanship of Comrade President Jose Eduardo dos Santos. At the end of the meeting, three documents which are already known to the public, were issued.

These documents deal with the internal situation in the country in recent years as well as the international and southern African situation, particularly in light of the repeal of the so-called Clark amendment by the House of Representatives of the U.S. Congress, thus enabling the world's most powerful imperalist state to continue to involve itself, now openly, in the internal affairs of the People's Republic of Angola. Presently, the U.S. legislative body is mainly controlled by the Conservative [as received] Party which finds inspiration in the theories of state terrorism. Thus, given the means of war under its control, it presents itself today as the most dangerous threat to the existence of humanity.

Accordingly, following the decision to repeal the amendment, Ronald Reagan, who is more than 70 years old, received a strong and unanimous condemnation from the Angolan people. The second condemnation came from the 21st OAU summit, which recently ended in Ethiopia. The summit called the world's attention to the consequences for the southern region of the African Continent that would result from the repeal of the Clark amendment, which gives Washington a green light to spread the hegemonic radiations of its policy against the liberty of the African peoples whom it dreams of neocolonizing. Washington is increasingly becoming the main shareholder of this weird intention. What is more, it is the patron and instigator of the policy of aggression against independent peoples and the principal enemy of the world's truly progressive and democratic governments. That is why the strong popular condemnation of the deceptive nature of its international policy signifies that the Angolan revolution will not in any way recoil before any threat and that it is going to continue its triumphal march on the side of peoples who in the world follow the same path--the path of liberty and justice.

Before the obstruction of the channels suitable to the search for a just solution of the situation in southern Africa, for which South Africa and the

United States are to blame, the MPLA-Labor Party Central Committee reaffirms its fearlessness and refuses to yield to a suicide of any kind which would mean betrayal to the fatherland of Agostinho Neto.

At the end of its last ordinary session, the MPLA-Labor Party Central Committee expressed satisfaction with the solidarity demonstrated by the African countries as expressed during the 21st OAU summit in Addis Ababa. This OAU solidarity with our country is worthy of praise as its resounds through all four corners of the continent as a cry of denunciation of the belligerent intentions of the U.S. imperialism. The solidarity is expressed at a time when Washington, with the complicity of the allied Western countries, continues to channel to South Africa subsidies for the survival of the apartheid regime, thus reinforcing at the same time the repressive machinery of the regime installed in Pretoria against the legitimate aspirations of the martyred South African people. The continuation of this support for the Pretoria regime has obviously made it increasingly arrogant to the point of planning actions such as the attempt to sabotage the Malongo oil installations in Cabinda, which was, however, frustrated by the glorious FAPLA in a demonstration of exemplary bravery which symbolizes the determination of the entire people in the fight for the preservation of our national sovereignty under the leadership of its irreplaceable revolutionary vanguard, the MPLA-Labor Party, which has at its head Comrade President Jose Eduardo dos Santos, who in his wisdom has been leading the nation to new and increasing victories over the enemies of our revolution. Against the U.S. interference, all our strength. To the enemy, not a single inch of our land. The struggle continues. Victory is certain.

CSO: 3400/954

BOTSWANA

OPPOSITION LEADER SAYS BOPA CENSURING NEWS

MB160923 Gaborone Domestic Service in English 0510 GMT 15 Aug 85

[Text] The leader of the Botswana Progressive Union [BPU], Mr Danial Kwele, says there are officers in BOPA who are responsible for censoring news. He was speaking on Tuesday in Francistown at a meeting addressed by the chief press officer, (Samuel Modibame), and the training coordinator, (Robert Bormont). Mr Kwele said the opposition, particularly his party, received a raw deal in the official media while the ruling party is always in the limelight of publicity.

Mr Kwele was challenged by the former mayor of Francistown, Mr (James Mothwaoene), now a councillor, who said Mr Kwele never complained about the press when he was a minister. Mr (Mothwaoene) said Mr Kwele knew then that it was in accordance with the objective of the Department of Information and Broadcasting to give priority to government policies and not the Botswana Democratic Party's [BDP] activities.

The leader of the Botswana People's Party, Dr Knight Maripe, said BOPA journalists in Gaborone take sides when reporting, acting as if the BDP and the Botswana National Front are the only parties. And the Botswana Liberal Party leader, (Martin Chakalesa), claimed that at election time the DAILY NEWS becomes a propaganda paper.

The chief press officer said errors crop up no matter how effective and determined the department could be. Mr (Modibame) said biased reporting is not professional and there is no deliberate policy of bias in favor or against any group.

At another meeting in Francistown, Mr (Modibame) appealed to government heads of department to allow their subordinates to release information to BOPA while it is fresh during the absence of their seniors. Some officers said they are afraid of reporters because they ask too much when information is released to them. They said they were afraid also because they felt they must preempt what their seniors could say.

CSO: 3400/954

BURKINA

JUSTICE OFFICIAL ON MALIAN BORDER DISPUTE

AB181338 Ouagadougou Domestic Service in French 1300 GMT 17 Aug 85

["Extract" from the interview with Simon Compaore, permanent undersecretary of the Ministry of Justice, and (Lompo Benoit), president of the High Court of Justice, in the weekly "Times of the Revolution" program on Saturday, 17 August, by reporter Alhassans Traore--recorded]

[Excerpts] [Compaore] As everybody has learned, the issue of the West African Economic Community [CEAO] and Diawara, concerns the huge amount of the CEAO which managers of this organization and Diawara took away, one way or another. Since the CEAO involves seven countries, these people will be tried in accordance with the decision made by the seven heads of state who met in Bamako. You will recall that at that time, it was Burkina Faso which was designated to handle this matter. What we can say here with certainty is that the Diawara affair will be tried here in Burkina Faso--that is crystal clear and without any ambiguities at this level. Now, as to what kind of court, we think that matter is secondary. It is secondary because, as learned from the various discussions, in Burkina Faso today we are doing everything to make the existing legal institutions respond to the needs and objectives of the Democratic and Popular Revolution, and the concern for equity and justice for the Burkinabe people and, as far as the Diawara affair is concerned, make the Burkinabe judicial system respond to the expectations of the other countries and peoples who are also wronged in this affair. Whether it is the People's Revolutionary Tribunal or any other body of justice, what should be clear is that we will bring light to this affair.

[Traore] Thank you, comrade permanent undersecretary. Let us now see what the status is on the preparation of the technical documents of this trial with you, Comrade (Lompo Benoit), you who are the president of the High Court of Justice of Burkina Faso.

[(Lompo)] The preparation of this document is practically completed. There was an application for bail which was refused by the investigating judge. The accused made an appeal and the appeal court confirmed the decision of the investigating judge. As to what the status of this affair is, I think in the next few days the court [words indistinct] the document is practically completed. [Sentence indistinct]

[Traore] Well, the second point--a point no less important; a point which sometime ago, the comrade president of Burkina Faso said was a point which should arise--concerns the issue of the border dispute between Burkina Faso and Mali, which are two brother countries, an issue which, unfortunately is today before an international jurisdiction, and all this, I think, is the fault of some people who were not able to be really nationalistic, African, and did not show enough foresightedness. It concerns the issue of the border dispute between Burkina Faso and Mali, or rather a dispute between the leaders who created this problem. In any case, since this dispute is today before the International Court of Justice in The Hague, we want to ask you, who are the technocrats of the Ministry of Justice, to tell us what stage this dossier has reached today.

[Compaore] Concerning this case, I think a lot has been said about it, and there were even some incidents which we regret today. What we can say about this case is that after 4 August 1983, during the first interview of the comrade head of state, some clarifications were given, consisting essentially of saying that it is not a problem as such, and that we under the Democratic and popular revolution, we believe in the peaceful coexistence between us and the various countries surrounding us. We actually believe that among the masses, there should not be any insurmountable difficulties. The masses support one another; the struggles of these people in the developing countries are geared in the same direction. We believe that dialogue can always prevail. It is within this spirit that the two heads of state actually resorted to the International Court of Justice. Each of the two countries should furnish this international judicial body with the necessary elements to enable it to give its ruling on this matter. It was agreed that anything which might bring the two countries to confront each other militarily should be avoided. We are doing everything to ensure that dialogue prevails, that reason prevails so that the interests of the two peoples would be safeguarded in this matter.

CSO: 3400/940

PROTESTS OF AFP REPORTER'S EXPULSION REGISTERED

AFP Protest

AB021741 Paris AFP in English 1715 GMT 2 Aug 85

[Text] Paris, 2 Aug (AFP)--AGENCE FRANCE-PRESSE management today protested to Cameroon authorities over its expulsion of AFP's bureau chief in Yaounde, Jean-Claude Chapon.

Mr. Chapon left Cameroon on 31 July after being given two weeks to leave. He had been in Yaounde since 14 June, 1983.

An Information Ministry spokesman said Mr. Chapon's stories harmed the national interest, while Georges Ngango, a minister attached to the presidency, said the government would have preferred Mr. Chapon "to keep quiet on certain occasions".

IPI Director

AB071810 Paris AFP in French 1641 GMT 7 Aug 85

[Text] London, 7 Aug (AFP)--Peter Galliner, director of the International Press Institute (IPI), on Wednesday protested the recent expulsion of the AFP correspondent in Cameroon in a letter addressed to Cameroonian President Paul Biya.

"As far as we know, no satisfactory reason has been given to justify the expulsion of Jean Claude Chapon. We vehemently protest this action which constitutes a serious hindrance to press freedom, and can only harm your country's reputation," Mr. Galliner stressed in his letter.

In conclusion, the director of the London-based institute demanded President Biya to allow Mr. Chapon to return to Cameroon, and authorize him to take up his job "without further harassment."

AFP headquarters had sent a strong protest note to the Cameroonian authorities early this week following the action taken against its correspondent in Yaounde.

CSO: 3400/916

CAMEROON

BRIEFS

GOVERNMENT INCREASES SALARIES--There has been a general salary increase for both civil servants and workers in the private sector. According to a presidential decree signed yesterday, salary increases for civil servants with indices up to 500 stand at 11 percent and 5 percent for indices above 500. The decree is applicable to civil servants of the public service and auxiliaries of the administration. For non-civil servants of the public sector, the salary increase is 11 percent for categories 1 to 6 in zones 1 and 2 and 13 percent in zone 3; 11 percent for categories 7 to 9 and zones 1 and 2, and 12 percent for zone 3; categories 10 to 12 will have 11 percent for all the zones. Household servants of categories 1 to 8 have a salary increase of 11 percent in zones 1 and 1 [as heard], and 13 percent in zone 3. Pensions for civil and military personnel have also been increased by 10 percent; compensation for labor accidents, 10 percent. Teachers in the private sector have a salary increase of 10 percent in zones 1 and 2, as of 14 percent for those in zone 3. Family allowances have been raised to 1,800 CFA francs a child, an increase of 300 CFA francs. The salary increase takes effect from 1 July 1985, and the minister of finance has been charged with the application of the decree. [Text] [Yaounde Domestic Service in English 1400 GMT 3 Aug 85]

CSO: 3400/916

MEDICAL AGREEMENT REACHED WITH IVORY COAST

AB160916 Accra Domestic Service in English 0700 GMT 16 Aug 85

[Text] Ghana and the Ivory Coast have agreed on the use of medical facilities available in each other's country for the treatment of various kinds of ailments of their people. To this end, the Ivory Coast has requested Ghana to furnish her with medical facilities available in the country to enable the Ivorian medical authorities to identify facilities which that country could make use of.

The minister of health and population of the Ivory Coast, Professor Alphonse Djedje Mady disclosed this to newsmen before his departure, after leading a 4-man delegation on a 3-day visit to Ghana to study her health services and administration. The minister said Ghana has already asked for the use of a cardiovascular disease treatment center in the Ivory Coast. Professor Mady said he and his Ghanaian counterpart expressed the need for the two countries to harmonize their medical policies to improve not only the health needs of their people, but also their socioeconomic and political conditions. He called for the implementation of the recommendations made under the Ghana-Ivory Coast permanent joint commission of cooperation for the benefit of the two countries.

The delegation was seen off by the secretary for health, Mr. E. G. Tandoh, the Ivorian ambassador to Ghana, Mr. Konan Nda.

CSO: 3400/918

BRIEFS

GHANAIANS DEPORTED FROM BENIN--Eighty-five Ghanaians were last night escorted to the Ghana-Togo border at Aflao after being expelled from Cotonou by the Benin authorities. The deportees--52 women and 37 men [all figures as heard]--were rounded up in the capital for allegedly indulging in immoral practices and loitering. They were also without resident permits. Early this month, 15 Ghanaian teenagers were deported from Benin for similar offenses. [Text] [Accra Domestic Service in English 2100 GMT 16 Aug 85]

CSO: 3400/934

GUINEA

BRIEFS

CANADIAN COMPANY DELIVERS PLANE--Conakry, 14 Aug--The Canadian company, De Havilland, has delivered a Dash-7 plane to the Guinean Government following the signing of the finance agreement between the Canadian and Guinean Governments in August 1984. This agreement of 21.6 million Canadian dollars also provides for the possibility for Guinea to obtain Canadian goods and services, apart from receiving the Dash-7 plane. [Text] Paris AFP in French 1122 GMT 14 Aug 85 AB]

CSO: 3400/954

LIBERIA

SAMPSON, DWANYEN RESIGN FROM ARMY TO RUN FOR OFFICE

Monrovia NEW LIBERIAN in English 5 Aug 85 pp 1, 2

[Text] Colonel Joseph K. Sampson, a member of the Interim National Assembly from Grand Gedeh County, has retired from active service in the Armed Forces of Liberia to contest a senatorial seat in the Second Republic.

Colonel Sampson's request was contained in a letter he sent to the Commander-In-Chief of the Liberian Army, Dr. Samuel K. Doe last Thursday.

He expressed "sincere" thanks and appreciation to Dr. Doe, the Government and people of Liberia for the opportunity given him to serve the nation.

INA member Sampson was nominated to contest a senatorial seat for Grand Gedeh County at the National Democratic Party of Liberia local convention held in that county Friday.

In a related development, INA member from Nimba County, David G. Dwanyen resigned from the Armed Forces of Liberia to contest for elective position in the forthcoming elections.

In a telex message he sent to the Head of State last Thursday, the minister of state, Dr. J. Bernard Blamo said Mr. Dwanyen took the action in a letter addressed to Dr. Doe on August 1.

INA member Dwanyen said in his letter that, his resignation was in response to the Head of State's pronouncement on July 24, that military personnel serving in the Assembly who are desirous of running for elective offices should resign.

LINA

CSO: 3400/967

LIBERIA

CODES DISCOVERED IN STUDENT SPY CASE

Monrovia NEW LIBERIAN in English 9 Aug 85 pp 1, 4

[Text] Investigations into the case involving 14 students accused of spying for the Soviet Embassy, have taken a dramatic turn with the production into evidence of sophisticated coded messages which the investigation board says suggest a "dept of intrigue which may not be easily noticed".

Among the codes is a message from one "MUSA" addressed to a militant simply identified as "JOE" dated February 14, 1985, in which the writer, Musa, sent "something for REACT" along with an amount of $350.00 "for passports some of the militants already have", and a list of the "first group to leave when plans are finalized".

A full interpretation of the coded message which was written entirely in figures, reads as follows:

JOE HERE IS SOMETHING FOR REACT. ENCLOSED IS THREE HUNDRED AND FIFTY DOLLARS FOR PASSPORTS SOME OF THE MILITANTS ALREADY HAVE. THE FIRST GROUP TO LEAVE WHEN PLANS ARE FINALIZED, WILL BE COMPOSED OF FIFTEEN. THEY ARE WIWI DEBBAH, DENNIS KAINE, STEWART GELIMIRA FLOMO, DAVID DOLO, JOSEPH MAYSON GOE, FLOMO KOKOLO, HARRY MUINBEG, FARKOLLIE, TOLO KOFFAH, TONIA RICHARDSON, THOMAS DU, MATHIAS NIMLEY, AND PEWU. FIND TWO GOOD MILITANTS TO WORK WITH YOU IN CASE OF ACCIDENT.

In another message written July 27, 1985, the writer who signed

off as Musa Keita, reported that "Things are moving",and listed the same militants mentioned earlier to be included in the group that was to be sent. The list comprises entirely the names of the militants listed in the previous message.

Musa told the addressee of the message that "QUINAH WILL CONTACT YOU TO GO OVER AND PICK UP FUNDS TO SEND THE MILITANTS BY ROAD".

He went on to say that "WHEN EVERYONE IS OVER I THINK YOU NEED TO GO TOO FOR WORKUP. I SHALL BE THERE DIRECTING THINGS AS FROM THE TEN OF JULY".

Also among the documents produced in evidence was a TEMPORAL CODE FOR USAGE: N.V.C. which lists the members of the group along with their code names.

The code lists the Chairman of the group as"BRAIN",the Co-Chairman as "ISLAND", Director of Operation as "PACIFIC", the Secretary as "INK", and other members listed as "COOL,SNOW,ROOF, D-9,WATER,RAIN SUN, WALL,ATLANTIC, ROCK FIRE, DESK."

A release from the Special Board investigating the case said "All inquiries and investigations are being conducted with the highest degree of professionalism".

According to the release signed by the Board's Chairman T. Boye Nelson,"sensitive security information detailing military installations, military capability, as well as manpower deployment of the Liberian Armed Forces have been presented into evidence".

The release noted that "The code used to transmit instructions or messages is found to be identical to that used in theatres of World War II.

The Board said it "considers the sophistication of evidence, the magnitude of the matter, and the alleged involvement of those accused, to warrant their continuing very careful inquiry and investigation."

CSO: 3400/967

LIBERIA

BERNARD SAYS INA MEMBERS NOT BARRED FROM POLITICS

Monrovia NEW LIBERIAN in English 5 Aug 85 pp 1, 6

[Text] **A member of the Interim National Assembly says no wrong has been committed by Assembly members participating in the present electroal process.**

According to INA member Archibal F.Bernard, there is no clause in the decree creating the INA that bars members from partaking in politics.

Mr. Bernard, a senatorial aspirant for Montserrado County, was speaking recently at a luncheon he tendered in honour of the Liberian press at a local restaurant in Monrovia.

Commenting on a request by representatives of several political parties (excluding the NDPL), imploring the Special Elections Commission to ensure the INA members refrain from politics in keeping with their role as overseer in the transition to democratic civilian rule the 30 year-old politician said he decided to contest the ensuing elections to continue serving the people of Liberia.

Mr. Bernard, who is also managing the YES Transport Service in Monrovia, said if elected his primary concern as a legislator would be to promote educational opportunities and the general wellbeing of all Liberians. He is contesting the senatorial seat for Montserrado County under the banner of the National Democratic Party of Liberia (NDPL).

Asked what plans he has for the development of Montserrado County, Mr. Bernard said each area has its peculiar problems,noting that emphasis will be placed on identifying these problems.

Touching on sports, Mr. Bernard who is also the president of the Invincible Eleven/ Majestic Sports Asso-

ciation, told journalist that he love sports and is not using the games to achieve his political objectives. "I have been a fan and supporter of I.E. since I knew myself," he explained.

He was responding to a question as to whether he was using his sporting links to promote his political aims.

Mr. Bernard later called on politicians to exhibit fortitude and persistence in order to tackle national issues in a "sober manner."

He said the economic woes affecting the nation could only be improved if the citizenry can create a sense of purpose among politicians of this country.

He stressed that politicians should positively tackle issues with discipline, courage and the will to lead this country out of its present economic plights.

Mr. Bernard who has been petitioned by several groupings within Montserrado County to contest the senatorial seat,also serves as advisor for the Liberia Marketing Association (LMA) and the Federation of Drivers Union.

CSO: 3400/967

HOARDERS BLAMED FOR RICE SHORTAGE

Monrovia NEW LIBERIAN in English 6 Aug 85 pp 1, 6

[Article by J. N. Elliott]

[Text] The managing director of the Liberia Produce Marketing Corporation, Mr. Francis P. Dunbar, has attributed the present scarcity of rice on the Liberian market to the hoarding of the com- sured the public however that the company has enough stocks of the commodity and was making every effort to have it available to consumers.

Mr. Dunbar said besides the present sup- modity by some "unscrupulous" businessmen seeking to maximize their profits.

He told a news conference yesterday that although LPMC had been supplying more than the usual consumption quota, the rice was being hoarded, leaving the retail shops empty.

The LPMC boss as- ply of rice, LPMC has already begun negotiating with a firm in Thailand for the importation of an additional 70,000 metric tons of commodity, while an additional 18,000 metric tons is to be brought in under the PL-480 agreement signed with the U.S. government.

He said his corporation is making these arrangements for additional supplies of rice in order to ensure that an adequate supply of rice remains on the local market at all times.

He said to alleviate the "artificial shortage of rice on the Liberian market," LPMC has begun implementing plans to have rice available at various points around the city where it can be easily reached by consumers.

He said government realizing the future of locally produced rice, have already assisted the farmers

with machinery in order to bring their produce up to standard.

Touching on local rice production, the LPMC boss said despite efforts to boost the production capacity of local farmers, some vendors are frustrating the efforts of the farmers by purchasing their produce far below the stipulated price of 18 cents per bag of paddy rice.

He said it is those vendors who are benefiting from the locally grown paddy rice which they purchase from farmers for as low as 5 cents per pound and in return sell same to LPMC for 18 cents. "They are reaping a profit of 13 cents" which, according to him, is too much.

Mr. Dunbar said with all these "mal-practices" LPMC is still encouraging farmers to produce rice on a large sale noting that there is a fast growing market for locally grown rice.

CSO: 3400/967

BRIEFS

SECOND PHASE VOTER REGISTRATION--The Special Elections Commission, SECOM, has embarked upon the second phase of voters' registration throughout the country. According to a release issued yesterday by SECOM, the exercise, which began 13 August, is expected to be conducted over a period of 15 days. SECOM said it will be conducted by a limited number of registrars and clerks selected locally after consulting with local authorities including party representatives. The commission also announced that the selection of registrars and clerks will be done on the basis of commitment and dedication and they will be paid on the spot. The SECOM release further said that government has made available the necessary funds for this round of voters' registration. [Text] [Monrovia Radio ELWA in English 1710 GMT 16 Aug 85]

CSO: 3400/934

FOREIGN WORKERS CLAIM RENAMO GIVING FRELIMO HARD TIME

Johannesburg THE CITIZEN in English 5 Aug 85 p 4

[Text]

DURBAN. — Mr Don Milne (47) who was in charge of a crew of workmen repairing a sugar mill at Luaba, in Mozambique's Zambezia Province said in Durban at the weekend that there was no doubt that the rebel movement in Mozambique, Renamo, was giving Frelimo "a hard time."

Mr Milne decided to quit the maintenance project at Luaba because he said it was becomming "dangerous" although the pay was good.

On Tuesday last week Renamo abducted two of the maintenance crew working at the mill, Mr James Blakey, of Yorkshire, England, and Mr John Patrick O'Connell, from Northern Ireland.

Their present whereabouts are unknown and so is their fate.

Both the British government and the International Red Cross have been trying to make contact with Renamo to obtain the release of the men.

Mr Milne said that during his time at the mill Luaba actually came under attack from Renamo. The town was attacked by mortars and machine-gun and many of the residents and the working crew fled.

Mr Milne said he could be wrong but he got the impression that Renamo were doing "pretty much as well as they want to" in the rural areas of Mozambique without any interferance from Frelimo troops.

The Frelimo forces, for instance, protecting Luaba hardly had any uniforms, complained that they were not paid and were carrying firearms that appeared to be badly neglected.

CSO: 3400/868

NORTH-SOUTH CONFLICTS EVIDENT IN SHAGARI TRIALS, PRESS REPRESSION

London AFRICA CONFIDENTIAL in English 31 Jul 85 pp 3-4

[Text]

With pressure mounting on Nigeria's military government to put ex-President **Shehu Shagari** on trial, the Supreme Military Council (SMC) is considering a suspended jail sentence if he is found guilty in the hope that this will satisfy those who wish to see him made accountable and those who wish to absolve him of personal responsibility for the corruption of his administration. A suspended sentence, it is argued, would allow him to retire with dignity into decent obscurity.

Last week, Maj.-Gen. **Mohammed Buhari** said a committee had already been set up to consider the introduction of suspended sentences. He did not mention Shagari's name, but said that security funds of former politicians were being investigated. This seems to refer to the call earlier this month by the student-teachers' association (ATCCESAN) to probe into the N600m million naira contingency fund at the disposal of the presidency at the time of the coup. On the state level, former governors have been convicted for improper accounting of their funds. Most of the pressure to put Shagari on trial has come from the South, and a suspended sentence might further suggest that the military government is a northern outfit.

Last week Dr **Garba Nadama**, governor of Sokoto during the Shagari administration, was sentenced to life imprisonment and ordered to refund N4.7 m. This may help to answer some of the claims that the heavy sentences passed to date were imposed almost entirely on southerners or northern opponents of the former Shagari regime. Nadama was neither, but the degree of his sentence could be related to his attempt to involve the religious establishment in his defence against corruption charges. He claimed that N500,000 of the money involved had been donated to a mosque appeal fund.

The North-South emphasis has become sufficiently pronounced that Buhari said a few days ago that he would close down any publication causing "disaffection among the people". In particular, the government ordered an immediate end to comments through the media on the political future of Nigeria. The debate was started by retired Brig. **Benjamin Adekunle**, the "black scorpion" of the Biafran war, when he proposed a confederal system in which the 19 states would be self-governing, each strong enough to maintain its own security. In other words, each would have its own armed force, the sort of division of Nigeria against which both Adekunle and Buhari had been fighting in the civil war.

Adekunle made things worse by refusing to comment on the present government's main political plank, the War Against Indiscipline (WAI), except by saying that it was "shameful that after 25 years of independence Nigerians are still being educated on how to queue".

The enthusiasm with which this idea was taken up by other retired southern military leaders was significant. For instance, Maj-Gen. **Akinrade**, chief of defence staff in the last military government, said Nigerians should "not be ashamed" to accept confederacy if this was good for the country: the time had come to give Nigerians the opportunity to express an opinion about the issue. A further statement by him was withdrawn from early editions of the *Concord* newspaper on official orders. Retired Maj-Gen. **Adefope** criticised African leaders for not wanting to let go of office and advocated indigenous forms of government in Africa. Retired Maj-Gen. **Abisoye** said that imposed leadership would not work in Nigeria.

The strongest condemnation of the Adekunle proposal came from **Arthur Nwankwo**, a prominent Biafra supporter during the civil war, and a leader of the radical PRP opposition in the Shagari era. But he is not a Yoruba, unlike the retired generals mentioned. Of the Yoruba leaders, only chief **M.K.O. Abiola** opposed the idea, which would presumably interfere with his hopes of spreading Islam to the South (AC Vol 26 No 13). More indirectly, another prominent Yoruba, Chief **G.O. Onosode**, chairman of *Cadbury* (Nigeria), called for a diarchy in which the military could always keep a watching brief over civilian politicians. But all opinions expressed in the South showed impatience with the present set-up, in which northerners are perceived as having better chances of promotion and perks than the rest.

Buhari ended the debate by announcing that any form of election would have to wait until Nigeria's economy had improved substantially and it had earned the confidence of its trading partners. Members of the SMC and civilian officials were drawn from all parts of the federation and represented different points of view; people writing letters to the media were another form of public participation in decision-making.

This form of consultation will not satisfy the most politically conscious part of the population. Buhari's press secretary had to go on record to deny that members of the academic community had been forbidden to air their views without official consent. (The Nigerian playwright, **Wole Soyinka**, went into exile recently because of the restrictions on academic freedom.) There were riots at the universities of Ibadan and Port Harcourt last month because of limitations on student meetings and arrest of student leaders. To channel the surplus energies, a large scheme for military reservists has been announced. According to Brig. **Onoja**, director general army reserve, recruitment and resettlement, this will draw in civilian volunteers as well as former army personnel and will be a sort of WAI Brigade on a professional level.

Nobody in Lagos believes the army officers who have spoken out will be content with a back seat while people junior to them in rank run the country on what seems to them a very divisive basis. But the present leadership cannot proceed openly against these men, since this might trigger off serious internal army unrest ●

CSO: 3400/939

NIGERIA

IDIAGBON RELEASES SECOND QUARTER ECONOMIC RESULTS

Kaduna NEW NIGERIAN in English 12 Aug 85 pp 5, 7

[Text of quarterly press briefing by Major-General Tunde Idiagbon to media executives on 6 August 1985; place not specified]

[Text] *BEING text of quarterly press briefing of media executives by the Chief of Staff, Supreme Head quarters, Major-General Tunde Idiagbon on Tuesday, 6th August, 1985.*

I AM pleased to welcome you to this second quarterly press briefing for 1985. I wish to commence my comments and observations on the activities of this administration by reminding you that the priority objectives of this administration are:

(a) the maintenance of national unity and stability; (b) an early economic recovery; (c) the welfare of the masses; (d) maintenance of law and order; (e) security of life and property and the creation of a society where public accountability, probity and discipline prevail, while acts of conspicuous and wasteful consumption, extravagance, indiscipline, corruption and economic sabotage receive unequivocal condemnation.

ECONOMIC SITUATION

Foreign Exchange Development

At the last briefing when I reviewed the foreign exchange position for the country as at February 1985, aggregate inflow of foreign exchange for the first two months of the year was ₦1,774.1 million while aggregate outflow totalled ₦1,702.0 million resulting in a net inflow of ₦72.1 million. The provisional figures for June 1985 indicate that the foreign exchange position worsened compared with the situation in February 1985 and June 1984. During the first half of 1985 cumulative inflow amounted to ₦5,548.9 million recording an increase of ₦999.2 million or 22 per cent over the figure for the corresponding period of 1984 which was ₦4,549.7 million.

However, outflow during the first half of 1985 at ₦5,515.2 million showed an increase of ₦1,214.5 million on the figure of ₦4,300.7 million for the corresponding period in 1984, an increase attributable to the funding of special licences issued to stabilise prices in the economy. These inflow and outflow movements resulted in a net surplus of ₦33.7 million for the first six months of 1985. This shows a reduction from the cumulative net inflow of ₦240.0 million in the corresponding period of 1984. Cumulative foreign exchange expenditure on visible imports during the period under review aggregated ₦2,722.3 million or 49.4 per cent of the total.

Disbursement on invisible trade for the six months period amounted to ₦2,792.9 million. Of this amount, ₦1,824.8 million went into servicing our external debt, as against the level of ₦1,133.8 million during the same period of last year. The level of official external reserves for the country has moved from a level of ₦599.7 million in January 1984 at the inception of this administration; ₦806.4 million in May, 1984 ₦1,168.9 million in February 1985 to ₦1,130.5 million as at the end of June 1985. This level of external reserves is still considered low as it will cover the import bill of less than two months at current rate of disbursements as against the conventional minimum of four months' cover.

IMPORT LICENCE

The policy of government in the administration of import licence enunciated to you in my last quarterly briefing has not changed. Thus, bias continued to be shown in favour of raw materials and equipment needed to encourage local production rather than importation of finished goods. In this connection, the available foreign exchange is rationed in the following order in respect of visible import transactions: (a) 63 per cent for industrial sector (raw materials, machinery components and spare-parts); (b) 8 per cent for food; (c) 13 per cent for general merchandise; (d) 16 for government projects.

The priority of government is therefore for the revival of industries.

The following figures show the position of import licence as at 15th July, 1985.

Sector	Amount Committed.
Agro	₦758.7 million
Agroallied	₦465.1 million
Chemical	₦617.8 million
Engineer.	₦1,116.9 million
Govt. proj.	₦755 million
Gen. Mer.	₦200 million

Detailed break-down of the import licences in each sector will be distributed after this press briefing.

FEDERALLY COLLECTED REVENUE

The total federally collected revenue during the period 1st January to 30th June, 1985 amounted to ₦7,966.8 million. The amount is made up of oil revenue of ₦5,229.1 million, non-oil revenue of ₦1,685.8 million and federally retained revenue of ₦1,051.9 million. The amount of ₦6,889.5 million was distributed in accordance with the revenue allocation formula.

REVENUE GENERATION

As much as 66.3 per cent of total revenue for the 1985 fiscal year is expected to accrue from the oil sector from January to June 1985, the total revenue realised from the oil sector amounted to ₦5,229.1 million. As at the end of June, a total sum of ₦449.2 million accrued from Companies' Income Tax and other levies with Companies Income Tax amounting to ₦413.07 million. At the same time, the Customs and Excise Department collected a total sum of ₦1,121.2 million as at the end of May, 1985. On the whole, the response of Ministries and Departments to the revenue monitoring exercise initiated by the Federal Ministry of Finance as reflected in the performance of the non-oil sector has shown some improvement in revenue collection.

AIR TRAVEL LEVY AND PRE-OPERATION LEVY ON COMPANIES

These two new levies introduced under Sections 10 and 27 of the Finance (Miscellaneous Taxation Provisions) Decree of 1985 have yielded ₦15.7 million and ₦1.4 million respectively as at 15th July, 1985.

RECURRENT EXPENDITURE

The third quarter (July, August, September) Warrant of ₦1,406.2 million was released for Recurrent Expenditure. The shortfall in the Second Quarter release was made up in the third quarter release. The placement of Entertainment and Hospitality Votes under reserve is yielding very fruitful result as only officers entitled to the allowances are now receiving them. The schedule of Recurrent Warrant will be circulated after this briefing.

CAPITAL EXPENDITURE

During the second and third quarters of 1985, ₦770.7 million and ₦1,012.6 million respectively were released under the quarterly Development Warrants issued for Capital Expenditure for the period, April to September. Added to ₦891.67 million in the first quarter warrant covering January to March, the total amount released so far for capital expenditure this year is ₦2,675.05 million excluding drawdowns in the external loans. The schedule of capital and recurrent disbursements to the States and Federal Ministries will also be circulated after this Press Briefing.

AGRICULTURAL SECTOR

In pursuance of this Administration's goal of self-sufficiency in food production and of broadening the agricultural base in order to increase the local sourcing of raw materials for our Industries as well as improve on the revenue yields from export crops Government had taken the following steps:

(a) PROCUREMENT OF FERTILIZER

Fertilizer distribution to the States is slightly behind schedule this year because the first ship bringing in fertilizer arrived in March when distribution ought to have started in December, 1984. The situation was further compounded by the shortage of spare-parts, particularly tyres for haulage vehicles. Despite the difficulties, 47,264 tonnes have been dis.:ibuted to the States. In co-operation with State Governments and other consumers in the States concerted efforts are now being made to get at least 600,000 tonnes of fertilizer distributed before the end of 1985 planting season. With the initial delay in the onset of regular and steady rainfall in parts of the country, planting and fertilizer application were delayed in those parts. Fortunately, there was a considerable carry-over of fertilizer from the 1984 purchases and many States particularly in the Southern parts of the country have been able to meet their in itial requirements from that source. Transportation of fertilizer to the States is now in full gear through road and rail and crop prospects for 1985 are not likely to be adversely affected by shortage in fertilizer supplies.

(b)

CASH CROPS

(i) Under the cotton rehabilitation programme a sum of ₦312,000.00 was allocated to Cotton Board for procurement of inputs to be sold at subsidised rate to farmers. A sum of ₦32,000.00 was given to the groundnut board to carry out a feasibility study on large scale production of cotton/groundnut. The Groundnut Board also received ₦413,000.00 for the rehabilitation of groundnut while ₦25,000 was allocated for rehabilitation of Soya-bean. Also under the Soya-bean rehabilitation programme, Ahmadu Bello University was given ₦50,000.00 for the multiplication of 2 varieties of soya bean, i.e. Samsoy I and II to be distributed to farmers. To further stress the importance of Soya-bean, a sum of ₦20,000 was given to IITA for the establishment of a processing Mill.

(ii) As at the end of the 2nd quarter, the Cocoa Board received the sum of ₦242,000.00 for procurement of inputs to be distributed to farmers while each of the cocoa growing States got ₦299,500.00 for cocoa rehabilitation programme. Cocoa Research Institute was also given ₦57,000.00 for the yield Survey.

(iii) The Nigerian Rubber Board got ₦260,000.00 for rubber rehabilitation while the Bendel small holder project got ₦270,000.00 under the general rubber rehabilitation.

(iv) Oil Palm Production:- The oil palm rehabilitation programme continues to receive attention with the progress made on the mini-mills located at various locations. Two of the mills had been commissioned at Itu and Erei while three more mills have been completed and duly test-run at Olomu, Elere and Ojuola and they will be ready for commissioning by the end of August. The Oil Palm Estates and small holder units received a sum of ₦3.36 million as Federal Government Subvention.

(c) Fisheries Inspectorate Equipment

In order to rid our waters of poachers and to make local fishing companies comply with our fishing laws, a patrol boat costing ₦1.3 million has been purchased and stationed at Port-Harcourt port.

(d) Fish Storage, Processing and Marketing Scheme

Already, a 20-tonne capacity cold-store and ice-making plant capable of producing 3 - 5 tonne flake ice per day and a tonne ice-storage bin has been installed in 13 states of the Federation. Contract for the remaining complexes will be awarded as soon as funds are available.

TRANSPORT SECTOR

Total cargo for the second quarter (adjusted to 15th July) of 1985 in all the Ports under the jurisdiction of the Authority was estimated at 3.980 million tonnes. This shows an increase of 225,000 tonnes or 5.99 per cent over the previous quarter. Compared with 2.968 million tonnes recorded cargo for the second quarter of 1984, there is an increase of 1.012 million tonnes or 34.10 per cent. This trend is a pointer that port operations are gradually stabilizing, although the Federal Government's austerity measures are still in force, and are seen to be taking their toll. The expectation is that as structural adjustment measures take firm roots, port operations would continue to improve.

The number of ships cleared during the second quarter (adjusted to 15th july) of 1985 was estimated at 943. This represents an increase of 34 ships or 3.74 per cent over the previous quarter. In comparison with the second quarter of 1984, it shows an increase of 273 ships or 40.75 per cent. The increase in this area of port operations is again a pointer to the fact that ship traffic is picking up. It is hoped that the trend would continue as the national economy wriggles out of recession.

The period also witnessed a swing-back to rail transport for the distribution of petroleum products specifically bitumen and low-Pour-Fuel-Oil (LPFO). During the second quarter of 1985, the total goods traffic by rail was 0.8 million tonnes. The rate of the phenomenal growth of passenger traffic from 12.9 million passenger journeys in 1983 to 15.8 million is 1984 continued during the period under review. Approximately 7.6 million passenger journeys have been recorded. Towards arresting the further deterioration of rolling stock and locomotives, the Federal Government is assisting the NRC in the acquisition of new 50 locomotives of 2,000 horse power rating, 950 wagons (including 200 container wagons) and 287 passenger coaches.

To cope with increased traffic on its domestic and international routes, the Nigeria Airways acquired four new Airbus A310 Aircraft and trained the Captains, first officers and cabin crew necessary to operate this type of aircraft. On the sales front, the sales turnover for the first half of 1985 showed a marked increase and improvement over the sales turnover for a similar period of 1984. While the domestic sector experienced a 51.6 per cent increase in sales over the corresponding period of 1984, the international markets recorded a 41.1 per cent increase in sales turnover over a similar period of 1984..

In addition, there was a phenomenal increase in the passenger traffic result achieved during the first half of 1985 as compared to passenger traffic result for a corresponding period of 1984. Whereas, during the first half of 1984, a total of 940,000 passengers were carried globally by Nigeria Airways, a corresponding period of 1985 recorded a system wide traffic uplift and discharge result of 1,174,000 passengers, a 24.9 per cent improvement in passenger traffic performance over a similar period of 1984.

Efforts are also being geared towards streemlining the aircraft types in our inventory to four basic types — DC10, B707, A310 and B737 fleets. This should make for an across the board reduction in our overheads and related operating costs without any reduction in efficiency and lift capability.

Gentlemen of the press, before I end this press briefing, may I seize this opportunity to express my profound gratitude and appreciation to all those patriotic Nigerians who heeded our call and turned out in large numbers to take part in the national environmental sanitation exercise which took place throughout the Federation last Saturday. The massive turn out was a clear indication of the whole-hearted solidarity, support and understanding of the masses for

the aims and aspirations of the present Administration and for the necessary measures we are taking to significantly improve the lot of our dear fatherland.

It was also a distinct demonstration of the determination of our people to ensure that the destiny of our great country is kept securely in the hands of Nigerians. It was an unprecedented mass mobilisation of our people the type of which this country had never seen before. It proved conclusively that, in the interest of the over-riding national cause, we can bury all our differences be they ethnic, religious or cultural and rise up as one to answer the national call to duty. The crucial task of national reorientation and national revival has just begun. The battle for national survival has not yet been won. This is not the moment to relax or relent. I therefore call on all Nigerians to continue to accept cheerfully the challenge to look for our salvation within ourselves and to build on our solid achievement in environmental sanitation to unite and co-operate with this Administration to bring about true national economic self-reliance and real political emancipation.

CSO: 3400/976

BRIEFS

NNPC, ELF FORMALIZE OPERATIONS--ELF Oil Company of Nigeria Limited has formalized its participation agreement with the Nigerian National Petroleum Corporation, NNPC. The agreement comes after more than a decade of the company's involvement in oil exploration and exploitation in the country. It was signed on behalf of the federal government by the minister of petroleum and energy, Professor Tam David-West, while the group managing director of ELF signed for the company. Prof David-West described the events which took place at the NNPC headquarters in Lagos as an important landmark for the two companies involved, and urged all to keep to the terms of the agreement. In his remarks, Mr Halfon thanked the minister for making it possible for the participation agreement to be signed into law. Under the joint venture participation agreement of July 1979, ELF was allowed 40 percent equity share while the NNPC held the remaining 60 percent for the federal government. [Text] [Lagos Domestic Service in English 1500 GMT 12 Aug 85 AB]

ETHIOPIAN, GDR, SWISS ENVOYS--Nigeria has stressed the need for her relations with Ethiopia, East Germany, and Switzerland to be strengthened. The head of state, Major General Muhammadu Buhari, made the remark today at Dodan Barracks while receiving the credentials of the new ambassadors of the three countries. The envoys are Mr Alemayehu Shenkute from Ethiopia, Mr Gerhard (Herder) of East Germany, and Mr (Harpin Crader) from Switzerland. General Buhari urged the ambassadors to visit other parts of the country and see things for themselves. [Text] [Lagos Domestic Service in English 1500 GMT 16 Aug 85 AB]

CSO: 3400/934

BRIEFS

THAI RICE AGREEMENT--There has been a shortage of rice in the past few days but now the situation has been normalized, according to the minister of commerce, Abdourahmane Toure: [Begin Toure recording] In fact, we can say that the shortage of rice in particular is a foregone story. The ship "Beaujolais" which followed the (Kiriaki), expected on 28 July, arrived yesterday in Dakar--because of bad weather in the Indian Ocean--with a consignment of 25,000 tons of rice. We are also expecting the "Missouri" to berth at the end of this month with its consignment of 31,000 tons of rice. The other ships are following and are expected in Dakar on 8 September. Moreover, the government has just signed an agreement with the Thai Government for the purchase of 100,000 tons of rice. [Excerpt] [Dakar Domestic Service in French 2000 GMT 14 Aug 85]

CSO: 3400/933

SIERRA LEONE

MOMOH DISCUSSES ROLE, MORALE OF STATE SECURITY FORCES

London AFRICA NOW in English Aug 85 p 41

[Interview with Force Commander General Saidu Joseph Momoh by Roy Stevens; date and place not specified]

[Text] Presidental heir-apparent after Siaka Stevens' retirement in October, Force Commander General Saidu Joseph Momoh speaks of the task ahead in this exclusive interview with AFRICA NOW

■General, you are now being regarded as the man most likely to succeed Dr Stevens as President. Was this your choice?

I am a soldier by profession and a Sierra Leonean. My duty is to serve my nation and you must understand that the cardinal principle of an army officer is to obey orders and give service conducive to the peace and stability of the nation.

If it is deemed necessary that I am called upon to serve my country in any other capacity other than my present office, then I shall carefully consider the overall situation before arriving at a decision. But you can take it from me that my decision will be in consonance with the consensus and in the best interest of my country.

■But it is said that you are not a party man, therefore you cannot lead a party of which you have never been a member. I mean the All Peoples Congress of which Stevens is the head.

As a soldier, I could never have belonged to any party. My loyalty is to the government of the day and my Head of State as Commander-in-Chief. In this particular instance the question does not arise because ours is a one-party state and the essence of a one-party system is to unite the country towards the general progress of the nation and I believe every conscientious citizen must identify with such an objective and I am no different. The APC is just a name, its members are citizens from every corner of the country with the same aspirations as everyone else. That's what I understand.

■The State Security Division (SSD), the para-military force, is notorious for its brutal tactics. What are your views on it?

I believe that the SSD could play a vital role. However, there is a definite need for organisational restructuring. The security of any nation rests, in the final analysis, on the army. Thus in a purely internal situation, you should not turn it loose on the citizens except as a last resort, in the event of a total breakdown of law and order.

The SSD could serve as the second tier after the police fails to contain any disturbances. It can also be used to patrol the streets to combat crime, especially against armed robbers. However, like we do in the army, the SSD must be made to account for bullets issued to it which its members should surrender on going off duty. Also, they must be made answerable to a senior officer when they are on patrol and who must be the one to issue orders to open fire in case they are attacked.

■How would you describe the present state of the army?

I have been Force Commander since 1971 and run it along established codes of conduct necessary for the maintenance of discipline and progress of the army. Every ethnic group is represented in the army reflecting its national character. The state of the army today can be determined by the respect it commands from the nation. Its state of alertness and readiness to defend and safeguard the security of this nation is unquestionable.

■The economy is now in the doldrums. What are your views on this?

It is a fact that there is a worldwide recession but what is of importance is the need to galvanise our human resources towards a national consciousness, realising that only the citizens of any country can enhance the living standards by their productivity. They must always use their initiative to do something positive for themselves, backed by the right government incentives.

■The press in Sierra Leone has been under siege from the government for some years now. How do you consider the role of the media?

Communications, by its very nature, is an essential ingredient for a healthy nation. Thus, the press in any society always has a vital role to play in reflecting the changes and the character of the society within any given time. Let me put it this way: in any family, a child that insults the father publicly and in front of strangers and criticises the way the father runs the home when he, the child, never assists in the affairs of the home, is a reckless child. Conversely, a wise father is one that listens to the comments of his children for they not only reflect their own reaction to his leadership, but also may in fact be echoing the thoughts of those other elders in the community who do not want to approach the father directly.

■How do you regard the concept of mutual defence agreements among countries considering that in the past they have often been used to quell internal revolt in each other's country rather than external aggression?

It is the inalienable right of every government to ensure, by whatever means, the security of its territorial boundaries and its attendant security matters. We do have mutual defence agreements with one or more neighbouring countries and may even enlarge the circle if and when the time is opportune. We also have limited ties with quite a few other African countries, some of which are of long-standing tradition. Some of our officers have undergone training in Nigeria, Ghana, Tanzania, Egypt, etc. Even I attended courses at the famous Military Academy in Kaduna where I was course mate with Nigeria's Major-General Babangida and other senior officers of the present Nigerian army command □

CSO: 3400/984

BUDGET RECEIVED WITH MIXED OPTIMISM

London AFRICA NOW in English Aug 85 p 55

[Text] Government efficiency has produced an increse in tax returns but negotiations with IMF continue to be discouraging

Sierra Leone Finance Minister Joe Amara Bangali, revealed in his budget speech in June that the government's taxes on income and profits during the 1984/85 Financial Year amounted to LE 75.8, showing a 36% increase over the previous tax year. Taxes on company profits accounted for the largest income.

Announcing the budget for the 1985/86 financial year, the Finance Minister said that the strengthening of the Income Tax Department in terms of staff and administrative facilities, during the previous year would allow the government to expect a tax return of LE 95m for the 1985/86 year. This would be an increase of 25% over last year's figures.

On domestic taxes on goods and services, Bangali pointed out that those taxes which comprised excise duties in 1984/85 totalled LE 66.6m, or an increase of 32% over the previous year. During the current financial year the government estimates an increase of 24%, with a projected figure of LE 82.4m.

The Finance Minister stressed that in order to meet part of the growing government expenditure, the Ministry has, in collaboration with Revenue Collection Ministries and Departments, worked out a package of adjustments in the rate of licences and duties as well as changes for services rendered by the government.

Import licence fees and invoice entry fees on wine, spirits, perfumery, cosmetics and toilet preparation, carpets, video recorders, washing machines and television sets have been increased from 30%-40%.

The export duty on diamonds has been increased from 3% to 5% and the royalties on gold have received a similar increase.

Bangali announced an increase in salaries and pensions of public officers from 20% at the top to 30% at the bottom with an overall average increase of 25% a year.

He confessed that the current year has not been encouraging particularly in the country's relationship with various multilateral development and financing institutions.

Referring to the dialogue with the IMF, Bangali explained that a delegation visited the Fund headquarters in Washingtom to resume negotiations on the stalled stand-by arrangements and reported that the dialogue was continuing with what he termed "a better appreciation by the Fund of the position of the government"

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CSO: 3400/984

CORRESPONDENT COMMENTS ON NATION'S BAD PRESS ABROAD

Johannesburg THE STAR in English 10 Aug 85 p 12

[Article by David Braun]

[Text]

Turning from the ticket sales window at the Central Station in The Hague, Netherlands, on the morning of Sunday July 21, I froze in astonishment.

It had been some days since I had seen a newspaper or watched TV. Alone in a foreign country I had been cut off from events in South Africa for three weeks.

The sight that had taken my breath away was a large stand of European newspapers, each one placed so as to display the top half of their front pages.

There, in at least six or seven languages, I saw the banner headlines of the South African state of emergency.

South Africa is big news in Europe today. Hardly a day goes by without the country being featured in the papers or on television.

On each of the five days that I remained in Europe after the announcement of the emergency at least one major European daily was still featuring the story as its main item.

Television pictures of the violence in parts of this country rammed home the image of a society tearing itself apart. South Africa is regarded as one of the world's hottest trouble spots, on a par with Northern Ireland and Lebanon.

The Deputy Minister of Foreign Affairs, Mr Louis Nel, who has also just returned from Europe, said last week that his impression was that the attack against South Africa was basically emotional.

"This emotion, particularly its intensity and the actions which it is producing — and I am referring specifically to the attempts to impose sanctions on South Africa — are based on a totally false perception of what the real situation in South Africa is," Mr Nel told a seminar on labour relations in Pretoria.

"The ability of our opponents and enemies to bring about these sanctions and other actions depends on the continuation of lies and false perceptions," he added.

Mr Nel said that South Africa's ability to successfully prevent international sanctions of whatever nature no longer depended on the pace of reform, but on the ability to project a correct and objective image of the country, government and South African situation in the outside world.

Mr Nel is right, there are a lot of misconceptions about South Africa abroad. But my impression of the publicity about this country in Europe is that the South African Government is frequently to blame for playing into the hands of "opponents and enemies".

After speaking to many people in close on a dozen cities, I had the feeling that there is still a lot of goodwill and a willingness to understand the South African situation among Europeans.

I spoke to Government officials, political functionaries, trade unionists, employer organisations and students. Everywhere I went I was well received as a South African.

When the conversation turned to South Africa, as it almost always did, most people confessed to not understanding the full extent of our problems. There was usually a recognition that the situation was much more complex than had been generally realised.

It is not easy to explain to people what we are all about. You can speak of the many problems, the disappointments and even despair. There are also all the good things and the optimism that we will work out a solution.

There is no point in telling foreigners about how bad things are in other parts of the world. They know all that, and they are not interested. They want to know about South Africa, which has put discrimination on the statute books.

Flying back to Johannesburg I sat next to a German technician on his first visit to South Africa.

"I would say that South Africa is five minutes beyond midnight," he told me at the outset of the journey.

As the long night wore on and I talked of South Africa, again, he appeared to be sceptical.

On landing at Jan Smuts I put myself in his shoes, as it were, and tried to look at this country through the eyes of a man who, having read the European papers for the past week, was now seeing South Africa for the first time.

Ours was one of five jumbo jets which had landed within the last hour. At least a dozen modern airliners were parked on the apron. A black policemen held up a bus and waved disembarking passengers into the building with a smile.

There was virtual chaos in the terminal with thousands of people milling around, collecting luggage, meeting friends, calling taxis.

There were no soldiers with machine-guns (as there were at Nairobi Airport) and there were fewer policemen in evidence than there were at Frankfurt Airport.

Outside, the spaghetti junction of freeways carried large trucks and modern cars, whizzing about their business — a lot busier than the traffic I had seen in East Berlin.

The first impressions of South Africa must be good, I thought. South Africa has a developed economy, large cities and many well-off people (of all races).

There must be hope for a country that has achieved so much and that has so much potential.

Mr Nel is right, we have to change our image. But we can do this only if we change our method of doing things.

We can all contribute to this but only the Government can take the lead, by showing sensitivity and seriousness to move our society along the path of reform.

CSO: 3400/959

MOST WHITES RELY ON TELEVISION FOR NEWS

Johannesburg THE STAR in English 12 Aug 85 p 6

[Text]

The majority of white urban South Africans rely on television as their main source of news.

This is the finding of the latest Omnicheck poll conducted by Research Surveys, a market research company, among 800 white housewives and 500 white men in the country's main urban centres.

Overall, 71 percent of all whites turn to television newscasts to keep abreast of events.

Of the housewives, 75 percent said television was their main news source, compared with 66 percent of men respondents.

Daily newspapers do not feature strongly as the medium delivering the news. In all, only 42 percent of whites depend on the dailies, with more men relying on these sources (47 percent) than women (40 percent).

Of almost equal importance is radio news, with 33 percent of urban whites relying on this source.

Overall, Sunday newspapers were regarded as main sources of news by 11 percent of the white urban population.

The dominance of TV applies at every level — age, language group, income and region.

Not surprisingly, 53 percent of women who were 50 and older listed radio as their prime source of news. At the other end of the scale, 51 percent of women between 18 and 24 relied on newspapers. — Sapa.

CSO: 3400/959

SOUTH AFRICA

WRITER SAYS WEST TOO SOFT ON ANC, SWAPO

Johannesburg BUSINESS DAY in English 2 Aug 85 p 2

[Article by Jillian Becker]

[Text]

SOUTH African author Jillian Becker says the Western world is too soft on the African National Congress and Swapo.

She says this in "The Soviet Connection: State-Sponsorship of Terrorism", published by the Institute for European Defence and Strategic Studies.

Jillian Becker, whose earlier publications include books on the Baader-Meinhof gang and the PLO, claims there are policy-makers in Britain and other European countries who denounce all terrorists organisations other than the ANC and Swapo.

She adds: "But sympathy for the black populations of South Africa and Namibia should not blind Europeans or Americans to the fact that of all the terrorist organisations in the world these are the two that have been brought most directly under the influence of the Communist Party of the Soviet Union."

Soviet leaders, notably Leonid Brezhnev in a 1973 speech in Prague, had proclaimed that they aimed to gain control of "the mineral treasure house of southern Africa."

Becker states that accuracy would make many issues related to organised terrorism plain to be public.

"If groups like Swapo and the ANC were invariably called 'Soviet-backed' by the news media, it would be clear whose interests they are serving in addition to their own.

"If the public understood that the Communist Party of the Soviet Union had very considerable influence over the ANC, the British Home Office might have to take a less indifferent view of that organisation's keeping an office in London."

A dislike of apartheid was no good reason to ignore the nature of the activity in which the ANC was engaged — a campaign of terror — Becker claims.

She claims that Western governments need to clarify their official attitudes, which she sees as highly ambivalent.

"For instance, whatever they do, think or say about South African internal policies, they should recognise the plain truth that South Africa's fight against Swapo is a battle in the wider conflict in which our survival is ultimately at stake.

"If Swapo won in Namibia, the ANC took power in South Africa, Unita were crushed in Angola, or if another PLO established itself in southern Lebanon, the Soviet Union would gain a firm foothold in some of the most vital areas of the world from which to attack our economic and political interests."

CSO: 3400/867

COLUMNIST DEFENDS LINKING COMMUNISTS TO ANTI-APARTHEID DRIVE

Freedom Charter Issue

Johannesburg BUSINESS DAY in English 1 Aug 85 p 6

[Article by Ken Owen: "Charter Chatter and Red Herrings"]

[Text]

A HOWL of outrage has gone up because this column dared last week to mention the unmentionable: the role of the communists in the struggle to overthrow apartheid.

The outrage is healthy. It emphasises the need to bring the subject into the open. Essentially, the column made three points:

- That the display of the hammer and sickle at the funeral of Matthew Goniwe attested to a Marxist presence;
- That the public killing of an "informer," attempted at three consecutive funerals until it succeeded, was a terrorist technique common to Marxist revolutionary movements; and
- That the Freedom Charter, drawn up and lobbied through the Congress movement by an organisation dominated by Marxists, contained within it clauses which were a blueprint for a communist state.

It concluded by saying, in effect, that the country needs to choose whether it is trying to eliminate racism, or whether it is seeking to overthrow capitalism.

To say I have been vilified for expressing these views is to put it mildly. Wits lecturer Duncan Innes has actually accused me, in a shower of epithets, of supporting the Tricameral parliament which, as editor of the *Sunday Express*, I was among the first to reject!

Comfortable

These slanders are red herrings. They divert — perhaps they are intended to divert? — attention from a question which will become increasingly relevant as apartheid crumbles: what sort of state do we envisage for the future?

It is comfortable to say: "What does it matter, so long as we all work together to get rid of apartheid?" But the history of Yugoslavia and of Greece (where only the military intervention of the Allies sufficed to keep the country on this side of the Iron Curtain) and even of post-war France, suggests that it does matter. Pol Pot's Kampuchea suggests how horribly much it matters.

The communists know this. That is why the Communist Party and the African National Congress were so shocked, not to say bewildered, when, in 1976, Soweto erupted without their participation or knowledge. They were terrified that the revolution might happen without them in the name of Black Consciousness.

Since then they have made determined efforts to regain the initiative. Externally, it was relatively easy for the ANC to discredit black consciousness leaders.

For example, Tsietsi Mashinini, the young Sowetan, was reduced to obscurity by the ANC's systematic vilification of his "unsound" views (It was much the same fate as befell Philip Kgosana, leader of the Pan-Africanist Congress march on Cape Town in 1960, when he fled abroad 16 years earlier).

Internally, since the government has banned both the SACP and the ANC, it is more difficult to ascertain what has been happening (One of the reasons for perceiving communist conspiracies is that the law does not permit them to

operate except by conspiracy). But the circumstantial evidence is accumulating.

Instructions

Firstly, the Freedom Charter, after vanishing from sight for 20 years, has suddenly been dusted off and is being promoted as though it were a new deodorant.

It is, moreover, presented as having been accepted by a "Congress of the People" which was in fact a meeting of 3 000 delegates, representing four Congress organisations. The biggest of these was the ANC which, according to the US-based social scientist Edward Feit, probably had fewer than 100 000 members at the time.

Then the ANC has recently expanded its executive to include not only the well-known Joe Slovo but also Tony Mongale, the former ANC man in East Berlin, and Frances Meli, educated in East Germany, and a string of other Marxists.

The ANC has been broadcasting from Lusaka instructions for a "people's war" which seem to form a pattern for much of what is happening in the townships, including the "elimination" of so-called collaborators.

Simultaneously, the followers of Azapo are being attacked as were all other ANC rivals, whether the PAC, the Africanists in the ANC, the Liberal Party, or Mashinini and the early Black Consciousness leaders.

Then, too, somebody did run up the hammer and sickle at Cradock. Some newspapers may prefer not to notice, just as they do not notice that speakers at meetings of the United Democratic Front regularly refer to each other as "Comrade"; but it did happen.

It is easy to believe that the clerics who were caught in pictures of the red flag were manipulated, both by those who ran up the flag and by those who photographed it. But this merely emphasises that it is sensible, whenever somebody runs up the Soviet flag or the swastika, to protest or to leave. Symbols matter.

Defend it

All this does not mean that the turbulence in the townships is due to anything other than oppression and injustice; but it does raise the question whether Marxists are calling the tune in terms of tactics, terms, symbols and conditions for peace.

If so, where will it end? Will we, like the Poles in Warsaw or the democratic partisans in Yugoslavia, be sacrificed in the end to the Marxist dream of world revolution?

The issue cannot be ducked. The Charter calls for the nationalisation of mines and factories, ownership of the land by those who work it and a centrally-directed economy.

Some interpreters of the Charter say these pledges mean that workers committees will run the factories, and so forth; Innes says it means we shall have a capitalist democracy. The latter interpretation seems to me bizarre. But if it is true, why not say so? Why not come forward and defend the Charter, and show how it will protect private property, uphold capitalism and preserve the rule of law?

If it's defensible, defend it.

Alan Paton and Peter Brown and a number of other liberals met recently and decided not at this stage to revive the old Liberal Party.

That's a pity. We need an organisation to put forward the civilised alternative to apartheid — an alternative which is now viewed with such scorn by many of the younger faculty at the universities that they can no longer distinguish between liberals and Nationalists.

Academic Scores Tactics

Johannesburg BUSINESS DAY in English 31 Jul 85 p 6

[From the Letters to the Editor Column]

[Text]

Dear Sir,
KEN OWEN's article "Turbulent priests..." (*Business Day*, July 25) cannot be allowed to go unchallenged. We have had more than enough

in this country of the kind of confused right-wing views which Owen expresses, not to mention the hoary old "Red scare" tactics he uses.

It is precisely constant repetition of such views and tactics by our policy-makers that has landed SA in the dreadful mess it is in today. To read, as Owen does, a Marxist conspiracy into every attempt by black people to redress their legitimate grievances leaves us with no hope for a peaceful solution to this country's ills.

It would be bad enough were this all that was wrong with Owen's article. Unfortunately, the disaster is compounded by his insistence on supporting his views with factual inaccuracies and arguments of the most confused kind.

To begin with, Owen takes me to task for my "extraordinary assertion" in *Frontline* magazine that the aim of the national liberation struggle "as expressed in the Freedom Charter is to create a democratic capitalist state in SA". Owen does not approve of this "assertion," firstly because he is at pains to argue that the Freedom Charter is in fact a socialist charter and, secondly, because he believes people, like myself, who disagree with him on this are simply out to "con" a gullible population.

Owen writes: "The Charter says 'there will be a committee of workers to run the gold mines' and 'the workers will take over and run the factories' ". How, he asks, can we possibly have "a capitalist state in which workers committees run the factories"?

While the quotes Owen uses are certainly of interest, they do not, as he claims, come from the Freedom Charter. They are in fact extracts from a speech made by a member of the SA Communist Party who was expressing his own views on what form of society he wanted to see in SA. The Charter itself makes absolutely no reference to committees of workers running anything at all.

Confused

But what I find most unsettling about Owen's assertion is that it suggests that, despite his claim to "have followed the progress of the African revolution southward from the Sudan ... sometimes in the thick of it," he does not appear even to have read the Freedom Charter. Anybody who has read it with even a modicum of care would know that those quotes could not have come from the Charter. In fact, the quotes are taken from Tom Lodge's book on black politics in SA.

Next, in support of his argument, he cites the clause in the Freedom Charter which proclaims that the land shall be divided among those who work it. In Owen's parlance, this means that "the land is handed over to the peasants" which, according to him, is incompatible with capitalism.

I really fail to see why Owen should begrudge peasants the right to own land. There is nothing sinister or socialist about their so doing. Had the Freedom Charter intended to make a socialist demand on this issue it would have had to demand the collective ownership of land. It makes no such demand.

Owen's final "refutation" of my argument is to cite the clause in the Freedom Charter which demands the nationalisation of the mines, banks and monopoly industry. Again, Owen sees such nationalisation as being incompatible with capitalism. Again, he is confused.

Nationalisation of key industries and strategic companies has been common practice among the European and Scandinavian capitalist countries for decades now and forms an essential element in that advanced form of capitalism known as social democracy. One might argue, as many do, that such nationalisation is inefficient — but it is not incompatible with capitalism.

Unfortunate

What emerges most clearly from Owen's extraordinary assertions is that he doesn't seem to understand the meaning of the word "socialism". This is unfortunate, since it both hampers his argument considerably and also leads him to miss the point of the debates around the Freedom Charter.

These centre around the issue of the extent to which a capitalist society based on the principles of the Charter would in fact remain capitalist or whether such a society would provide a launching pad for a struggle for a socialist society. The Communist Party clearly hopes for the latter and, as I argued in my *Frontline* article, this is the reason for their Two Stage Theory. But just because the Communist Party hopes this will occur does not necessarily mean that it will!

The struggle for a democratic SA involves among other things the lifting of restrictions on all political organisations, as well as lifting restrictions on the free expression of ideas. Must this nation continue to be denied the benefits of such freedom because the Communist Party would seek to benefit from them?

Owen declares himself in favour of "reform" in SA, but he does not specify what he means by this. I, too, am in favour of reform, but by this I do not mean tinkering with Tricameral parliaments and other hopeless chimeras. The only reform that counts in SA today is the granting of full and equal political rights to all South Africans.

Dr DUNCAN INNES
University of the Witwatersrand

Ken Owen comments:

I WOULD agree with Dr Innes that we need full and equal political rights for all South Africans. The question that needs to be defined now is what those rights should be.

Innes is correct in saying that the reference to workers' committees is not from the Charter itself but from a speech "made during the Congress to emphasise its revolutionary content". Clearly, members of the Communist Party see the Charter as the foundation of a Marxist state. If Innes can prove otherwise, I shall be greatly heartened.

CSO: 3400/867

NGK MINISTERS REQUEST TALKS WITH BLACK COUNTERPARTS

Johannesburg THE STAR in English 9 Aug 85 p 5

[Text]

The grave situation in the country has prompted Nederduitse Gereformeerde Kerk ministers to request extraordinary talks with their black counterparts.

Black ministers from the Nederduitse Gereformeerde Kerk in Afrika (the black sister church of the NGK) will address a special conference organised by the Northern Transvaal moderamen of the NGK.

"We want to hear from the black ministers what problems they are experiencing in the current unrest situation," said the Rev Henno Cronje.

The meeting would be closed to the Press and public to protect the identities of the black ministers because they were so victimised, Mr Cronje said.

The conference will look at the problems and the role of the NGK in Afrika. It will also examine the role the white NGK and its ministers could play in the unrest situation and the state of emergency.

The meeting will be held in Pretoria on August 21.

A similar meeting had not yet been called in the Johannesburg area, said the moderator of the Southern Transvaal synod of the NGK, the Rev Gert Erasmus of Linden.

The Southern and Western Transvaal moderamens were to have discussions with their NGK in Afrika counterparts next week, he said.

The moderamens meet occasionally, but their scheduled meeting was moved to an earlier date in view of the unrest situation in the country, Mr Erasmus said. It will be determined at this meeting whether the need exists for a conference similar to the one in Pretoria.

CSO: 3400/959

SOUTH AFRICA

DETAINEES ADD TO PRISONS CRUSH

Johannesburg THE STAR in English 27 Jul 85 p 9

[Article by Peter Honey]

[Text]

Emergency detainees have swollen South Africa's 110 000 prison population by nearly one percent within the first week of the country's emergency declaration.

Sunday's emergency proclamation in 36 districts of the Reef, Vaal and Eastern Cape has injected hundreds of people — more than 900 by yesterday — into the country's jails, which authorities say already house one of the highest per capita prison populations in the Western world.

A Prisons Department spokesman said yesterday the country's 242 prisons were, on average, 36 percent overcrowded, with 109 704 inmates occupying accommodation approved for 80 290 at the end of June.

Justice Minister Mr Kobie Coetsee revealed in March that overpopulation was 150 percent in several prisons and as high as 224 percent in one case.

The Prisons Department spokesman said yesterday that the overcrowding was "not an unmanagable phenomenon". He rejected suggestions that special camps were being established to accomodate the sudden influx.

Overcrowding in prisons was "a relative concept" he said.

"The accommodation figure for South African prisons is determined against a broad norm and a high standard of health and hygiene is maintained.

"Prisoners also have access to spacious courtyards and ample opportunity is given for outdoor recreation."

He added that prisoners were transferred to less crowded prisons in cases where there was "an above average influx of admissions due to temporary circumstances".

Asked if emergency detainees had to be kept incommunicado from ordinary and awaiting-trial prisoners in jails had aggravated the problem of accommodation, the spokesman said it was "not unmanageable".

It is believed that prison transfers might be expected in the smaller districts where a comparatively high number of people have already been detained — in Graaff Reinet, for example, 68 people had been arrested by yesterday, according to police figures.

The National Institute for Crime Prevention and Rehabilitation of Offenders (NICRO) director, Mr John Pegge, said yesterday South Africa's prison population was one of the highest per capita in the Western world.

CSO: 3400/959

SOUTH AFRICA

NGK ARTICLE SAYS CHURCH MUST ADMIT WRONGS OF APARTHEID

Johannesburg THE CITIZEN in English 17 Aug 85 p 11

[Text]

CAPE TOWN. — The White Ned Geref Kerk must admit that apartheid is wrong and has created division and bitterness, says an editorial article in Die Ligdraer, official organ of the Ned Geref Sendingkerk.

Die editor of Die Ligdraer and former Sendingkerk moderator, the Rev Dawid Botha, said the recent report of the Human Sciences Research Council on intergroup relationships gave the lie to any claim that apartheid was a "scientific" means of ordering society.

Apartheid and Marxism both claimed to be "scientific" as an approach to solving social problems, it said.

However, neither ideology could stand the test of a valid scientific examination of their theories or practical implementation.

Tracing the history of apartheid and of the Sendingkerk, which the White Ned Geref Kerk established as a separate Coloured church, Mr Botha said recent analyses had proved the total bankruptcy of apartheid.

Theological justification for the apartheid idealogy had been shown to be false and the White Ned Geref Kerk had had to concede this point in relation to the Mixed Marriages Act and Section 16 of the Immorality Act, he said.

Yet the Ned Geref Kerk had still asked for these laws to be retained for "practical reasons".

The HSRC had now examined the effects of apartheid on group relations and had come to the conclusion that separation in so many fields had increased the potential for conflict in South Africa.

"This scientific investigation demolished the claim that apartheid rested on scientific bases," Mr Botha said.

"Is this (HSRC) evidence not enough? What is still needed before we, as the Dutch Reformed family of churches, find one another in a true confession of guilt and of reconciliation?

"If the authorities in our country have realised the folly of apartheid and are struggling to leave this road what is wrong with the church, which claims to have the light of God's revelation, that it cannot move? Time is short," Mr Botha said in the editorial article.

CSO: 3400/958

SOUTH AFRICA

WITWATERSRAND VICE-CHANCELLOR URGES SOLUTIONS, NOT CONFRONTATION

Johannesburg THE CITIZEN in English 17 Aug 85 p 8

[Article by Erik Larsen]

[Text] WITWATERSRAND University must remain a place where differences are settled by argument, not fists, by words and not stones, said Professor Karl Tober, Vice-Chancellor at the university.

Addressing a general assembly at the university, attended by several hundred students, Prof Tober said: "We (the university) must seek solutions not confrontations. I have stated repeatedly that this university will not tolerate intolerance, and will not condone violence."

He said that one should not forget that education, based on the principle of equality, was the greatest liberating force known to man.

"It is, therefore, illogical and self destructive if in an open university such as ours, some are advocating a boycott of lectures. And it would be unpardonable if they interfered with the rights of others to be educated."

"Students would do well to remember that short-term gains in power, through chaos and destruction, are poor substitutes for the lasting achievements of learning. It is not from ashes that new worlds arise, but from the acquisition, the transmission and the expansion of knowledge."

Prof Tober said that if a university allowed itself to be used as a political weapon, even for the "noble cause of eradicating an injustice, we may endanger the very functions of the university which enable it to make real contributions to change".

He said universities should not be divorced from social reality or absolved from social responsibility.

"It is not for us to solve the problems of the day by publishing political manifestos. But we should respond to grave national problems as scholars in our specific disciplines, be it as human and social scientists, in community medicine and dentistry, in the exploration of our material resources, in the defence of human rights and liberties, or in design of new skills and technologies."

He said this did not mean that Wits would remain silent when "actions by the authorities hinder staff and students in the pursuit of their academic objectives, or worse, curtail their freedom".

Prof Tober called on all members of Wits to stand united and ensure that the university would never be deflected from its course "neither by those who fear change, nor by the apostles of violence and destruction".

CSO: 3400/958

PFP SPOKESMAN SPEAKS OUT AGAINST GROUP AREAS ACT

Johannesburg THE CITIZEN in English 17 Aug 85 p 5

[Article by Brian Stuart]

[Text]

CAPE TOWN. — South African society is becoming increasingly mixed and it is "nonsense" for Mr Chris Heunis to talk of maintaining the Group Areas Act, says Mr Colin Eglin, Progressive Federal Party spokesman on constitutional matters.

He accused Mr Heunis, Minister of Constitutional Development and Planning, of making "a verkrampte outburst" at the Natal congress of the National Party in Durban.

Mr Heunis said the government was not considering scrapping the Group Areas Act nor establishing "grey areas". Group identities would be maintained and there would be no deviation from this policy.

Mr Eglin said Mr Heunis was the Minister with the important responsibility of negotiating new constitutional structures.

His verkrampte speech might find favour with the Conservative Party and Herstigte Nasionale Party, or those NP members who really belonged in these political parties.

But it would do nothing to improve race relations or assist in finding solutions to South Africa's problems.

"For Mr Heunis in one breath to approve the repeal of the Mixed Marriages Act and Section 16 of the Immorality Act and in another breath to disapprove of mixed residential areas, shows the total state of confusion in the minds of NP leaders," Mr Eglin said.

"For Mr Heunis to talk of maintaining group identity, solely in the context of schools and residential areas, is both nonsense and a denial of the facts of what is already happening in South Africa.

"The fact is that South Africa is becoming a more mixed society.

"This is taking place in sport, churches, recreation, culture, universities, trade unions, commerce and industry and in the professions.

"In fact, more and more residential areas are becoming mixed in spite of the Group Areas Act.

"I believe Mr Heunis would be using his energies and talents to far greater effect if he stopped trying to bluff the people of South Africa and joined in the fight against apartheid," Mr Eglin said.

CSO: 3400/958

CP REJECTS INDIAN RIGHTS IN ORANGE FREE STATE

Johannesburg THE CITIZEN in English 17 Aug 85 p 5

[Text]

THE Conservative Party yesterday strongly rejected any rights for, or presence of, Indians in the Orange Free State.

A spokesman for the Party and MP for Rissik, Mr Daan van der Merwe, warned that any rights which the National Party might grant Indians in the Free State, would not be acknowledged by the Conservative Party.

He said, "should the Conservative Party come into power, it would not consider such concessions or rights to be binding."

Such rights, would immediately be taken away and the present status quo be reinstated, he said.

This follows indications by the National Party that certain restrictions on Indians in the Free State might be lifted in the near future.

Mr Van der Merwe said it was very important that not only the governing National Party, but also Indians who may have the intention of settling in the Free State, should take notice of this standpoint.

He said earlier this week — addressing the CP congress in Bloemfontein — that this policy was "not based on hatred, but on the right of each to have its freedom."

CSO: 3400/958

ANC COMMENTS ON 'SO-CALLED' REFORMS IN RSA

EA161606 Addis Ababa Radio Freedom in English to South Africa 1930 GMT 15 Aug 85

[Unattributed commentary: "Botha's Sinister Maneuvers To Prolong the Lifespan of Apartheid in Our Country"]

[Text] Compatriots, the escalation of armed struggle spearheaded by our vanguard liberation movement, the ANC, has (?great) determination and [has] sacrificed to rid our motherland from the scourge of racism and exploitation, and our continued united mass action against these apartheid (?fanatics) has [words indistinct] forced the bloodthirsty generals of Pretoria to enforce even more repressive and subtle methods of oppression to prolong the lifespan of the most inhuman system of apartheid in our country.

The racist regime, in a futile attempt to defend its existence, has now embarked on a military dictatorship coupled with so-called reforms. Botha and his gang of murderers should be aware that we are not fighting for a better (?face of) apartheid. Our objectives for a free, nonracial, democratic South Africa are clearly stated in the political document, the Freedom Charter.

Compatriots, when we, the oppressed black majority of South [Africa] and all patriots of our country adopted the Freedom Charter, our basic document, that contained the aspirations of the majority of our country, we declared that these freedoms we will fight for side by side until we have won our liberty.

Therefore, fellow countrymen, let the spirit of Cape Town continue to live. We should not allow ourselves to be confused by a desperate bull cornered by its evil deeds, the regime whose downfall is as certain as day follows night. The so-called Botha's reforms and constitutional dispensations are nothing else but yet another sinister scheme by the fascist regime of Pretoria to deceive us, the landless and voteless black majority of South Africa, and the international community to believe that the monster has changed heart.

We are convinced that this regime, which is threatened from head to foot with the blood of the innocent and unarmed people it has murdered throughout southern Africa, cannot be an architect of justice and peace in our region. How can Botha talk of reforms while his criminals are still maiming and killing our children in the streets of Soweto, (Khalesin), (Uwumechu), and throughout our country? How can we talk of peace and democracy while these murderers continue to assassinate our leaders and patriots?

Compatriots, to sit in the park with whites, to eat with them in the same restaurant, to travel in the same bus or train are no reforms but just some cosmetic changes to hoodwink some of the oppressed like the Gatshas, the Mphephus, the Matanzimas, the (Rhesvonzes), and all other stooges who have sold their souls for a [words indistinct] to the (?side) of the regime and (?kept) the revolutionary movement (?engulfing) the racist republic.

We have learned from the so-called triracial parliament all and other reactionary policies of the regime that these are not reforms but instruments of the Botha-Malan clique to entrench the apartheid system in our country.

Compatriots, reforms or no reforms the struggle continues until we have achieved our freedom. We (?must be armed). We must be engaged in a war as a whole people, we must use every weapon that we can lay our hands on. Our slogan must be every patriot a fighter, every fighter a patriot. We must continue to eliminate enemy agents, stooges, traitors, and all these who stand in our way to freedom. The time has come that we must introduce an element of professionalism in our methods of struggle in order to make it difficult for the enemy to cope with our tempo.

We must learn to use modern weapons in order to talk to the enemy in the language he understands. Our areas should be no go zones for the racist army and police. Fellow countrymen, we are all cadres of the people's army, Umkhonto we Sizwe. We, the people, are Umkhonto we Sizwe. The people's army is the people armed. Let us reply to the regime's reactionary violence with revolutionary violence. There is no standing back. We are at war. We know our task: to confront the enemy with arms in hand, to spread the revolutionary flames into the white area.

We cannot allow these whites who have elected Botha into power to continue business while we are at war. The boycott of consumer goods from white shops is one of the weapons that will make these whites to understand that Botha can no longer rule with the same old way. Workers in the factories should sabotage the machines and destroy the delivery trucks, organize more stayaways and actively support the [word indistinct]. Let us not forget that unity is strength. United mass action is a fundamental prerequisite to victory.

Compatriots, the red blood in our streets is a call to battle. Organize, mobilize, and march forward to peoples power. Botha the tyrant must go. (Mysome), (Kinagu), Amandla Ngawethu, Maatle Ke Arona.

CSO: 3400/940

INCREASE IN EMIGRANTS MEANS SMALL BOOM FOR TRANSPORTERS, BANKS

Johannesburg THE STAR in English 26 Jul 85 p 5

[Article by Sue Leeman]

[Text]

The 20 percent increase in people leaving South Africa has meant a small boom for some transporters and banks.

The political unrest which led to the State President declaring a state of emergency at the weekend has apparently caused an increasing number of families to quit the country — taking their capital with them.

Central Statistical Services figures show that a 2 946 people left South Africa between January and April — an increase of 20 percent on the same period last year.

EXCHANGE CONTROL

The international traffic controller for Stuttafords Van Lines, Miss Laura Wegener, said her company had moved 30 percent more people so far this year.

"This Monday (the first working day after the state of emergency announcement) I would say we had 100 percent more inquiries than usual."

She said she expected more business because of the unrest.

A spokesman for the exchange control division of Barclays Bank in Johannesburg said there had been a marked increase lately in the number of people applying to complete exchange control formalities.

A number of sources said British citizens, in particular, were leaving — which is borne out by CSS figures indicating that more than half of those who left this April were destined for Britain.

UNAWARE OF SITUATION

Other countries' consulates in Johannesburg said they were not aware of large numbers of their nationals leaving.

A spokesman for the German Consulate-General said most German immigrants were well settled in South Africa and moving would be a big step.

A United States Consulate official said the number of Americans leaving was "fairly consistent with recent years".

CSO: 3400/959

WOULD-BE EMIGRANTS WARNED ABOUT PITFALLS

Johannesburg THE STAR in English 9 Aug 85 p 7

[Text]

South Africans should make careful value judgments before deciding to emigrate, because "the grass is not always greener on the other side".

This was said by speakers at a seminar in Johannesburg this week on emigration and business relocation.

Would-be emigrants are also not making allowance for the "culture shock" and financial problems they might encounter, especially as a result of the declining rand, said organiser Mr Colin Haynes.

He said poor planning and lack of knowledge could mean substantial financial losses. Some emigrants are being misled by so-called "counsellors" into thinking they will be eligible for permanent residence and work permits in the United States or other countries, when their real chances of being accepted are very slim.

Emigrants should be told of their options before turning to "counsellors", who can charge up to R200 an hour.

Five specialist speakers addressed the audience, mostly businessmen wanting to expand internationally, and professionals dealing with financial and legal planning for emigration.

Discussions centred on financial losses which could result from taxation problems, estate duty, wills, shipping costs, insurance, and other consequences of changing countries.

Speakers warned against attempting to circumvent the exchange control regulations by devices such as false overseas invoices — where application for an "intercompany transfer" visa is made on the basis of bogus companies.

US authorities are increasingly concerned about these "fraudulent" visa applications, now estimated to be as high as 30 percent.

Another danger is using limited emigration allowances to buy companies advertised by "business brokers", because they don't always generate the promised income.

The seminar also highlighted the chance for South Africans to become more "international people" by locating businesses in this country to capitalise on high interest rates and attractive taxation concessions, before investing overseas.

CSO: 3400/959

SOUTH AFRICA

POLITICAL POWER OF UNION MOVEMENT EXAMINED

Johannesburg HUMAN RESOURCES in English 1985-86 pp 53-54, 57-58

[Article by Steven Friedman: "The Politics of Negotiation"]

[Text]

In township houses and migrant workers' compounds, in factories, buses and trains, black-union members are locked in a heated debate. The argument is of direct interest to employers and workers alike for it may help shape the country's future. The topic? The political direction of the emerging union movement.

The debate has been raging for a while now and it is as intense as ever. The attitudes of workers and their leaders differ from region to region and within particular areas. But there is one common thread: the issue is no longer whether unions should be politically active but how they should be so.

For some time, black unions have faced pressure from their members to take up political issues. But demands that they join the battle against apartheid increased markedly after unrest broke out in the townships last year.

Many of the school pupils who are boycotting classes are workers' children; the police and Defence Force presence in the townships has also forced workers, along with other residents, to take a political stand. Dramatic evidence that workers are increasingly willing to act on political issues was provided by last November's union-called Transvaal stay-away, in which an estimated 800 000 workers took part; before and after the protest, unions in the Eastern Cape and on the East Rand called more limited, but equally well-supported stay-aways.

The townships are in crisis and have become so politicised that no union can afford now to remain aloof from politics. The debate about whether unions should restrict themselves only to "bread and butter" issues ended some time ago: conditions in the townships have rendered it entirely obsolete.

Though township unrest has finally buried the debate on whether unions should be involved in politics, it has fuelled the argument about the strategy they should use. Broadly, the issue is whether they should link up with black political groups such as the United Democratic Front and its school-pupil affiliate, the Congress of SA Students, or whether they should act on their own.

The choice has wide implications. Working with the political movements would imply mass worker-actions in the townships – stay-aways and the like – while independent union action would centre around the factories and would involve pressure on employers to demand political changes from the government. The debate will therefore have direct implications for any company with an emerging-union presence in its plant.

Its ramifications go beyond even that. Since 1980, the bigger emerging-unions have developed a style of politics that is unique among black movements: it involves a sharp stress on grass-roots democracy and an insistence that no action is undertaken without a firm mandate from workers in the factories. This is part of the reason why the unions have been so successful at mobilising their followers – people who take part in a decision are always more ready to act on it – and has ensured that they have become an independent political force to be reckoned with.

It also has profound implications for South Africa's future. Most whites who fear political change insist that, given the vote, blacks would quickly install the sort of dictator seen in many African countries since independence. The existence of a major movement which stresses democracy above all other political values, and seeks to educate its members to take democratic decisions, should go some way towards allaying those fears.

To understand the issues at stake in the current debate it is necessary to delve into the recent history of the older, more professional emerging-unions.

The bigger emerging-unions – Fosatu, Cusa, the General Workers Union, the Food and Canning Workers Union and their allies – grew up in the Seventies in a climate extremely hostile to black unionism and black political activity. Unions were weak and, had they sought to take up political issues, would quickly have been crushed. In order to survive they had to ignore events outside the factories, and they did just that throughout the decade.

This stance began to change after 1979, when the unions were granted official bargaining rights and began to grow rapidly. New black unions such as the SA Allied Workers Union and Motor Assemblers and Components Workers Union (Macwusa) were formed and quickly attracted thousands of supporters; they insisted that they had a right to take up broader political issues and this seemed part of the reason for their growing worker-support.

The older unions now seemed extremely staid and their "narrow" stress on the factories was criticised not only by their new-union rivals but by influential anti-apartheid groups. They also faced growing pressure from their own members to move outside the factories. In areas like Uitenhage, the East Rand and northern Natal, they enrolled thousands of new workers, most of whom joined during waves of militancy that were winning workers new gains in the workplace. This shifted decision-making away from union leaders towards their members – and it soon became clear that rank-and-file workers who joined the older unions were just as keen to use their industrial muscle in the political arena as those who joined their newer rivals.

UNION APPROACH OUTLINED

All these pressures forced the older unions to take a more active political role. They did so, however, in a way that set them apart from both their rivals and the black political movements which were then beginning to re-emerge.

Their approach was outlined in a celebrated 1982 speech by Fosatu general secretary Joe Foster. He endorsed a direct political role for unions but warned that they should not link up with non-worker political groups. Foster argued that an alliance with them would weaken unions. The political movements were not restricted to workers: members of the black elite – lawyers, doctors, university students – also belonged to them and, because they had far more free time and education than workers, they usually came to lead the political groups.

If unions joined these organisations, they would be bound by their decisions and would have to take part in their campaigns – but, because they did not control the political groups, unions would be unable to control the decisions which they were expected to implement. They might, therefore, have to take action which was not in their immediate interests but which served the interests of the non-worker political leaders.

At the same time, Foster argued that avoiding links with these groups would also affect the kind of society that would emerge if there was wide-ranging political change. In other African countries, unions had participated in the broader movement for black rights only to find that, when these were achieved, the new government immediately turned against workers – for example, by enacting labour laws that were just as restrictive as those which the former white rulers had enforced.

UNIQUE POLITICAL STRATEGY

To avoid this, it was essential for workers to develop an independent political movement which would be a force in its own right and which could therefore influence the decisions black political leaders took if they gained power. One worker delegate at a Fosatu Congress summed up this view: "Of course we want Mandela to be prime minister," he said, "but when he is, we must make sure the workers control him."

This stance set the tone for the older unions' political involvement until late-1984. They organised a national work stoppage in protest at the death in detention of Dr Neil Aggett and campaigned against influx control and the new constitution. These campaigns were run by the unions, independently of the political organisations, and took place only after the unions had carefully consulted their followers and ensured that they supported the action. In some areas, such as Uitenhage and the East Rand, union members either came to control community organisations or set up their own township groups.

The unions also followed a unique political strategy. They reasoned that, because their members could not vote, they had little leverage with govern-

ment; there was thus little point in conducting mass campaigns in the township to pressure it to change its stance. But they did have rights in the factories, and employers with whom they bargained had political rights which they could use to influence government. The unions therefore began trying to use their muscle in the factories to force employers to lobby the government for change.

The unions' independence was tested from 1983, when the UDF and its rival, the National Forum Committee, were formed. The UDF in particular quickly saw that the unions had support and an ability to mobilise their members which far exceeded that of any other black group. If the unions joined the political movement, it would immediately be able to mobilise tens of thousands of workers, giving its campaigns immensely more weight. Predictably, the UDF wooed the unions and the newer ones – Saawu, Macwusa and its allies – joined it. By 1983, however, they had begun to decline and their affiliation did not markedly strengthen it. The older unions steadfastly refused to join, though they did urge their members to join community and political groups as individuals.

Despite this decision – perhaps because of it – the union movement continued to exert political influence in the townships. Workers who joined political groups were used to controlling decisions in their unions and they began to insist that political bodies offer them the same right. Political leaders, too, saw the success which the unions' approach had brought them and sought to use some of the same methods: the unions' influence played some role in moving black anti-apartheid politics towards a greater stress on grass-roots issues and on involving rank-and-file followers in decisions.

This trend continued until late-1984, when township and school unrest subjected the unions' stance to new pressures. This development was particularly strong in the Vaal Triangle and on the East Rand, areas where the unions enjoyed vast support and where community ferment was at its highest. On the East Rand, student groups in particular actively sought union- and worker-support: unlike most black political groups, they insisted that they were willing to allow the unions a leading role in protest action.

The result was a successful stay-away, in support of student demands, by union members in Kwa-Thema township outside Springs and the celebrated November stay-away shortly afterwards. The stay-aways were the first campaigns which the older unions had undertaken together with non-worker groups. That they were widely supported not only confirmed the unions' ability to mobilise workers but convinced the East Rand union leaders that they could co-operate successfully with student and community groups.

But other unionists were not so sure and, despite its success, the stay-away sparked a major debate within Fosatu in particular. Its opponents pointed not to the campaign itself, but to its aftermath and argued that this had damaged the unions, just as Foster had warned it would.

They noted, firstly, that several Fosatu leaders had been detained by police who had begun investigating Internal Security Act charges against them. Significantly, they added, the police seemed to be basing their case largely on some intemperate statements by a UDF activist. Because the unionists had served on the same committee as the UDF man, they were forced to accept responsibility for his utterances, notwithstanding that they had no control over them. This, they argued, was a glaring example of the way in which unions could be compromised by working with activists who did not have to respond to a worker mandate.

They also pointed to the Sasol sackings. They observed that a Fosatu union had painstakingly recruited at the company for almost a year and that this had won it bargaining rights there. This major gain was wiped out in one day because workers joined a stay-away at the request of non-worker groups.

The Sasol example was flawed: workers at the plant had insisted on taking part in the stay-away against the advice of their union leaders – a stance which provided further confirmation of the depth of worker support for political involvement – and the union ultimately won back most of its gains at the plant. But there is little doubt that the incident strengthened the hand of those who argued for independent worker political action.

The debate has continued throughout this year and worker attitudes have often been determined by conditions in areas where they live. Unions and their members in the Eastern and Western Cape have, if anything, hardened their opposition to working with community groups. Those in Natal also remain opposed to an alliance, though there is little tension between them and the political movements. In the Transvaal, conversely, there is support for an alliance.

CREATION OF ANARCHY

Events since November have had an impact on these attitudes – and have also confirmed the unions' growing political role. In Empangeni, union members took part in a lengthy bus boycott and worked closely with leaders of Chief Buthelezi's Inkatha movement in the area. There was, however, no formal alliance between Inkatha and the unions during the boycott and Natal unionists argue that members who took part in it did not sacrifice their independence to the political organisation.

In the Eastern Cape, growing township ferment has also brought sharpened conflict between the Fosatu unions and the UDF. There are specific reasons for this: the UDF's chief union supporter in the area is Macwusa, a breakaway from a Fosatu union. The two unions have fought each other since 1980 and the UDF activists in the area have backed Macwusa: indeed, the UDF's key leader in Uitenhage is also a Macwusa official.

The UDF thus sought to win influence in Uitenhage by competing with the Fosatu unions and attempting to bypass them. This has led to a spiralling conflict between the two in which the UDF has, for example, been accused of refusing union financial aid for the victims of the Langa shootings. Fosatu unionists have publicly attacked the UDF and some of its affiliates and the conflict shows no sign of subsiding.

In the Transvaal, however, Fosatu and its allies have been far more willing to co-operate with political organisations and the unions which support them. On several occasions, Fosatu unionists have appeared on the same platform as unions with which it would have had no truck only a few months ago, such as those affiliated to Azactu, the black-consciousness union federation which has a close affinity to Azapo.

The final outcome of the debate which these developments have prompted is still unsure. At present, those unionists who still want to avoid links with political groups are in the majority, but there is little doubt that the unions' insistence on acting independently has come under intense pressure in the townships.

It is also worth stressing that those unionists who oppose links with the political movements believe that unions themselves are going to have to become more involved in political action. Uitenhage is the best example: unions there have organised their own stay-aways on political issues and have done so in a clear attempt to show that, despite UDF attacks, they retain their ability to mobilise workers.

Shortly after the November stay-away, a Fosatu unionist who is firmly opposed to working with the political groups was asked whether his union would become more involved in political issues. "We are going to have to," he said. "The stay-away taught us what could happen if we lost our independence. If we want to keep it, we are going to have to show workers they can be politically more effective inside the unions than outside them."

There is little doubt that most leaders in the Fosatu/General Workers Union/Food and Canning group want to retain their independence of political groups. The question now is whether, in those areas where the townships are in ferment, their members will let them. The denial of political representation to blacks, tough police reaction to the unrest, and the unresolved crisis in the schools have created a frightening anarchy in some townships. Bands roam the streets, seeking instant justice against "collaborators" and, indeed, anyone else who has angered them; political differences are resolved by petrol bombings. In this sort of climate, the carefully-nurtured democratic politics which the unions have evolved may well prove a fragile plant.

POLITICAL TENSION

The cause of this near-anarchy is also significant. Invariably, its architects are young and unemployed – and they believe they will never be able to work in their lifetimes. They may well be right – the drift towards mechanisation in the factories means that, even after the recession ends, jobs will not be created at anything like the rate which is necessary to absorb most black school-leavers. A similar trend in Britain has led to football violence and other anti-social behaviour by the young jobless: here, apartheid has ensured that it takes a directly political form.

It is noteworthy that, in the Port Elizabeth/Uitenhage area, the political tension between black groups has largely been a conflict between workers and the unemployed: those who have jobs support the unions and those without them the UDF. Increasingly, those without them are in the majority; they have little time for the careful politics of negotiation and accountability to an electorate which the unions have developed.

In this sense, union involvement in politics may

well be a boon to employers, not a threat. There was a time when most managers saw unions as "schools for revolution", organisations which hoped to train workers to overthrow the existing order. All the evidence since 1980 suggests, however, that the unions are really "schools of democracy", not necessarily because they want to be but because they have to be. The very existence of the unions is based on winning gains through negotiation; they cannot negotiate if they seek to destroy those with whom they bargain.

To ensure that the agreements they reach stick, they are also forced to involve their members fully in decisions and to act only when they have a mandate from their followers. This means that the unions form the one black movement which has developed a style of politics which emphasises compromise, democratic decision-making and orderly change. If the traumatic change which the country is undergoing at present is to be managed effectively, it is essential that this style of politics gains ground.

At the very least, major employer associations have already found that, during upheavals like the November stay-away, the unions are the only bodies with whom they can negotiate some way out of the impasse. Hence the attempt by bodies such as the FCI to negotiate with union leaders after the stay-away, an effort which was cut short by the detentions of union leaders.

NEGOTIATION IMPORTANT

To ask whether unions are "becoming political" is to misunderstand the issue. All unions are political, and in South Africa this goes for conservative, established unions as much as for their emerging-union counterparts. Established unions continually insist that they are "non-political": they find no contradiction between this claim and their efforts to use influence with the government to win tougher job reservation, bans on unregistered unions and other measures aimed at shoring up their members' privilege. The difference between them and the emerging-unions is not that the one is political and the other isn't, but that the one likes the present political order and the other doesn't. In the same way, the issue is not whether emerging-unions are going to become involved in politics, but which political style is going to win out.

Whichever direction unions' political involvement now takes, the real issue for employers is whether the type of politics the older emerging-unions have evolved, the politics of mandate and negotiation, survives. Greater union political involvement may well ensure that it does. But it has scant hope of success unless those in authority, employers and government alike, encourage the politics of negotiation – and act to remove the economic and political barriers that are threatening it by creating a growing group of young, angry and desperate unemployed.

CSO: 3400/931

EXPERT ON MINE LABOR ISSUES

Johannesburg HUMAN RESOURCES in English 1985-86 pp 74-75, 77-78

[Interview with Johann Liebenberg by Steve Friedman--time, place not given]

[Text]

Labour conflict on the mines has escalated sharply this year. Some mines have been hit by repeated wildcat strikes, black-union members have launched boycotts of mine liquor outlets and concession stores and employers charge that workers are using violence and intimidation to enforce their demands. At the same time, the mines have responded with tough action against union members – such as the firing of 17 000 strikers by Anglo American and Anglo Vaal in May – and the industry's biggest black union, the National Union of Mineworkers, charges that employers are out to "break" the union.

Many observers are convinced that a damaging confrontation between the NUM and employers is looming and that the clash could have serious implications well beyond the mining industry. One of the men at the centre of this storm is Chamber of Mines industrial relations adviser Johann Liebenberg. The son of a unionist, who was president of the SA Confederation of Labour, Liebenberg plays a key role in shaping the mines' response to the growing black-union presence in the industry. Steven Friedman spoke to him for Leadership *about the gathering conflict and other mine labour issues.*

Friedman: The industrial relations temperature on the mines has risen sharply this year. The NUM charges that conflict is growing because employers are cracking down on it. Have employers decided to "get tough" with the union?

Liebenberg: From the Chamber's point of view, there is no "get tough with the union" attitude. But there has been a spate of wildcat strikes which have irked employers. We feel the union does have recognition agreements, there are facilities to approach both mine managements and the Chamber, and these strikes are unnecessary in a mature, or maturing, relationship. I don't want to lay the blame at the door of the NUM's general secretary or executive – we don't know whether the unrest is orchestrated locally or centrally – but it is worrying to have the same sort of unrest that we used to have before black miners had unions.

Friedman: Are the strikes hardening

management attitudes?

Liebenberg: Yes, but mine managements say they are only reacting to what miners are doing – the union claims our tougher attitude is creating the problem. It is a chicken-and-egg situation, but we have not changed our attitude to the NUM. We are still happy to negotiate with it.

Friedman: Isn't greater worker-militancy inevitable? After all, black miners have had union rights for only three years after being denied them for decades, and their expectations have risen sharply.

Liebenberg: What is of concern to us is that (NUM general secretary) Cyril Ramaphosa has always been a stickler for the bargaining rules. The union stuck to them at the beginning of our relationship, but now this seems to be breaking down.

The only way we will have a mature relationship is if both sides stick to mutually-defined rules. We have rules in place, agreed to by both sides, but some workers are not abiding by them. It's in both of our interests to evolve these rules and to stick to them.

Friedman: Are some mines reconsidering their willingness to deal with the union?

Liebenberg: There is no backtracking on our part. Things started getting tougher in September, when the union struck over its wage dispute, but since then we have actually granted access to more black unions and signed new recognition agreements with the NUM – we have actually extended black-union rights in this period. We still have a high regard for Ramaphosa and we are as committed as ever to dealing with black unions.

Friedman: The union charges that one sign of the mines' attitude is their willingness to call in the police. It notes that police intervention has been a constant feature of strikes, even where they have been legal.

Liebenberg: It is a general rule among mine managements not to call in the police. But, in the final analysis, managers have a duty to protect mine property and the safety of the people who work on it. If strikers begin rioting, if there is a danger to other workers, managers often have no option but to call in the police. But it is always a last resort – and managers are asking the police to act against unruliness, not against strikers.

Friedman: Mine employers generally stress that they think highly of Ramaphosa but that they are losing patience with NUM members. Isn't it part of the problem that the industry has concentrated on dealing with one man instead of building a relationship with the workers who belong to the union?

Liebenberg: Maybe we're influenced by the way we've always dealt with unions in the past, but we are used to seeing the leader who represents the union as the man to whom we talk about matters of common interest. But that doesn't mean the mines don't talk to their employees. We have consultative committees in place which offer black miners a forum to talk to management – ironically, they were functioning on mines like Vaal Reefs when they experienced unrest. We are also talking more to union shaft-stewards. It's not simply a case of Johann Liebenberg talking to Cyril Ramaphosa or Ramaphosa talking so someone in a group head-office.

Friedman: You mentioned your traditional way of negotiating with unions, the bargaining style you developed with white unions over the years. NUM would argue that management attitudes have hardened because you expected it to behave in the same way as the white unions and can't accept the fact that it won't.

Liebenberg: I suppose in our heart of hearts we might have hoped that we could develop the same relationship with new black-unions as we did with the old white-unions, but that was never our policy. We recognised from the outset that we are dealing with a totally different bird and that many of the old rules wouldn't apply.

At the same time, even our dealings with the old unions have changed over the past few years. Labour relations is in a constant state of flux and the biggest mistake is to go into it with preconceived ideas. I don't believe we did that when we began dealing with black unions.

Friedman: The NUM insists that, while group or Chamber executives might tolerate it, hostel or mine managers are hostile. It implies that you aren't doing enough to pass on your new policy to second-level management.

Liebenberg: We don't accept that. The problem is rather one of at which level you negotiate – the centralised or the local. We don't want a situation in which local union-leaders are demanding to talk to mine management about issues which we are discussing with Ramaphosa at the same time. This might sometimes create the impression that local managements aren't willing to talk. But I wouldn't have thought it would be in the union's interest to have local leaderships taking over in this way, particularly as internal splits are becoming increasingly common in the newer unions.

We have negotiated with the NUM on this issue and it has accepted our list of issues that should be negotiated locally and centrally. Their only proviso was that we should not regard the list as "final" and "definitive". Well, nothing is in this game. We realise that the situation might change, and we're happy with that.

Friedman: Wouldn't it make more sense to decentralise negotiations more? In last year's wage talks you were bargaining at Chamber level, but the dispute only concerned two groups. Some critics argu that this ensured that conflict spilled over on to other mines. They add that, in this early stage, when tension is inevitable, it would be wiser to localise it.

Liebenberg: We wouldn't have stopped the strikes spilling over even if we had decided to negotiate at group or mine level. We believe that our present system is best because it makes union growth less painful and problematic. Unions tend to start off demanding decentralised negotiations. When they grow, it becomes more difficult for them to bargain at the same time for scores of establishments, so they begin to demand industry-wide negotiations. You then have to work out a framework for them.

We have already created that framework: the union can negotiate for any mine where it's representative, but it must bargain with the Chamber. NUM has already got to the stage where it would find it difficult to bargain individually for all the 18 gold mines and nine collieries where it is recognised. I don't think it would want to run the risk of decentralisation, which would force it to run from mine to mine negotiating.

Friedman: During the Vaal Reef dispute, the NUM tried for the first time to mobilise international pressure against employers. Do you see this as a new threat?

Liebenberg: Gold is obviously not immune to foreign pressure and some mining groups have diversified outside the country. But none of the mining houses are multinational in the normal sense; they are less vulnerable than foreign-owned companies. I also haven't heard any fear at Chamber level that overseas unions will act effectively against foreign gold sales. I guess we feel that people will always want to buy gold whatever the unions do – but that doesn't mean we're insensitive to overseas views.

Friedman: The NUM is taking a new interest in job reservation and its effect on mine safety. Union members are claiming that they are being forced to do "white" work without being trained for it and that this is putting them at a risk. Do you see the union's new accent on job bars as a threat?

Liebenberg: They may be stressing it more now, but they have always been concerned about the issue – removing discrimination was second in their list of demands at our very first negotiations in 1983 and, at the end of those talks, we agreed to work with the unions to do it. I think our track record, both before and after that promise, has been good. We had already then reached agreement with artisan unions on training apprentices of all races and we now have black artisans on the mines.

In 1983 we also negotiated with the Underground Officials Association the abolition of Job Reservation Determination 27, which reserved some officials' jobs for whites. We are now employing black underground officials.

Since then, we have won agreement to open the mine officials' pension fund to all races and have commenced negotiations on scrapping the racial "scheduled persons" definition (which prevents blacks holding blasting certificates and so bars them from skilled mine-work). We have also begun talks with artisan unions on opening operative jobs. I can understand black miners feeling the pace is too slow, but we have to negotiate these changes and bargaining is always a lengthy process of offer and counter-offer.

Friedman: The biggest obstacle is obviously the "scheduled persons" definition which the Mine Workers Union has sworn to defend. How much progress is there towards winning union agreement to scrap it?

Liebenberg: We believe the pace is too slow. You will remember that the government, in its White Paper on the Sixth Wiehahn report, said that we and the unions should negotiate an end to the racial "scheduled persons" definition "within a reasonable time" and that, if we didn't, it would step in. We believe that "reasonable time" has now elapsed and that the government should scrap the barriers. We note that the Minister of Mineral and Energy Affairs has said that it will go in 1986 and we are continuing to talk to the older unions about the preconditions for this – job security for their members and a new bargaining system for the industry.

We know that the NUM is unhappy about not being included in these talks, but we wrote to them the day after they began, assuring them that, once we had concrete proposals on a new bargaining system, we would consult them.

We don't need to negotiate with the NUM on "scheduled persons" because both of us agree that it should go. We are not yet in a position to talk to it about a new bargaining structure but we will do so as soon as concrete proposals emerge. I can assure it of one thing: we will not replace a racial "scheduled persons" definition with a racial job-security agreement; that simply wouldn't make sense. We are as eager to end discrimination as the NUM, but we are committed to a tripartite approach in which both the older unions and the government must be involved.

Friedman: There is a great deal of scepticism about your ability to persuade the [white] Mine Workers' Union (MWU) to accept the scrapping of the "scheduled persons" definition. It refused to attend the first round of talks and has vowed to strike if the definition is changed. Have you made any progress on this score?

Liebenberg: The MWU did refuse to attend the first meeting and it would only come to the next nine as an observer. But its position changed after its general council meeting in January and after Arrie Paulus agreed to stay on as general secretary. Since then he has been attending the talks as a full participant.

Friedman: Do you see that as a sign that the union's attitude has softened?

Liebenberg: All I can say is that he is attending as a full participant.

Friedman: Your attempt to obtain union agreement for a new bargaining system seemed to founder last year when the MWU and other unions rejected the idea that the NUM be allowed to take part unofficially in the industrial council which the older unions wanted. Are you still deadlocked?

Liebenberg: We are still exploring the possibility of a council or some other platform which will eliminate the two weaknesses in our present system: the lack of either monitoring or a binding way of enforcing agreements. Obviously, we want one system in which all the unions take part; we had a dual system before the Wiehahn report, and we hope those days are over. Our aim is a unified system which is not based on race.

The precise form it will take is not yet clear, but we are not wedded to a council or

any other specific type of forum. At the same time, the objection to the NUM taking part in a council was the fact that it was not registered. Since then it has decided to apply for registration and this could affect its attitude.

Friedman: Once the NUM is registered, would be eligible to take part in a council. Would you consider demanding, as other industries have done, that it does so if it wants to negotiate?

Liebenberg: I can't see any situation in which we would try to force a union to join an industrial council – the whole idea behind the system is that it is voluntary. All we can say is that in principle we favour one system and that the older unions want an industrial council – the NUM's stance is for it to decide. Nor are we assuming that, because the union has applied for registration, it is more willing to join a council. It may simply have done this to gain "stop orders" more easily.

Friedman: Last year, after a lengthy battle, you agreed to allow the Mine Surface Officials Association a closed shop for black workers, which strengthened the MSOA at the expense o its rivals. It was also seen as a climb-dowr by the Chamber which has, until then, opposed extending the closed shop to blacks. Have you dropped your oppositio to an extended closed shop?

Liebenberg: Firstly, I must stress that the closed shop has never been a form of job reservation on the mines; it has never stopped us training blacks for skilled work. So, by allowing unions to keep it, we are not sanctioning discrimination.

On the question of protecting one union against another, we made it very clear to the NUM at the outset that we could not regard it as representative of white-collar officials even if it recruited most blacks in these jobs. The workers in these categories are overwhelmingly white, they belong to other unions and NUM can't expect bargaining rights on their behalf. The MSOA's closed shop hasn't deprived NUM of bargaining rights which it could have gained. It is true that we were forced to drop our opposition to the MSOA's closed shop, but we got something very important in return – agreement to open the officials' pension fund to all races.

Friedman: The officials' fund is now open – but the Chamber dropped its attempt to open the fund for union men, the Mine Employees Pension Fund, in the face of white-union opposition. Does this mean that white unions still have the power to block change?

Liebenberg: We are obviously disappointed that the unions refused to agree to open the MEPF. But we have told them that we have not dropped the issue forever and we hope that one day soon we can re-open it. Their refusal hasn't prevented us from offering black artisans the same pension benefits as whites; we just can't have them in the same fund. This is a pity.

We wanted to say to our critics – and, let's be honest, to the outside world – that black artisans enjoy exactly the same employment conditions as whites. Now, on pensions, we can only say that their position is comparable. We still don't understand the unions' objection. We weren't asking them to rub shoulders with other races, only to let their money rub up against that of the others. Besides which, they rub shoulders in the workplace every day.

Friedman: But if you can't persuade white unions to accept a joint pension fund, what hope do you have of getting them to agree to open their jobs to blacks?

Liebenberg: Six of the eight unions with which we are discussing "scheduled persons" have already agreed to allow blacks to become apprentices. They are the artisan unions and artisans are the *crème de la crème* of the mine workforce. Despite this, the "scheduled persons" definition still means that we have 13 jobs reserved for whites and we realise that the unions who represent workers in these jobs, particularly the MWU, are most opposed to letting blacks into them.

We recognise that MWU members have genuine fears: they believe that employers will hire blacks in their jobs at considerably lower rates of pay. We must allay those fears and prove to them that is not our intention; we simply want non-racial manning.

Friedman: White miners reject such assurances. They say that black labour will be cheaper, even if you pay all workers the same cash wage, because whites receive, for example, subsidised housing which you can't offer blacks.

Liebenberg: There are two views on that. One is that we should give every man the same housing allowance and allow him to spend it as he pleases. If the black miner uses it to rent a township house at R40 a month and the white can only find a home at R400, then that's just tough – the one man has got an extra R360 in his back pocket, but we're paying them the same and there's no exploitation. The other view is that it's unfair to allow the one to have an extra R360 to spend if they're doing the same job. We are just going to have to work through that one.

Friedman: While on the housing question, the government has decreed that mines can house only three per cent of their black workers in family housing. There were signs a while ago that it was prepared to relax this in some cases, but some mines hadn't then even reached the three per cent. What is the present situation?

Liebenberg: We are still limited to three per cent on gold mines. On the collieries, particularly the highly mechanised mines, there is a greater tendency to recruit black workers at the gate from surrounding areas rather than rely on long-distance migrants. But there hasn't been much change: it is still true that some mines haven't reached the three per cent.

But our drive to stabilise the migrant-labour force has made dramatic progress in other areas. Not so long ago, black migrants were working eight months and going home for seven, now they work 14 on average and go home for three. Many more are now regarding mining as a career. This is partly the result of the incentives – bonuses and guaranteed re-employment – we offer migrants who return within a set period. The economic situation in the areas they come from has also played a role, as have the improved wages we began to offer, once we were no longer tied by a gold price of $35 an ounce.

Friedman: You mentioned that black artisans are beginning to work on the mines. How much progress have you made and has their presence prompted any friction?

Liebenberg: Our initial intake in 1982 was 180 to 200 apprentices – the fastest ones are now taking their voluntary trade tests and 40 to 50 are already qualified and working. There has been no friction. An interesting trend is that most are joining the SA Boilermakers Society.

Friedman: The NUM is by far the biggest of the new black-unions, but it is not the only one – you've granted access to five others. How much of a force are they?

Liebenberg: By our count, there are 15 unions besides the NUM that have expressed interest in recruiting black miners. Some have expressed only vague interest but the five to which we have granted access are active in some areas. In the Natal collieries, for example, the Mining and General Workers Union organised by Saawu's Sam Kikine is active and we have had some problems: there have been a number of stoppages. But none have yet become representative enough to be recognised.

Friedman: Returning to your relationship with the NUM, time and again since 1983 you seemed to be heading for a showdown which was averted at the brink. Now it seems as if the possibility of averting one is steadily diminishing. Do you believe that a major clash may be inevitable?

Liebenberg: I hope not. The relationship between its head office and ours is still the same. There's a lot more mine-level activity and this is attracting attention, but I still hope that our two teams can avert a conflict.

It all depends on our mandates. If we can still work from flexible mandates, if there is still enough "give" to allow the negotiators to reach a compromise, then agreement can be reached. But I accept that mandating is always a problem with emerging-unions.

Firstly, their members give them difficult mandates and I have every sympathy with emerging-union negotiators in this situation. But there's a bigger problem: they are given very specific mandates and their members don't give them much room to move within that. This means that they have to go back to them whenever you make a new offer – sometimes you feel you're talking to a post office which is simply ferrying messages, not that you're negotiating. We hope in time that the process will become more sophisticated, that their members will give them more leeway.

Friedman: When you decided in 1982 to deal with black unions, your chief reason was obviously a hope that this would stabilise labour relations and give you channels to prevent black worker-militancy. Now some mine employers are suggesting that things are more unstable than they were before you recognised the NUM. Do you have any regrets about that decision?

Liebenberg: What alternative was there? It hasn't been easy since we recognised the union, but we never expected that it would be. Black unionisation is inevitable; unions are an essential element in a free-enterprise system. If we'd decided to bash unions in 1982, maybe we could have got away with it for a while, but not for long. And if we'd decided to bash the unions and lost, what sort of relationship would we have then? If I could turn the clock back to 1982 and start again, I would do exactly the same as we did then.

CSO: 3400/931

FAILURE OF GOVERNMENT'S DECENTRALIZATION POLICY EXAMINED

Johannesburg HUMAN RESOURCES in English 1985-86 pp pp 40, 42-44

[Article by Mark Addleson and Richard Tomlinson]

[Text]

The policy of industrial decentralisation pursued by the South African Government during the past 20 years cannot reasonably be described as anything but a failure. Unsound in theory, it has not only failed to create enough jobs in specific locations to meet its aims, it has also wasted national resources that would otherwise have contributed to general economic growth and job creation.

Public-sector intervention in the location of industry in South Africa began in 1940 with the creation of the Industrial Development Corporation. The Corporation offered low-interest loans to decentralising industrialists. The intervention became much more extensive in 1960 with Verwoerd's announcement of the "border areas" industrialisation policy and the creation of what is now called the Decentralisation Board. The Board's job is to assess applications for decentralisation concessions.

At this time only "carrots", in the form of tax and other concessions, were offered to decentralising companies. The motivation for the border areas policy lay in the government's efforts to restrain black urbanisation; at this stage by attempting to create an economic base on the borders of the homelands.

In 1967 the "stick" was exercised, in the form of what is now called the Environment Planning Act. Section 3 of the Act imposed controls on the hiring of additional black labour in the PWV, while Section 2 of the Act imposed restrictions on the zoning of industrial land.

These restrictions subsequently evolved into the current Guide Plan process, as a result of which the price of industrial land in the PWV is extraordinarily high, apparently ten times that of comparable American cities. It is estimated that the Section 2 and 3 controls have led to a net loss in employment creation for blacks, considerably fewer jobs having been decentralised than the amount of employment which was sacrificed in the PWV over the same period.

In 1968 the border areas policy was dropped and investment in the homelands was encouraged. Since whites were not to own land in the homelands, investment was undertaken on an "agency" basis. Investors signed contracts, giving homeland governments the option of buying out the business at some future date, with the Industrial Development Corporation. The agency restriction has not been implemented to the detriment of investors and once homelands became "independent" they dropped the agency requirement.

The National Physical Development Plan of 1975 articulated a spatial development plan for the whole of South Africa and new "growth poles" were created throughout the country. A limited number of growth poles had been created in 1965 in coloured and Asian labour-surplus areas such as George, Knysna, Verulam and Tongaat.

The industrial decentralisation policy is now recognised as a failure, both with respect to employment creation and its contribution to an economic base within the homelands. Decentralised employ-

ment creation has always been substantially below target. For example, the Tomlinson Commission (1955) estimated a need for an additional 20 000 jobs in industry to be created annually in the homelands.

The Decentralisation Board in recent years set a target of 25 000 – 30 000 jobs at (what are now termed) "industrial development points", both in and outside the homelands. The number of jobs actually created or decentralised has been much less; that is, until the announcement of the current greatly enhanced regional programme. To put these numbers into perspective, it is now estimated that there are more than 100 000 potential new entrants into the labour market each year from the homelands. Figures for total jobs created are given in the table on page 42: they cover the whole of South Africa excluding the independent homelands.

Those jobs that have been created or decentralised are also extraordinarily expensive. For example, Leon Louw of the Free Market Foundation estimates that the cost of each decentralised job represents the equivalent of between two and five jobs in the metropolitan areas. Ciskeian planners have estimated the current (excluding capital) cost of servicing decentralisation concessions at R3 000 per job per year. Nevertheless, in 1981 the government announced a new industrial decentralisation and regional policy with substantially improved concessions.

Previously, a company had to make a profit in order to benefit from tax concessions. This constraint has been removed and companies are paid quartely cash grants. The decentralisation concessions are divided into short- and long-term. The first (7 – 10 years) are directed at "alleviating certain short-term financing problems". They include, for example, tax-free cash subsidies on the wage bill (which may exceed the wage paid to unskilled labour), interest subsidies and the reimbursement of relocation costs. Long-term concessions are aimed at overcoming locational disadvantages and involve, for example, rebates on railage out.

The country has been divided into eight development regions, and the concessions are higher in regions of greater need. Thus, while available at "deconcentration points" close to the metropolitan centres, they are higher at more-distant "industrial development points".

The impact of the new concessions can be seen in the table, which reflects projects established and employment created between 1975 and 1981, together with projected figures for 1982/83 and 1983/84. In practice, slightly less than half the approved projects are actually implemented. Nevertheless, private-sector participation in the decentralisation scheme has increased tremendously under the new policy.

DECENTRALISATION IN FIGURES

The table reflects projects established, capital invested and employment created under the auspices of the Decentralisation Board, 1975 – 1984

Year	Projects established or expanded	Private sector capital investment (Rm)	Employment creation
1975	59	68	5 730
1976	91	87	6 738
1977	136	174	12 469
1978	123	112	8 408
1979	175	132	11 178
1980	152	140	11 421
1981	214	245	11 792
1982/83	777	2 459	65 342
1983/84	1 190	1 201(1)	69 914

Source: Decentralisation Board, *Annual Reports 1981 and 1982/83:* and also discussions with Decentralisation Board officials.

(1) The halving of the proposed capital commitment between 1982/83 and 1983/84 is the result of there having been two projects in 1982/83 which alone accounted for a R1,2 billion investment.

Finally, the Section 3 controls of the Environment Planning Act are being phased out in favour of the Croeser Committee proposals. These are intended both to stimulate decentralisation, by making a metropolitan location more expensive, and to generate revenue for the new forms of local government currently being established. The proposed measures include a levy payable by metropolitan-based employers on their total employment.

THEORY AND PRACTICE

The theoretical basis of the industrial decentralisation policy has generally been taken to be that of growth-centre theory. Our contention, however, is that the policy has not accorded with the theory and that the policy lacks a theoretical basis.

A growth centre refers to the location of an industry or of large industrial activity; it shows relatively rapid growth; is highly interlinked with other industries; and produces linkages within the region. Such an industry is considered to be "propulsive".

Growth-centre theory prescribes subsidies designed to attract propulsive industries to specific locations. Should such an industry locate at the centre, the region within which it is located will enjoy substantial regional multiplier benefits. Unfortunately the "fine tuning" of policy implied in

attempts to attract specific types of industries is unfeasible, a point recognised by Mr Duggie de Beer, chairman of the Decentralisation Board.

Consequently, with the exception of attempting to direct investment in textiles to the Eastern Cape, the Decentralisation Board has always provided "blanket" incentives applicable to all industrialists. In this respect, therefore, South Africa's decentralisation policy has never realised the theoretical ideal.

Internationally the problem of such precise targeting of subsidies for propulsive industries is recognised as being so great that the policy has been largely abandoned. Instead, the aim has been to attract diverse investment of a magnitude sufficient to generate a level of agglomeration economies which will make the centre an attractive site for future investors, even without subsidies and concessions. In effect, the practice of growth-centre policy has never corresponded with its theoretical foundations.

Although the National Physical Development plan of 1975 was articulated in growth-centre terms, the approach adopted did not accord with internationally recommended practice. It has been argued that a country can support a maximum of two to six growth centres. Without such a limit, the small part of a country's net capital formation which is decentralised will be too dispersed to facilitate the development of agglomeration economies in the growth centres. Currently there are 49 industrial development points, and many other types of points which benefit from decentralisation concessions.

It has further been argued that centres selected as growth centres should be relatively large and well integrated with their regional economies. In this respect the selection of sites, such as Dimbaza and Butterworth, presents innate obstacles to industrial development owing to the absence of regional economic linkages and social facilities. At the same time a tremendous burden is imposed on the fiscus, and ultimately on the taxpayer, vis à vis the creation of infrastructure.

In South Africa (excluding the independent homelands), the Decentralisation Board has seen fit to support projects at 174 centres, according to its 1983/84 annual report. This is not a growth-centre policy, but simply one of attempting to decentralise industry to any of a large number of development points.

A FRAMEWORK FOR EVALUATION

In assessing the consequences of industrial decentralisation one must consider the objectives of the policy and evaluate its success in achieving them. Underlying the implementation of the South African Government's policy is the idea that it can simultaneously achieve three different sets of goals: political, social and economic. The majority of commentators view the political objectives as paramount. The aim is not simply to reduce the "overcrowding" of metropolitan areas (especially the PWV) but to shift the locus of industrial development and employment towards, or into, homelands. The policy is an adjunct to influx control and, more generally, to the ideology of separating blacks and whites on a geographic and ethno-political basis.

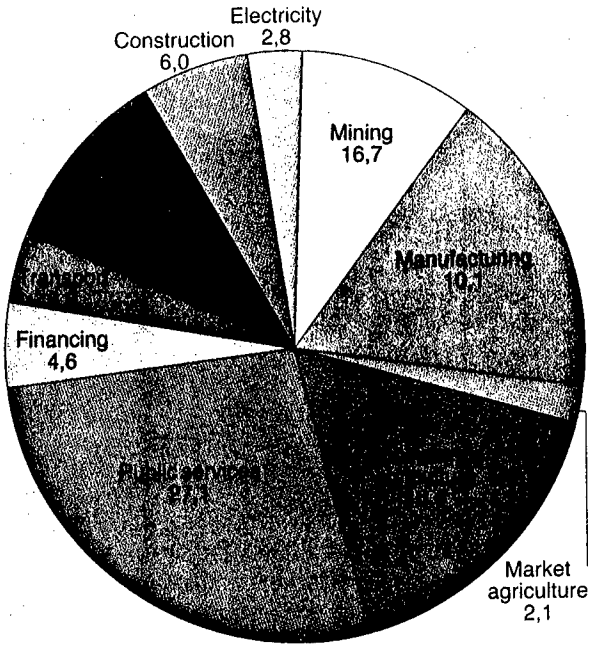
Within its broader political goals, the policy also aims to generate growth through an expanding industrial base in or near homelands. The latter are heavily reliant on public-sector expenditure and subsistence agriculture (see chart, below) and the decentralisation of industry should lead to a diversification of homeland "economies" accompanied by new employment opportunities, increased per capita incomes and improved living standards. Ideally, additional social benefits should accrue from improved infrastructure, the growth of tertiary activities (retailing and other services) and, not least, because there ought to be less pressure to leave the region in search of jobs.

These are the results that could be hoped for if the various goals were compatible. Unfortunately they are not.

It is tempting to view improved response to the 1981 proposals as indicating increased success for the policy; to measure success, as the Decentralisation Board does, in terms of the amount of employment creation directly attributable to the policy. But such figures are misleading. All they show is that when businesses are offered a sufficiently attractive package they will take advantage of it.

Many of the decentralised jobs would have existed without the policy, although in most cases at another location. They do not represent a net increase in total employment, but simply the relocation of existing jobs. Moreover, we have reason to believe that some of the existing job opportunities will turn out to be short-lived because the businesses will survive only while they continue to receive incentives.

Composition of all homelands' GDP 1980 (%)



Source: BENSO Statistical Survey of Black Development Parts 1 and 2 (1983)

It is also necessary to examine more fully the contention that the policy is enormously costly and inefficient. As noted above, such inefficiency implies that, in terms of the resources being used to create the jobs and to maintain the employment over time, more jobs are potentially being foregone than the policy itself is creating.

Evidence of the inefficiency of the decentralisation process – with implied adverse effects on economic growth and employment opportunities in the longer term – has been gathered from surveys, including our own. Official figures, published by the Decentralisation Board, show definite trends regarding the most "popular" decentralised development points. Points close to metropolitan areas are attractive to industrialists. Although the concessions obtainable are often lower than elsewhere, the firms benefit from the markets and services available in the adjacent metropoles. Higher incentives are needed if industry is to be decentralised to more remote development points.

The surveys reveal that, for the majority of decentralised companies, the choice of location was made in the light of the incentives available and not because the area offered natural advantages over other areas. Many of these firms have indicated that they are making profits only because of the incentives.

This, in itself, is cause for concern. If a business has to be subsidised in order to survive one can say that "value added" in production is negative. The value of its inputs, taken out of the economy, is greater than that of whatever it puts back into the economy. In order to sustain this situation, resources have to be drawn continuously from other areas and re-allocated to decentralised activities. With the redistribution of resources (and incomes) there is a corresponding decline in activity and employment in those areas from which resources were drawn.

It is often argued that such problems are inevitable in the short term. Firms in "infant areas" have to be subsidised until the areas mature and are able to match the economic advantages of more developed areas. Whether most of the development points will generate agglomeration economies and become self-sustaining in the longer term, however, is highly unlikely. The problems in this regard can be attributed to the political aims of the policy as explained below.

Because the thrust of the policy is towards creating employment opportunities in the homelands, the areas designated as development points are often badly chosen on economic grounds and are unsuited to the development role they are expected to fulfil. In creating the homelands – a process which was started in the early years of this century – no account was taken of their ability to serve as centres of gravitation for industry. Indeed, the status of the "reserves" actively worked against their being considered as potential sites for industry. Having been bypassed by the process of regional development that accompanied industrialisation, it is naive to believe that they can now readily be brought into the mainstream.

These are not the only reasons why prospects for self-sustaining growth at decentralisation points in, or near to, homelands are poor. For obvious political reasons, the "benefits" of decentralisation must be spread reasonably equitably among the ten different homelands.

This has two sets of implications. First, because of the large number of development points, the impact of the policy is highly diffuse. Instead of concentrating the decentralisation effort and creating a few viable, well-chosen growth-points (which, anyway, would probably be close to existing metropoles), the shotgun approach reduces the likelihood of any point reaching its critical mass. Yet the infra-

structure, including administrative personnel, that is needed to begin to attract industry has had to be duplicated many times.

Because each homeland tries to obtain its share of decentralised activity, the process of attracting industry to the multiplicity of development points has become a competitive one. The development corporations vie with one another in an effort to get industrialists to locate in "their" area. Where there is an element of discretion, maximum incentives are offered together with purpose-made buildings and other inducements.

In all probability, little discrimination is shown in determining which industries ought to be decentralising on economic grounds. The officials themselves state that applications to decentralise are screened and assessed on the basis of the expected longer-term profitability of each project. Whether such criteria are always applied in practice is open to doubt.

Apparently the wheel of decentralisation goes a full, vicious circle. Companies are lured, by attractive incentives, into unsuitable locations. The viability of the locations is not improved by either the types of companies which are decentralising or the impact of the policy being diluted through the promotion of so many development points.

Large companies, which might potentially have the greatest propulsive effects on an area, have tended to decentralise only subsidiaries. These often have strong backward and forward linkages to the metropoles. This means that, of the resources applied to the decentralisation effort, a substantial proportion actually goes directly to the larger urban centres. Regional multiplier effects are consequently small and the areas fail to take off. Companies that decentralise at a later stage are therefore in no better a position than the earlier starters to survive without incentives. Meanwhile, the enthusiasm with which government is pursuing its decentralisation policy means that more and more companies most sensibly located in urban areas are being induced to decentralise.

COSTS OF THE POLICY

Whether the need for a decentralisation policy can be justified on purely economic grounds is by no means clear. The rationale for such a policy in South Africa has always included political/ideological considerations, and economic arguments used in support are open to criticism. The universal experience is that, when industrialisation is impelled by market forces, it produces "pockets" of highly concentrated industrial activity.

If a more equitable distribution of economic activity and employment opportunities is regarded as a desirable end in itself, then it must be recognised that the attainment of this goal will probably involve sacrificing other goals. Though, quite clearly, industrial decentralisation policy only deals with one aspect of a regional development strategy (and this must be regarded as a major drawback), the policy highlights the possible sacrifices that have to be made.

There is a trade-off between "equality" (in the sense of a more even geographic spread of economic activity) and "efficiency". The cost of attempting to achieve a significant decentralisation of industry – especially where the new growth-points are not selected on economic grounds – is slower economic growth accompanied by higher overall costs of production.

Compared with the alternative approach of permitting free urbanisation, it is not at all apparent that the welfare of individuals in rural areas is improved by taking employment opportunities to them. For a number of reasons the policy is doing little to foster skills and entrepreneurial talent among local populations. It is, however, creating an additional burden on the country's real and financial resources. Insofar as this is reflected in lower disposable incomes, a smaller total demand, higher costs and reduced competitiveness in international markets, it is a further factor impeding the growth of employment opportunities in the country as a whole. Given the problems of high unemployment and low incomes in the rural areas – problems which the policy ostensibly attempts to address – these are costs which South Africa can ill afford.

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LACK OF SUPPORT IMPERILS MMF

Johannesburg HUMAN RESOURCES in English 1985-86 pp 70-71, 73

[Article by L.A.O. Barth: "Manpower 2000: A Review"]

[Text]

In March 1980 the Minister of Manpower, Fanie Botha, announced a national initiative, *Manpower 2000*. Its prime purpose was to create general awareness of the Republic's chronic skills shortage and that everyone had a role to play in overcoming it.

Minister Botha urged the private sector, as a part of this initiative, to establish a Foundation to cooperate with the public sector. In November 1980 close on 300 leaders of the private sector met in Johannesburg's Carlton Hotel and unanimously resolved "that a major effort by the private sector is needed to meet the manpower crisis of the Eighties and in particular to ensure that the momentum achieved by *Manpower 2000* is not only maintained but increased". This resolution led to the formation of the Manpower and Management Foundation (MMF). That organisation is now in process of being wound up. The reason – lack of support.

Having been closely associated with its development since November 1980, when I attended the Carlton Hotel conference and was invited to become President of the National Development and Management Foundation, I would like to record our experiences over the past few years as a contribution to identifying what new role – if any – the private sector has in what is now an even bigger crisis than in 1980. In a recent discussion a very wise man said: "We South Africans are good at identifying problems, telling each other what we should be doing, but then do very little, invariably leaving it to government to take whatever action it believes necessary."

This passivity has been very evident in recent years. Many businessmen have taken the view that the solution to our problems consists of changes in laws and the many regulations that effectively put South African people into two categories – on the one hand the privileged group consisting essentially of whites and, on the other hand, the other races which still have to contend with discriminatory legislation. They then conclude that the primary task of a private-sector organisation such as the MMF is to put pressure on the government to remove as quickly as possible all discriminatory and inhibiting legislation.

The underlying belief is that so-called "free market forces" will then lead to prosperity for all. There are, however, many variations of the free-enterprise system; South Africa has not yet identified which, given the realities of its society, will have the best balance and hence produce the most benefits.

There are many examples in the world of a free-enterprise system being as inefficient as a socialistic one. What are the necessary ingredients of success? We look with envy on the economies of Japan, South Korea and the Republic of China (Taiwan), which with infinitely fewer natural resources than South Africa have performed miracles. The explanation seems to be that they have blended into a harmonious whole the three most important dimensions: the reality of the social structure, the dynamics of *a* free-enterprise system and a framework of laws that optimises the relationship between the two.

True, theirs are homogeneous societies and ours is not. There is thus a tendency to assume we have a sort of "natural disadvantage". Alternatively, the passivity I have referred to may be due to a belief that somehow the necessary skills will be forthcoming, just as they were in the past.

South Africa experienced two major changes which gave it its present wealth. First, the development of diamond and gold mining in the second half of the last century broadened its economy beyond the purely agrarian. Then, in the Thirties, the development of secondary industry began and was given tremendous impetus during the war years, so that we now boast a highly-efficient industrial society. There was no skills shortage when the first gold mines were developed; skilled people flocked to them. Similarly skilled steel-workers were imported in the Thirties as the foundation of South Africa's industrial development.

This has been our evolutionary process, and it is understandable that many believe it will continue. There is, however, a major difference between the situation now and that of 50 or 100 years ago: the fruits of economic recovery can no longer, if only for political reasons, be shared mainly among whites. That being so, the cake that has to be shared out must be far bigger than hitherto, for there are many more people expecting a slice. To produce such a cake demands the better utilisation of *all* management and entrepreneurial skills; those of whites alone are no longer sufficient. As the Committee for Economic Affairs of the President's Council observed in Report 1/1984:

> Entrepreneurs will have to come increasingly from among the coloureds and blacks because the Asian population and the whites in particular have probably reached saturation point in this respect.

To achieve that, we must look again at our free-enterprise system. The government has repeatedly stated that it is committed to private enterprise for all people. The private sector, inter alia through an organisation such as the Free Market Foundation, is concerned that government has moved too far in the direction of socialism; privatisation is the new direction. Black people here generally do not believe South Africa's version of the free-enterprise system is beneficial to them. The accusation is made that it constitutes racial capitalism, generating wealth for the few and keeping the masses poor.

Fortunately there is a growing cadre of black managers and entrepreneurs in the formal as well as informal sectors. These people are our greatest allies and it is up to us, those who rule, to bring about a situation where more and more of them emerge.

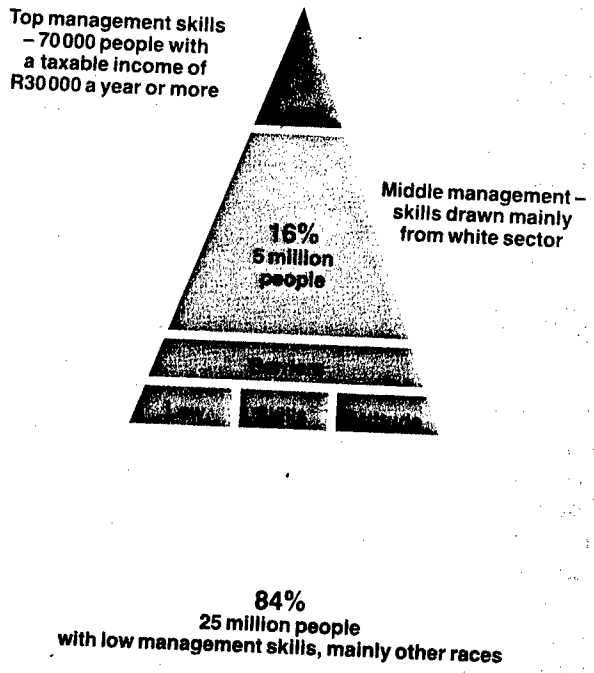
We must work harder at making upward-mobility a visible reality. A growing number of black managers will be a tremendous motivator to those aspiring to move up the ladder of prosperity. But that means, as responsible leaders in South Africa now recognise, that our free-enterprise system must, in fact, open its doors to all people, and at an accelerated pace.

The government is actively engaged in removing legal barriers. Views may differ regarding the speed at which this is happening, but change is at least visible.

Skills development is undoubtedly, in the average South African company, receiving more attention than ever before, but the question remains whether such attention is sufficient if exercised almost exclusively within individual companies. In other words, does the private sector attach value to a pooling of resources outside the sphere of government?

The answer obviously lies in its attitude to the

The Southern African skills pyramid



shortage of management and entrepreneurial skills. Unless it accepts that there is a national crisis in this area, it will remain passive and will "leave it to the government".

As to whether it believes there is such a crisis, an answer is provided by the fact that South Africa's only foundation, initiated and controlled entirely by the private sector and committed to the concept of management development, exists no more. The Management and Manpower Foundation (MMF) grew out of the National Development and Management Foundation (NDMF), which was started in 1948 by the late Sir Ernest Oppenheimer, who perceived even then that new concepts of management would emerge and that South Africa should not lag behind in getting to understand them.

Nevertheless, it was only in 1955 that the then Director of the NDMF was able to write to Sir Ernest: "We are now solvent for the first time. We have many good friends and supporters who believe in what we are doing. I am very glad therefore to be able to report to you that the faith and vision you had six years ago in founding and launching the NDMF have been translated into reality."

Like all great men, Sir Ernest was not deterred by short-term financial setbacks. The NDMF was never a large organisation but made a meaningful contribution to the ongoing development of management concepts in South Africa. It is therefore understandable that, when the concept of a manpower foundation emerged in 1980, the NDMF should be incorporated in it. Thus, after negotiations lasting more than a year, the trustees of the NDMF took two decisions: to expand its activities to comply with the resolution taken at the Carlton Hotel in November 1980 and, in particular, to introduce a new dimension, the concept of manpower. Hence the new title, Manpower and Management Foundation.

NON-RACIAL ORGANISATION

The Fanie Botha *Manpower 2000* campaign led to the formation of 11 private-sector manpower committees: in Kimberley, Bloemfontein, Johannesburg, Northern Transvaal, Pretoria, Eastern Highveld, East Rand, East London, Natal, Western Cape and Eastern Cape. During their first year of operation these committees were funded by government; thereafter, the MMF had to carry the responsibility.

From the start, people of all races participated in its activities. Indeed, it was decided that particular emphasis should be placed on identifying black management and entrepreneurial talents with a view to developing them. That was an important advance: the NDMF had only white trustees and directors and gave a management service primarily to white people.

By the time the MMF's 1983 annual report was published, we had identified clearly the route we should be taking. My presidential foreword reported:

> The Manpower and Management Foundation has identified that its contribution to the concept of prosperity for all through a free-enterprise system can best be achieved by concentrating on the following activities:
>
> It will expand its various existing management development services armed primarily at those in management positions.
>
> It will establish new management centres at strategic localities throughout the country, where people in the informal sector and small businessmen will be given a consulting service.
>
> It will identify unnecessary barriers that prevent all people from becoming part of our free-enterprise system, and will endeavour to influence the removal of those barriers.
>
> It will, on an ongoing basis, monitor all training schemes in South Africa with a view to rationalising them and initiating new concepts when recognised.

Our finances were strained from the start as we had, on the one hand, to service a larger infrastructure than the NDMF had needed and had, on the other hand, to cope with generally escalating costs. However, cognisant of the attitude of the private sector as reflected in its founding resolution that "a major effort" was needed, we were not deterred; our finances were sound, after all, inter alia through bridging loan-capital.

Annual subscription inflow from the private sector was, however, very disappointing. During its last year of operation the NDMF had a subscription income of R539 000. After its transformation into the MMF, additional subscription income from the whole private sector was R260 000 – totally inadequate for the task on hand and, given the background to its foundation, puzzling and disappointing. In contrast, for the year ending March 31 1984, the Urban Foundation had a donation basis of over R8 million.

ENTHUSIASM WANED

The MMF received income from two sources: subscriptions and activities. The first was totally inadequate to cope with the *Manpower 2000* demands. Activities income did remarkably well, however, until economic setbacks in the second half of 1984 brought about a sharp decline.

It was abundantly clear by 1984 that the enthusiasm of the private sector had waned. Not, however, that of government. In his address to the trustees of the MMF in November 1984, the Minister of Manpower, Piet du Plessis, observed:

> One of the major problems which will need our attention for some time to come still is the orientation of our black people to the workings of the free-market system so as to win their acceptance of and full involvement with it. Here the Foundation can play an especially important role in assisting in the promotion of the small-business sector.
>
> The great advantage which the Foundation has is that it is firstly non-political and, secondly, multiracial with the advantage of local committees throughout the country.
>
> It would indeed be a great pity if the vast effort which went into the *Manpower 2000* promotion campaign, which did so much to engender confidence in the future of the Republic, was allowed to fade owing to lack of the necessary support. I know that you will all agree with me that the manpower initiatives taken over by the Foundation are worthy of generous support by the private sector. I should therefore like to make an earnest appeal to employers in the private sector to support the Foundation financially so as to help to promote a deserving cause in the interests of sound labour development.

At a special meeting of the trustees held on March 29, 1985, we could not mobilise a special cash injection of R200 000. Under the circumstances the board had no option but to cease operating.

How does one reconcile the attitude of 1980 with the events of 1984/85? There is no simple, unchallengeable explanation for what has happened. I can only quote some views of others:

> South Africa has more than enough management-training organisations and the MMF (effectively the old NDMF) has outlived its usefulness.
>
> The very substantial tax-concession for in-house training schemes made the Foundation redundant.
>
> South African businesses prefer to make major contributions to specific causes, with a view to maximum publicity for themselves. This is primarily so with organisations having overseas links: they like to be seen making meaningful contributions to the upliftment of black people in our country.
>
> A dominant private-sector organisation has emerged in the shape of the Urban Foundation. It grew out of the Soweto crisis in 1976 and has without doubt made, and continues to make, a substantial contribution to the "quality of life" of urban black people. For this reason, many hold the view that there is no room for a second major private-sector foundation, albeit in an unrelated field.

We at the Foundation consistently took the view that our free-enterprise system was the cardinal issue which should guide our thinking; that the development of black management talents and of black entrepreneurs should be our major focus. We believed that we could sell this concept to the private sector and that, in the light of all known facts and particularly the *Manpower 2000* campaign, adequate support for our concepts would be forthcoming.

It was not. Let us hope, therefore, that such steps as are being taken, and such facilities as do exist, will be able to overcome South Africa's shortage of managers.

CSO: 3400/931

LEADING BLACK BUSINESSMAN ADVOCATES NONRACIAL SYSTEM

Johannesburg HUMAN RESOURCES in English 1985-86 pp 83, 86, 89

[Interview with Dr Sam Motsuenyane by John Collings--time, place not given]

[Text]

The importance of black entrepreneurship to South Africa's economic development and job-creation process needs no underlining. Only during the past 10 years, however, has it been recognised by government. Before that, the Verwoerdian view prevailed – that blacks were tolerated in "white" South Africa merely as employees providing little more than semi-skilled or unskilled labour.

That view was challenged not only by white economists and businessmen, and by black school children – but also by the black business community itself. For many years it has been led by Dr Sam Motsuenyane, a farm-labourer's son who, having suffered all the privations and cruelties produced by racialism, obtained an American degree in agriculture and was a founder member of what eventually became the National African Federated Chamber of Commerce (Nafcoc). He has been its president for 17 of its 21 years, is chairman of The African Bank and sits on the boards of several other companies.

In the following conversation with John Collings, he proposes a totally non-racial future for South Africa.

Collings: We last met a year ago in Nafcoc's offices in central Johannesburg. Now we are in Nafcoc's offices in Soshanguve, 100 km from Johannesburg. On the face of it, that doesn't seem like progress in the liberation of black business.

Motsuenyane: From my point of view it is, because we have freehold land here, which we could never have got in Johannesburg, and certainly not for the price that we paid for it here.

Collings: Still, a major part of Nafcoc's campaign for the liberation of black business is that it should be allowed to operate in CBD areas.

Motsuenyane: Right. But a great many black people live far from the CBDs, and that involves up to three hours' travelling to and from Johannesburg every day. So, along with the opening of the CBDs, residential areas must be opened up closer

to the heart of the CBDs, which are white at the moment. That means the complete scrapping of the Land Acts which limit occupational rights of blacks to what are called "the black areas".

Collings: When were the first steps taken in the liberation of black business?

Motsuenyane: The government's rediscovery of the need to open the free-enterprise system to blacks came in 1975. Our organisation and many others in the private sector prevailed on government to allow blacks at least to form companies, which had been prohibited in urban areas by the Nationalist government in 1962.

Collings: How much progress in removing restrictions has there been since 1975?

Motsuenyane: After 1975 there were still restrictions on the type of jobs that blacks were allowed to do. These came to an end after the Wiehahn Commission's report.

The Riekert Commission made strong recommendations for the opening of CBDs and for the relaxation of influx control, but only now does the government seem to be serious about implementing those recommendations.

Collings: The African Bank, of which you are chairman, wishes to open offices in Pretoria, Durban, Port Elizabeth and Pietersburg, in addition to the office it has recently been allowed to open in Johannesburg. Are you dependent on municipal permission for that, or does it have to come from central or provincial government?

Motsuenyane: The Group Areas Board, reporting directly, I believe, to central government, would have to give exemption from the provisions of the Group Areas Act. I believe the Act is soon going to be amended. I would have thought the government would by now be saying that it should, in the name of free enterprise, be totally scrapped. I just don't understand why it is being retained.

Collings: Have you yet been given permission to open offices in those towns and cities that I mentioned?

Motsuenyane: I understand that, by September, Parliament will have legislation providing for black businesses to operate in city centres. The onus will be on local authorities to decide whether or not their CBDs should be opened and, if so, which parts first. My worry is that some local authorities may not see the urgency of opening their CBDs to all racial groups. But beyond that, I think the government should seriously consider amending the Land Acts; if blacks are allowed to trade in CBDs, but not to invest in property in them, it is tantamount to limiting their growth.

Collings: Are would-be black industrialists similarly limited in terms of where they can operate?

Motsuenyane: Until 1979 blacks were denied the right of establishing an industry outside the homelands. Even now, in urban areas outside the homelands, they are allowed to establish only service industries.

Collings: What are they?

Motsuenyane: We have tried to find out. Dr Koornhof (former Minister of Co-operation and Development) tried to explain. He said that when someone in the community dies, he requires a coffin; the man who is engaged in coffin manufacturing is therefore engaged in a service industry. Repairing furniture, or manufacturing furniture in a small way, were other examples. In fact, even if there weren't that restriction, the absence of sites serviced and made available for industrial development in black townships would be a problem. That is why our bigger black industrialists must be allowed into the common industrial areas.

Collings: Free enterprise means, however, taking the full blast of open competition. How capable is black business, as yet, of doing that?

Motsuenyane: Far from capable at present. But I believe blacks will present much greater competition in the future. In places like Soweto one can already see the emergence of larger, more competitive retail outlets. As far as manufacturing is concerned, black industries are still so small that it will take quite a long time for them to become competitive.

Collings: Do you think white business yet fears black competition?

Motsuenyane: No. Which is why I often wonder at all the restrictions imposed on black business, particularly in light of all the talk of facilitating the inclusion of blacks in the country's free-enterprise system.

Collings: Laws and regulations aren't the only problems facing black business. There is also the raising of capital, the development of skills, and so on. What role is Nafcoc playing in trying to overcome such problems?

Motsuenyane: It has become involved in overcoming the lack of skills, because we realise it is a key problem in the development of business infrastructure in black areas – even in effective participation of our people in a free-enterprise system. It has been running courses for black businessmen at all levels since the early Seventies, and, since 1966, has also operated a bursary scheme to enable our children to go through university. Some of our one-time students are now professors. This year there are 73 students we are supporting at various universities, mainly studying technical subjects.

Collings: When you say technical, do you mean engineering as opposed to, say, a B Com?

Motsuenyane: No, I include B Com. In the past our children tended to drift into the easier options – BA, religion, that sort of thing. They ignored business, engineering and commerce.

Collings: Presumably because, being black, they saw few opportunities in them.

Motsuenyane: Yes. But there are far more opportunities, now that black people can move into managerial positions in white industries. So the challenge has been presented to black kids going into universities and you will see the numbers of black engineers and commercial students begin to increase. In the United States, more than 200 South African blacks have been admitted on various scholarships given by the Agency for International Development. The first group is coming back this year, and among them you have an imposing list of technically-qualified people who should make a really significant contribution to the advancement of black people and the country as a whole.

Collings: What, then, has Nafcoc been doing to help black business with capital?

Motsuenyane: Right at the start of Nafcoc we regarded the establishment of The African Bank as a prerequisite for economic development in the black community. What we have seen in the past is that a lot of black money taken by white institutions is not recycled back into black areas. They are net exporters of capital – from poor areas to rich ones. We bank in white areas, buy in white areas. Our money flows towards white areas all the time and we have to reverse that if significant development is to take place in black areas. That is the great challenge facing South Africa, because the current situation constitutes a drain on the capabilities of black areas to sustain themselves, let alone grow in a perceptible way.

Collings: How effective is The African Bank in recycling black savings back into black business?

Motsuenyane: I wish we could increase the momentum of deposit-intake, but we are having to compete with the big banks. When The African Bank started, we hoped we would not be facing such grim competition for black savings and would therefore grow more quickly than we have. But other banks quickly sensed the competition and started setting up facilities in black areas.

But whatever we have been able to generate from our community is recycled right back into it. As we come into the CBDs, we would, of course, invite other racial groups to patronise the bank, so that it is not only dependent on savings from black communities. I think it is in the best

interests of the free-enterprise system that the white community and white companies should bank in The African Bank and make it a viable institution – so that, when the chips are down, blacks can talk of a bank that was created by them.

Collings: How many branches or agencies does the bank have?

Motsuenyane: As of now, we have five branches and three agencies, but we have had a problem in setting up branches in places like Pietersburg because of the Group Areas Act. The local authority in Pietersburg was very much against allowing a black bank into the CBD.

Collings: Which is where you would want to be because that is where the workers receive their money and can bank it immediately.

Motsuenyane: Yes. We have always argued that money is spent where it is earned. But there is another reason why it would be stupid to believe that we could generate greater growth rates in isolated areas than in the CBD: a branch in a black residential area will open after the workers have left for town, and close before they return.

Collings: Given all the problems, what rate of growth do you believe black business has achieved during, say, the past five years? For example, has Nafcoc's membership increased much?

Motsuenyane: Yes, it has increased very steadily – from a few hundred people 21 years ago, when we started, to about 15 000 today. But I believe our members represent only a small fraction of the black entrepreneurs to be found in all parts of our country. What we have are the prime movers, the cream of the business community; people with less education and understanding tend to keep away from movements like Nafcoc.

Collings: How wide a range of business activity is your membership engaged in?

Motsuenyane: We have industrialists, retailers, farmers, taxi and transport operators – even people from the informal sector. There are also those who are still no more than aspirant businessmen, and we encourage students who are being helped by our scholarship fund to become members. White companies have also come in as associate members; more than 200 of the larger companies in this country have done so since 1976.

Collings: With what motivation?

Motsuenyane: We invited them. We recognised that they had financial muscle and know-how that we didn't. As associate members they could participate in our training programme, as well as make contributions towards certain projects we perceive as important for the development of our organisation. And that, indeed, is what they've done. They've played a very important role in helping us develop Nafcoc.

Collings: Are women becoming important as movers in black business?

Motsuenyane: Yes. In our organisation we see women in ever-increasing numbers – just attend a Nafcoc conference and see how many women there are in business. They are certainly getting to the top. Many women feature in our scholarship fund; in fact, our best students have been female.

Collings: Are black businessmen being taken by a significant number of black youngsters as role-models?

Motsuenyane: Young black people have become disenchanted with white capitalism, and therefore blacks who have made a success of business are not seen as good role-models in our community. For business to develop a more acceptable image in the black community, blacks must be allowed to play a greater role in what is called the free-enterprise system. Until then, the only thing that youngsters believe they can do is to destroy some of the businesses they see. Nafcoc is at the moment running a commission of enquiry into the reasons for the destruction of black business during the current unrest.

Collings: How widespread has the destruction been?

Motsuenyane: In Sebokeng the destruction of black business amounts to millions of rand. In the Free State and in places like Kimberley and the Eastern Cape, black business has suffered more than any other part of the private sector because, when unrest begins in any township, the first target is a government building or a black business. This has been the pattern throughout the riots, and is why we want to know what the image of black business is in the black community. If it's negative, what should Nafcoc be doing to create more positive perceptions of it? After all, business should be seen, we believe, as a necessary component in the liberation struggle of the people; without a business base there can be no real liberation.

Collings: Still, some would argue that black business, like any business, has a wider responsibility than creating jobs and offering goods or services. Is black business yet involving itself in community needs – for example, by putting money into education at school level?

Motsuenyane: I cannot quantify the participation at various levels, but we encourage all our members to participate in community activities: supporting welfare programmes, or indigent children attending high school – hundreds of children are being helped through our adopt-a-child scheme, in which a businessman adopts a child and sees to its educational needs. We have these programmes all over the country.

Collings: We've spent all this time talking about black business as an exclusive affair. But surely the only hope for real development of black business skills and opportunities lies in co-operation with white capital?

Motsuenyane: Yes, and there's a great urge on the part of white entrepreneurs to help black areas, but the complicating factor is the politics of our country which have precluded blacks from operating in white areas and, as a quid pro quo, blacks have stopped whites from coming into black areas.

Collings: The government has stopped them.

Motsuenyane: Indeed, but blacks would be resentful if it were otherwise. So those companies that are willing to go into black areas have to be very cautious how they set up there; blacks who agree to work with them must not be seen by the black community as just fronts. That is why we have recommended franchises; I believe these offer the cleanest deals to a black entrepreneur: the business remains in his name and he buys service and skills.

But yes, I believe that the free-enterprise system cannot be developed in racial ghettos. White businessmen must open themselves to black partners, as blacks must to white partners. Whites are in a better position at present to open their enterprises to blacks; they don't fear any competition, as blacks would, and don't fear that they would be overwhelmed by black infiltration. So let them open the doors for blacks to enter. When that is achieved it will facilitate the process of moving into the townships where, as you say, a great deal of skill and capital is required – but where, too, the scope for growth is tremendous.

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LEADING INDUSTRIALIST ARGUES FOR CORPORATE SOCIAL RESPONSIBILITY

Johannesburg HUMAN RESOURCES in English 1985-86 pp 80-82

[Article by Michael O'Dowd, chairman of the Anglo American and DeBeers Chairman's Fund]

[Text]

It has become customary to refer to the support of social-service activities by companies, through donations or the direct involvement of their staff, as "corporate social responsibility". It is a misleading phrase, for it seems to imply that business itself is either not socially constructive or not socially important.

That, of course, is not true. Not only is all the material wealth of society – food, clothes, houses, motor cars – the product of business. Much of its less-material wealth and welfare is a direct product as well: books, records, medicines, X-ray equipment, hospital buildings and old-age homes.

The primary function of business in society is to serve the consumer; that is to say, to produce wealth in a form in which people actually want it. Furthermore, it must produce at a cost less than the market value of what it produces.

That wealth should be produced at a profit is fundamentally necessary, not merely if society is to become richer, but if it is to remain as productive as it is. Every operation which is carried on at a loss has to be supported by the profits of another operation. If a society as a whole is operating at a loss, it is bankrupt and can survive only as long as somebody is prepared to lend it money.

So the primary social responsibility of business is to conduct its business efficiently and profitably. The greatest crime which a business can commit against society is inefficiency, for that means a waste of resources. The confusion about this issue stems from the strange belief – still current 200 years after it was refuted by Adam Smith – that somebody cannot be serving society if he is pursuing his self-interest.

It is perfectly true that the average investor is interested only in return on capital, and it is equally true that the average worker is interested only in his remuneration – and possibly in various forms of mental satisfaction derived from his work – and not, except perhaps in some face-to-face service occupations, in serving the consumer. Yet this is the system which has created, for the first time in history, the absolute expectation that everybody's income will increase every year without any special effort on their part. This belief is held to such an extent that the failure of all incomes to increase for a single year is considered a ground for intense indignation.

Although these remarks may perhaps put the concept of corporate social responsibility, as it is commonly understood, into better perspective they do not dispose of it. Unfortunately, not everything which is necessary for the satisfactory functioning of society will be automatically provided simply by people and organisations following their self-interest.

A number of social services, as they are commonly called, are essential, not merely if society is to function satisfactorily, but if it is to exist at all. The most obvious are those which constitute the original and basic functions of government: the maintenance of order, administration of justice, and defence against external enemies. Without these, society will very rapidly dissolve.

But that does not end the matter. There are other services which either are in nobody's interests to provide (unless somebody else pays for them) or which will not automatically be provided adequately. The most obvious examples are education and health services.

Education is a particularly interesting case. It serves three purposes. It increases the capacity of the individual to enjoy and appreciate his life, and this aspect of it must be regarded as a consumer good of a rather high order. Secondly, it increases the capacity of the individual to be a good citizen; to behave in a way his fellow-citizens find acceptable. To this extent, the education of one individual is a service to others with whom he will come in contact. Finally, education increases the capacity of the individual to be productive and thereby to increase both his own income and his contribution to the wealth of society as a whole.

Because the last is of special interest to business it tends to receive the most emphasis in this type of discussion, and this sometimes gives offence to those who are chiefly conscious of the other two purposes. In fact, the three purposes are inseparable (except in rather technical debates concerning the content of education), and most forms of education serve all three purposes at once.

The interesting point about the increased productivity of the individual that flows from education and training is that part, but only part, of the extra wealth that he will create will accrue to him. In order to be productive he will need, in nearly all fields of activity, the use of capital.

The wealth produced will be the joint product of his skill and the capital which he uses; so his skill benefits the owner of capital, just as the existence of capital benefits him. Then, whatever he produces in consequence of his contribution will be more plentiful and therefore cheaper than it would otherwise be, so that his skill will also benefit the consumer.

Finally, both he and the owner of the capital will pay taxes and his skill will benefit everybody who is an ultimate beneficiary of government expenditure. It is therefore true in the most rigorous sense that the education and training of individuals benefits society, for nearly every member of society will benefit to some extent from the increase of productivity of any other member.

It is worth observing, therefore, that if a particular kind of skill is scarce, the possessors of the skill will be highly paid. A great proportion of the benefit from their education will accrue to themselves and a low proportion to the consumer. If the skill is common, the reverse is the case.

Thus, there was a time in Europe when the mere ability to read and write commanded a relatively high income; today, when the ability is almost universal, it cannot be said to command any increase in income to the individual who possesses it, but the whole society is vastly more productive and everybody in it is better off because everybody is literate. We have, therefore, the paradox that it is in every individual's interests that whatever particular skill he himself possesses should be as scarce as possible and that all other skills should be equally as plentiful.

It is also true, and important for such a discussion, that in this matter the interests of the owners of capital correspond with those of society as a whole. The owners of capital want all skills to be as plentiful as possible, to facilitate the profitable investment of capital; society at large wants it, since it will lead to cheaper goods and services. The idea put forward both by Marxists and by those trying to protect privilege based on artificially-created scarcities of skill, that the benefits of spreading skill more widely, thereby reducing the premium which the possession of it commands, accrue to capital, is largely untrue. The benefit essentially accrues to the consumer.

It is correct, then, to describe education as an investment. This does not in any way conflict with the idea that it is also a consumer good – it can perfectly well be two things at once.

Who, then, should make the investment, who should pay for it? There are two major objections to leaving the matter to the market in the ordinary way. The one is that, since people have to be educated when they are children, we are not asking the individual who will benefit to pay, but his parents. While parents who have themselves benefited from education, and therefore understand its value, may be ready to do so, those children who most urgently need education are precisely those whose parents do not have it and may therefore not fully appreciate its value.

The other problem is that in education, as in any long-term investment, expenditure has to be made long before the benefit it provides. Where are the poorer people in a community, if they have to pay for their own education, to find the resources to do so?

Whatever might be the position in a wealthy society which has reached a stable level of education over a number of generations, leaving the payment for education to parents cannot be a solution in a society like ours, which is expanding rapidly and requires each generation to receive far more education than its predecessor.

IMPORTANCE OF HEALTH

Much the same analysis can be applied to health services. Health has the same three-fold character as education. It is a consumer good of the highest order. It is a direct benefit to other members of society, since the unhealthy person is in various ways a threat to his fellow men (the most obvious, but not only, example being infection). Finally, the healthy person is potentially more productive than the unhealthy person.

It is in the direct and obvious interests of employers that employees should be healthy, while it is less obviously but equally in the interests of consumers that workers should be healthy. The arguments against health being the responsibility of the individual are less convincing than in the case of education; but there are problems, at least where large investment is needed for entirely new health-services or where the necessary attitudes to health-care do not exist in the community. Most social-welfare services amount to an extension of the concept of health.

Finally there are those social services to which the traditional concept of charity can perhaps validly be applied. These are the services which care for people who cannot be, or cannot again be, at all productive; the totally disabled and the aged, for example. These services are provided because society considers they ought to be. If they serve the self-interest of other people, it is only emotionally – that is, they would feel unhappy if the services were not there. But, be that as it may, nearly everybody agrees that such services must be provided.

The question now is who is to provide all these services – or, more accurately, who is to pay for them, for there is absolutely no reason why those who pay should physically provide them. This is where we come to corporate social responsibility in the traditional sense. Is it part of the function of business to contribute on a voluntary basis to the provision of these services?

Those who say that it is not often assert that it is no part of the mandate given by shareholders to directors to make such donations. The mandate given by the shareholders of a company to the directors is, in fact, set out expressly in the articles of association of the company. If these contain the power to make donations, then this is part of the mandate. The interesting point is that the articles of companies almost invariably do contain this power and it is extremely rare for shareholders to object to its exercise.

If there really was a demand among investors for companies which do not make donations this demand would be satisfied: companies would be formed with articles prohibiting donations, and this fact would be drawn to the attention of the investing public. No such thing happens, at least in this country, and all the evidence seems to be that the great majority of shareholders approve of their companies making reasonable donations.

The other argument which is used against donations, or in favour of restricting them to a narrow field, is that most of the purposes for which donations are usually made are or should be "the task of the government" – as if the government was some unrelated force, with infinite resources, to which one may simply address demands. But, of course, the government has no resources of its own, and to demand that it should undertake additional tasks beyond those which it undertakes at present is to demand that it should raise more money – in other words, increase taxes.

We do not get rid of the costs of services by saying that the government should undertake them. The question which we have to ask is, rather, whether the government is the best organisation to undertake the task in question, and particularly whether it is in the interests of society that the government should have a monopoly in the relevant field. Every delegation of a particular obligation to the government is a demand for bigger government. Every refusal to support private initiative on the grounds that something is the task of government is a demand for a government monopoly.

I believe that the most important reason for corporate giving on a substantial scale is that it is the only way to keep alive a substantial private sector in the areas of education and social services. I believe this is in the interests of society as a whole since a diversified, somewhat competitive situation in education and social services will provide a healthier and more desirable society than the reverse. It will provide better services, safeguard consumers of those services from the arrogance which monopoly produces in those who supply them, and have a variety of beneficial side-effects on the nature of society.

These effects are in the specific, long-term self-interest of business itself, because the survival of the kind of society in which private enterprise is possible

will surely be undermined if all our children are to receive their education in a system which is, for all practical purposes, socialist; if people are to become accustomed to looking only to the government for help when they are in trouble, producing the belief that government is the fount of all blessings in a world where others, but not the government, are engaged in selfishly pursuing self-interest. In short, if we do not want total government for our society as a whole, we must not promote total government in the crucially important areas of education and social welfare.

There are still other objections to a government-monopoly of services. Even in a fully democratic country, and more so in a country like South Africa, government is vulnerable to pressure from organised interest groups, and education and training services may be biased contrary to the interests of employers and of society as a whole.

One of the functions of private initiative in education and training is to look out for areas where skill shortages are being intentionally perpetuated. In South Africa there is the larger task of making a contribution to redressing the imbalance in the allocation of resources, as between whites and non-whites, which is bound to flow from a government representing only white voters.

There is, therefore, ample reason for companies to support private initiatives in social welfare and education – as, indeed, they have since the earliest days of the Industrial Revolution in England, when it was common practice for manufacturers to set up schools for the children of employees. Whether one regards this as public-spiritedness or enlightened self-interest does not seem to be important.

PRIVATE INITIATIVE

It is difficult, anyway, to draw a valid distinction between them. Public-spiritedness is, after all, essentially the recognition that the individual, or the individual company, is an integral part of society and cannot flourish unless society as a whole is in a reasonable condition, or at least is making reasonable progress towards a better state.

In fact, the question of altruism or generosity arises, not in the recognition that companies ought to do this sort of thing, but in the decision of an individual company that it will play its part and will not be a free rider, leaving the effort to others. After all, the essence of what we are talking about is that it is voluntary. To make it compulsory requires the intervention of the state, with all the drawbacks that that implies.

But whenever something is voluntary it is possible for the selfish and irresponsible not to carry their fair share of it. For this reason, those companies which engage in "social responsibility" activities, notwithstanding that they are probably motivated by enlightened self-interest, deserve some credit for doing so.

CSO: 3400/931

SOUTH AFRICA

MANPOWER COMMISSION HEAD VIEWS LABOR ISSUES

Johannesburg HUMAN RESOURCES in English 1985-86 pp 16-18

[Interview with Dr Hennie Reynders by John Collings--time, place not given]

[Text]

During the six years that he headed the SA Federated Chamber of Industries, Dr Hennie Reynders won wide respect among businessmen.

In 1979 he was appointed chairman of the newly-created National Manpower Commission, a permanent statutory body set up, in the wake of the reports of the Wiehahn and Riekert commissions of enquiry, to advise the Minister of Manpower on matters concerning national manpower development, utilisation and conservation. To do that, it constantly researches and monitors government policy and private-sector practice as they affect employment and manpower supply.

In the interview with John Collings that follows, Reynders offers his views on a wide range of labour-related matters.

Collings: You've been in an unparalleled position of being able to observe labour and the two-way effect between it and the economy at large. What today most worries you in the labour field?

Reynders: Well, ignoring what I hope is only a passing phase of cyclical unemployment, I think what worries me most is structural unemployment; the fact that the education and training of our workforce isn't what it should be; that population growth is too fast for the accommodation, job-creation, housing and so on that we can realistically hope to provide. I'm also concerned about labour relations and labour productivity.

Collings: Do you think the unemployment problem is being exacerbated by industrial automation?

Reynders: Yes, to some extent. Mechanisation, automation, the advent of the robot – all obviously impact on the demand for labour to varying degrees. We have tried here to create as much labour-intensive employment as possible, but we haven't been very successful. You can't turn the clock back and tell people to return to more labour-intensive production. For one thing, they would not be able to keep up with the competition.

Labour unrest is another aspect of the problem. When it occurs, manufacturers

seriously start thinking about how to get along with less labour. There are, nevertheless, certain areas in the economy where labour-intensive production could be used much more than at present, but in many cases state action would be required. For example, many roads are being built in the bundu where you could return, so to speak, to pick-and-shovel methods.

Collings: You say another concern you have is the education and training of the workforce.

Reynders: Yes, particularly the black workforce. We have done a lot, but I think a helluva lot still needs to be done. Education and training impact, of course, on structural unemployment. We have an imbalance between skilled and unskilled labour: a huge supply of unskilled and semi-skilled workers, but a small supply of high-level manpower and artisans. So we have to try to bring those two things together.

Collings: In order to offset the effects of a high rate of population growth through the educational process?

Reynders: Yes, at least to some extent. So far, our high-level jobs and skilled industrial jobs have been filled mostly by whites. But the birth rate of whites is too low to allow that situation to continue. In fact, the latest estimates show that by the year 1990 the number of white matriculants will start declining. But apart from the obvious conclusion that this requires a concerted effort to bring in more blacks, coloureds and Indians, it seems to me that we should, in any case, move much more strongly towards creating conditions in which merit and not skin colour will be the deciding factor. The individual should be free to enter a job on the basis of his abilities.

Collings: What value, then, do you put on continuing immigration?

Reynders: Immigration is not a substitute for local education and training. On the contrary, I think if you start depending on immigration to give you the supply of manpower you need, particularly high-level manpower, you could easily get into trouble.

Collings: Because we are not going to get a sufficient level of immigration?

Reynders: Yes, but not for that reason only. I think it is highly ineffective to import manpower if you have the potential for development available locally. If you have the people to develop, that is your first duty. Of course, we know that as far as the employment of blacks and coloureds is concerned, there are still many prejudices to be overcome. The same is true for women. But you don't overcome prejudices overnight.

Collings: Nevertheless, women are becoming increasingly important as skilled workers, but those who are mothers have special problems. Is the NMC proposing to look in the near future at the role of working mothers?

Reynders: The problem of what I call the position of women in the labour market goes much wider than that. We planned a study of it four years ago but lacked the staff to do it, however, eighteen months ago the HSRC included it in one of its research programmes and is now looking at the whole position. The first phase of the study is nearly finished; it looks at the problem areas, of which there are a large number. The second phase will research these areas for approaches and solutions looking at what is being done in other countries and whether their approach actually works.

Collings: Do you have any other major worries about the labour field?

Reynders: Yes – labour relations; both in the broader sense, concerning the relationship between groups of employers and groups of employees, or groups of employees with an individual employer, and the narrower area of relationships on the factory floor – individual relationships, eyeball-to-eyeball which, of course, really form the basis for labour relations in a wider sense. If you don't have sound relations at the bottom, you can forget about having good relations at the top; the one is really a solid basis for the other. In both those areas we still have a lot to do, though I think we have achieved more in the past three or four years than in the previous twenty.

Collings: I take your point about the need for good one-to-one relationships, but you can also look at the other end of the spectrum and say that, if black workers are very unhappy in a political sense about their overall situation within the country, that will feed into the work situation.

Reynders: Oh, no doubt. We've seen it over the past two years. People have argued that, since blacks – and particularly those outside the national states – in their opinion have no meaningful political rights, they will be using trade unions increasingly for political ends. Of course, our law forbids registered trade unions to support political parties or to be supported by them.

Collings: Do you think that's a wise law?

Reynders: I think so, on balance. Trade unions should be concerned with the welfare and the conditions of employment of workers. They are, of course, also concerned with the welfare of the members in the wider sense – local community affairs, the housing and infrastructure they get, bus services and so on. But I don't think it is the function of the trade unions to engage in specific political matters.

Collings: But surely any group of people which is trying to improve, say, bus services or conditions of housing has to organise in, what one might call, a political manner?

Reynders: I don't think you should employ the clout of a trade union to achieve such improvements. There are other avenues to take care of that.

Collings: Towards which, perhaps, the trade unions could point their members?

Reynders: Largely yes, depending on the type of activity. For example, it would be quite inappropriate for them to encourage their members to employ illegal means. I am under the impression, though, that some of the trade unions participated in the recent stay-away reluctantly; that they really didn't want to get involved with it because its aim was out-and-out political. I wouldn't be surprised to learn they are being pressurised to get involved.

Collings: Where do you think the pressure is coming from – from their members, or from outside the country?

Reynders: I have a feeling there are individuals pressurising our trade union leaders, whether from within South Africa or from outside the country. I think most of them are probably inside the country.

Collings: There have been loud noises about the need to free up the economy. How much longer can we live with influx control?

Reynders: I'm not sure that in a country such as ours we can go ahead without some sort of influx control. The present method is not ideal, but I don't think that we can do entirely without some measure to ensure orderly urbanisation. If you have an absolutely free movement into urban areas, what will happen? Crossroads, Alexandra – there are many examples. The social pressures and consequences of an "uncontrolled" movement of people from rural areas into cities lead to frustrations and those, in turn, to unrest. I have put it simplistically, the problem is much more complex.

Collings: Indeed. Many argue that the dangers of uncontrolled urbanisation are slight when compared to those created in rural areas by influx control.

Reynders: We cannot avoid urbanisation. On the contrary, it will have to go ahead. But I think we should try to do it in an orderly way. I think that is what Minister Gerrit Viljoen, too, is saying – reviewing our present method of influx control in the light of a properly-conceived urbanisation plan for South Africa.

Collings: The argument is, of course, that once people are allowed into the metropolitan economy, they can find a way of surviving which is impossible in a totally impoverished rural area.

Reynders: First of all, our rural areas are not "totally impoverished". To be sure, the position is bad – but not that bad. I recently read a study of a rural area in the Pietermaritzburg district which reported that those who lived there reckoned that although they didn't have a job, they could survive for the next year or fifteen months. I don't know whether you could do so in the city. We talk about the informal sector, about its building houses and so on, but it still needs an overall co-ordinated plan. I think we would be in a hell of a mess if we just scrapped all control.

There's another argument, that if you scrap influx control you'll get more people into the cities and wage rates will go down. But in the first place there are many Industrial Council agreements or Wage Board determinations that have to be honoured. So, in order to have an entirely free wage determination in the cities you would have to do away with those Acts.

But do we, in principle, want to scrap them? The Wage Act and the Labour Relations Act (the old Industrial Conciliation Act) were brought in for specific reasons: as far as the Labour Relations Act is concerned, to get order into collective bargaining, thereby learning from experience in Britain and elsewhere. The Wage Act was brought in because a large section of the labour force doesn't fall under Industrial Council agreements. It was felt that, even if wage rates are low, there should be some sort of minimum. Now, do we want to discard those Acts?

Collings: What is your impression of the way in which industrial relations have been handled by employers and unions during the past year or two? Do you, like others, fear that it has become too confrontational?

Reynders: On the whole, I think both sides have made a lot of progress; we have learned a lot over the past couple of years. It may be that the situation has become somewhat confrontational, but if we do have "too many" strikes (in fact, we don't have that many) it can mean one of two things: either employers are not doing a proper job or labour is not approaching disputes in the most responsible way. But a strike is merely the last resort for a trade union to get an employer to meet its demands, and should not be regarded as a national crisis, as Press reports would sometimes have us believe. It isn't an anomaly in a free-enterprise society. On the contrary, it is part and parcel of the whole labour-relations scene.

Collings: How then do you feel about the right of employers here to fire workers who have engaged in a legal strike?

Reynders: *(Chuckles)* Can I pass that one for the moment? You will know, I am sure, that there are countries on the African continent that prohibit strikes. At least we still have that one open in our legislation. In any case, the National Manpower Commission is at present giving attention to the dispute-settlement machinery and I have no doubt that this issue will figure in the deliberations.

Collings: Let's turn to the Industrial Court. Are you happy with the way it is functioning? We have heard or read criticism that its judgements haven't been sufficiently consistent to create a body of precedent. Also it doesn't have any legal status. What do you feel about the effectiveness of the Industrial Court in the long term?

Reynders: In our report on levels of collective bargaining, works councils and the registration issue, there was a separate chapter on the Industrial Court, revealing our concern about its status and the question of whether an unfair labour practice was properly defined or should be defined in more detail. We made many recommendations, but government hasn't finalised its reaction yet. I try to keep abreast of what the Court is doing, and from what I read in the Press it seems that many labour lawyers are not happy with the way things are going.

For quite a time the unions were very happy with the Court – when decisions were going for them. Now that some are going against some of them, they don't like the Court and say it is just working for employers. But of course there seem to be many employers who are also unhappy with it. Certainly it seems obvious that at least the status of the Court, in legal terms, needs attention.

Collings: What about the charge that it is not developing a philosophy of fair practice?

Reynders: That is part of the problem. By definition, legal precedent or case law is a long-term development, not something built up over two or three years. We observed as much in the report I have mentioned, and we suggested that certain types of practice, such as blacklisting, should be regarded as an unfair labour practice. But over the past two or three years there has been increasing use of the Court, which to my mind indicates that the legal machinery is working.

Collings: Is there any plan for the NMC to take a further close look at the Industrial Court?

Reynders: Not at the present time – we are still awaiting government decisions on our previous recommendations. But I have a suspicion that, in the investigation that we are now conducting into the dispute-settling machinery, we will probably once more come up against the Industrial Court, and will have to look at it again.

Collings: Well, in the meantime we've seen white unemployment becoming so bad that one is being reminded of the Thirties. You are currently investigating personnel agencies. Why?

Reynders: We are looking at the whole employment-services field, government and private, from the point of view of policy. We might recommend that we don't particularly need a government employment agency – the labour bureaux. We may conclude that the private sector is doing the job adequately, but should be going more into the semi-skilled and unskilled field. Or we may come up with the view that not enough is being done regarding employment services for high-level manpower. In fact, in our high-level manpower report we recommend that the Department of Manpower establish a special section to offer employment services to this sector – a recommendation that was accepted, but the financial position has limited the action taken.

However, something is afoot. It is a question of trying to get some indication of how effective the private and government agencies are in closing the demand and supply gap. We are trying on the one hand to establish the effectiveness of that, to see if there are any gaps, and on the other hand to see whether, from a policy point of view, something should be done. Employment services in South Africa have not, as yet, been looked at in a co-ordinated way.

CSO: 3400/931

TRADE UNION UNITY TALKS REVIEWED

Johannesburg SOWETAN in English 12 Aug 85 pp 4, 9

[Text]

WE could have written the script for the drama of the trade union unity talks last week: as early as last year, The SOWETAN predicted the collapse of the talks and we anticipated the reasons for the collapse.

At the time we pointed out that fundemental issues — the way the various unions interpreted South African society and its future, and personal conflicts — were being glossed over, or were being swept under the carpet, in the hurry to get the emerging unions united into a giant federation that would have a membership of more than 300 000.

We said there would be a shake up and new re-alignments, but the issues that divided the unions in the first place would leave them more or less where they were before.

As if reading from a script we had prepared, the unions that were orininally in the talks, which started in 1981, wrote letters to the newcomers Azactu (the Azanian Confederstion of Trade Unions) telling them that they would be excluded from the talks on August 8.

The executive committees of the unions in the Council of Unions of South Africa (Cusa) met on the weekend before August and decided they were withdrawing from the talks.

A Cusa union that had been at loggerheads with the rest in the Council, Num (National Union of Mineworkers), decided to pull out of Cusa and to continue in the talks.

Incidentally, Num leader Cyril Ramaphosa signed the letters excluding Azactu from the August 8 meeting.

In our forecast of last week's events, we pointed out that when the Federation of South African Trade Unions (Fosatu) was formed in April 1979, the unions that are now in Cusa were part of the preparatory talks.

We said 1985 would be a re-play of 1979 and we were proved right.

In 1979 the unions in the Consultative Committee of Black Trade Unions — a loose alliance that developed into Cusa — charged that the new federation (Fosatu) was going to be under white control. When they got round to forming Cusa in 1981 they insisted on "black leadership" as a basic principle.

In their statement explaining their withdrawal, the Cusa unions said: "Because of the present oppressive and exploitative system of apartheid the black workers have reservations in taking part in talks which do not enforce the principle of black leadership."

That is the basic divide among black trade unions in this country: Some allow for white participation, others want it limited, while the rest reject any white participation.

A number of officials in Fosatu are white. Their first secretary, Mr Alec Erwin, was white and resigned when Fosatu was being accused of being under white control.

Mr Erwin is now heading Fosatu's education programme and critics see this as an even more strategic position in the union. (The feasibility committee of the unity talks has recommended that Fosatu's education programme should be retained for the super federation).

Many of the organisers in Fosatu's strongest union, Mawu, are white.

These things have led to the charges that Fosatu's whites come in at the top, to lead, and direct.

The charges were muffled when Fosatu's motor union recruited a few whites at the Volkswagen plant in Uitenhage.

Cusa, on the other hand, says it does not mind white workers joining unions at the factory floor. They could then work themselves up to positions of leadership within the unions. But then they would have come in at the bottom.

They believe that white workers, a privileged group, will not go through that process. They believe that by insisting on black leadership, they will exclude whites from their unions.

Azactu, at the extreme end of the spectrum, believe that there is no place for whites in black trade unions and they do not care to be fancy about saying it.

These positions are not news: they have been with us since whites first set foot in this country.

The argument then is: Why did unions like the Cusa ones, or the Azactu ones, participate in the talks from the beginning and continue in them until this late hour when some people are already talking about an October deadline to launch the super federation.

In their statement Cusa say that although they initiated the unity talks the "intention was never to take over or highjack the federation".

"The main aim was to form a federation of the workers by the workers for the workers," the statement said.

It is noble-sounding, but there is still a suspicion that they knew, just as much as Fosatu knew, that the super federation was not going to get off the ground. What they hoped for was that when everything settled back after the shake-up they would have grabbed some members from the opposition. Fosatu hoped so too.

As things stand now, Cusa has lost its biggest union, but they are still hoping to gain from Fosatu unions that have become disillusioned with white leadership.

An alliance between Azactu and Cusa is a possibility, but after it can materialise, Cusa will have to adopt a more radical stance, particularly on white membership and relationships with managements and the Department of Manpower.

The Cape unions, Food and Canning, the General Workers Union, the Cape Town Municipality Workers Association, have been very close to Fosatu in thinking. The Western Cape, probably because of that region's liberal tradition, has always believed in organisations that allow white members.

The Commercial Catering and Allied Workers Union of South Africa (Ccawusa), which is based in Johannesburg, is likely to run into problems with the talks as they are now. The worst that will happen is a split for Ccawusa, with one group favouring participation in the super federation and the other baulking.

All said, Ccawusa is not likely to accept white membership of the super federation unanimously.

The eleven UDF unions still in the talks might accept white members, but they are also not likely to continue in the talks right up to the formation of the super federation.

There have been bitter clashes between the UDF unions and Fosatu, particularly in the motor industry in the Eastern Cape.

If we forget the personal animosities, the emerging unions are divided by the way they see white participation in their affairs, in South African politics. And it is a small, very minute, group of whites who are being discussed.

Perhaps the solution would be for these whites to withdraw voluntarily. After all they should realise that their participation is not more important than the unity of black workers.

CSO: 3400/931

SOUTH AFRICA

IMPACT OF RECESSION, WEAK RAND ON SAA DISCUSSED

Johannesburg THE STAR in English 29 Jul 85 p 8

[Interview with Gert van der Veer by Zenaide Vendeiro--time, place not given]

[Text]

Q: Has SAA experienced a decline in passengers?

A: In the financial year ending March 1985, we had a nine percent increase in international passengers and a 14 percent increase in domestic passengers compared with the previous year.

During the first quarter of the current financial year, we have had a 1,7 percent growth in domestic passengers and a slight drop of 3,7 percent in international passengers compared with the same period last year.

We are anticipating a decrease in international passengers later on in the year. One reason for this is that South Africans are certainly beginning to fly less because of the weak rand and the recession.

Figures of incoming traffic from Europe seem to be holding up, but traffic from the United States has dropped and we are anticipating this to continue, largely because of the negative publicity South Africa has been receiving there.

Q: Will the state of emergency worsen matters?

A: I have no comment on that at the moment. We will have to wait and see because I think opinions here are mixed. On the one hand some people feel that it is a very negative thing, and on the other hand, many people say that it is a positive step that something is being done to cope with the situation.

Q: How did SAA perform in the last financial year and what is the position so far this year?

A: In the year 1984-85, we expect a break-even situation with the possibility of a slight profit.

This was accomplished under very difficult circumstances. One of these was the fall of the rand against the dollar. The value of the rand was almost halved in 12 months which led to the costs of running the SAA, in rand terms, increasing by about 40 percent.

SAA's attitude has been to attract a bigger market share rather than increase fares and we have been very successful.

In the last financial year, our domestic traffic increased by 14 percent which is particularly significant if one looks at the fact that the average growth in domestic traffic from 1980 to the end of 1983 was only about 1,5 percent.

This must also be viewed against the decline in economic activity, domestically.

Q: Do you ascribe this growth to "special" fares?

A: The increase has been due, firstly, to the introduction of the very popular midnight flights at a 50 percent discount. We expanded this service on June 1 and it now covers all the major cities.

Secondly, the incentive fares which we have introduced — flexi-flights, family fares, 40 percent

discounts for pensioners, standby fares on all flights at 20 percent discounts, 40 percent discount for national servicemen — have helped to stimulate the domestic market.

It has been gratifying to note that people who were not travelling with the airline are now making use of our services. The people who fly the midnight flights, for example, are not only the typical businessmen who have done so in the past.

We have also consolidated our domestic timetable. We have looked critically at our complete route network and those routes that were not profitable, or those flights which carried too few passengers, have either been eliminated or realigned.

Our average seat occupancy on the domestic service has gone up by 8,4 percent in the last year.

We have also started to market far more aggressively, particularly on the domestic front. We have tried to respond to what the market wants.

That is why we introduced the business class at the end of last year on the narrow-bodied aircraft and the beginning of this year on the wide-bodied aircraft. Support for the business class has grown steadily and has, in fact, now overtaken revenue earned on first class. Due to the positive reaction from passengers, we are now looking at ways of improving business class.

SAA is also having a very careful look at our existing first class on our Airbuses.

Q: Do you plan to expand the recently-announced youth fares to the US to other destinations?

A: We have further plans in mind for the US which look very attractive — not just for New York, but for the rest of America.

We are seriously looking at extending the youth fares to other destinations internationally but, of course, the fares are not totally under the control of SAA. It is always done in conjunction with our pool partners. They may not necessarily be in agreement with what one is trying to do, but personally, SAA would like to extend these facilities and we are working on this.

The attempt is not so much to lower fares to the people who are flying but to bring more people into the market at attractive rates and in that way add to our total revenue.

Q: Do you envisage fare increases within the next three months?

A: I don't think fares will be increased before the end of the year. There may be adjustments, of course, depending on the rand/dollar exchange rate, but no increases in the fares themselves.

I don't think the market can carry much higher fares. Fare increases could, in fact, have a negative effect on SAA's position.

CSO: 3400/941

SOUTH AFRICA

COST OF GOLD, COAL STRIKE 'INCALCULABLE'

Johannesburg THE SUNDAY STAR in English 11 Aug 85 p 2

[Article by Sheryl Raine: "Will a Fledgling Bring the Mining Colossus to its Knees"]

[Text]

The countdown to a mining strike on 29 gold and coal mines has begun. The cost of such a strike would run into millions. The human costs would be incalculable. SHERYL RAINE traces the development of the National Union of Mineworkers and examines the strike issues.

THE small room was crammed with media people. Cameramen jostled for position and all but lost their footing in the crush. Union files had overflowed the bookcase and were lying stacked on the floor in one corner.

The general secretary, Mr Cyril Ramaphosa, entered wearing a yellow T-shirt with the National Union of Mineworkers' logo emblazoned on its front.

After a sleepless night at a congress session, the hands of the union's president, Mr James Motlatsi, shook with fatigue and possibly, a touch of nervousness as he declared to local newsmen, two overseas television crews and a clutter of microphones that his union would strike on August 25 to drive home a wage demand of 22 percent.

That was the scene down at No 5 Wanderers Street at the start of the week.

On the other side of town where the Chamber of Mines operates, Press conferences take place in a high-ceilinged, spacious room. There were padded chairs around a large oval table, tea and biscuits served from a tray, pencil and paper for each reporter. Officials were wearing suits.

Nothing could more effectively highlight the differences between these two wrestlers in the mining industry ring at present than these two settings.

The union is an awakening giant flexing its newfound muscles, maturing quickly but racked by growing pains.

The Chamber is an established giant trying to cope with a changing labour-relations field. The changes have come rapidly.

Barely three years ago there was no NUM. Now the union is threatening to call 240 000 mineworkers on 18 gold and 11 coal mines out on strike. The number, threatens the union, could reach 400 000 if

miners elsewhere joined their colleagues.

The Chamber rejects these figures, saying only one in every 10 will strike. Miners, they say, are happy with their increases implemented on July 1 and which ranged from 14,1 percent to 19,6 percent.

What do the percentages mean?

The Chamber's increases for surface workers ranged from R24 to R66 a month, bringing the minimum wage up to between R160 and R521.

Wage increases for underground workers ranged from R25 to R69 a month bringing, the minimum wage up to between R191 and R595 a month.

The union demanded increases ranging from R37 to R122 a month for surface workers to bring their minimum wages to between R173 and R577 a month.

For underground workers the union demanded increases ranging from R45 to R142 a month, which would bring the minimum wage to between R211 and R668.

Other points of anguish between the two include the union's participation in job-reservation talks with white mine unions, leave and death benefits.

Labour experts have often predicted that the country's fiercest and most important labour battles would begin when black mineworkers mobilised and that the socio-political implications would be far-reaching. There is no doubt the battles have begun.

Born in 1982 out of a resolution adopted at the national congress of the Council of Unions of South Africa (Cusa), the NUM came into existence in reaction to mine riots in the Western Transvaal. This week the union disaffiliated from Cusa to continue participating in important unity talks for the formation of a super-federation of emergent unions.

The union says it has 150 000 signed-up members and 100 000 paid-up members.

Mining houses challenge these figures and put the memberhip, at most, at 80 000.

So far certain imbalances in the ranks of the membership have yet to be overcome. The union's early recruiting strategy was to sign up team leaders, supervisors and administrative workers. This gave it a core of more permanent members than underground migrant labourers. More recently the union has successfully recruited workers at all levels. It's president is a Lesotho national.

Despite a growing number of competent union officials, the union still relies, disproportionately, on its charismatic, shrewd and legally informed general secretary, Mr Ramaphosa, to keep things together.

At times he and his union's resources appear overstretched. There are few within the industry, however, who do not speak of him with the utmost respect.

As a lawyer and strategist he is formidable. However, carrying out strategy in a union with members spread from Namaqualand to Palabora, must be a nightmare. Somehow, he has kept the momentum of the union going.

In the first 18 months of its existence, the union was not involved in any major strikes. During 1984 the union began contributing regularly to the strike statistics and in the first quarter of 1985 accounted for nearly 170 000 lost man-days due to strikes compared with about 70 000 in all other sectors together.

It was the union which launched the first legal strike by black mineworkers in September last year. Although agreement between the Chamber and the union came at the last minute, it was too late.

The union claims that at one time 64 000 mineworkers were on strike. The union won some concessions and, according to Mr Ramaphosa, thousands of new members as a result of the strike. Violence flared however, and the human costs are still being reflected in civil claims for alleged shootings, assaults and unlawful arrests.

Anglo American, the mining house which would be most affected by a strike, related violence and unwanted bad publicity, has said it would like to avert industrial unrest.

The Chamber and the union have withdrawn from their last round of failed talks stating that both are prepared to consider any reasonable offers.

If no such offers are forthcoming the mining industry could be in for a particularly hot summer.

CSO: 3400/941

DE KOCK SEES STABLE PRICES AHEAD

Johannesburg BUSINESS DAY in English 13 Aug 85 p 1

[Article by Tony Koenderman]

[Text]

THE rate of growth of the money supply has come down dramatically this year, signalling a sharp decline in the inflation rate in the months ahead.

"The money supply has been rising this year at well below the annual rate of inflation, currently about 16%," said Reserve Bank Governor Gerhard de Kock yesterday. "Inflationary pressure has been taken out of the system now."

In the first six months of the year, the seasonally adjusted annual rate of change of the narrowly defined M1 (notes and coins in circulation plus current accounts) was only 7,2%. M2 (M1 plus deposit accounts) grew by 10,6% and M3 (M2 plus all other deposits of the non-bank private sector) by 12,7%.

"There is no longer too much money chasing too few goods," said De Kock.

"However, the delayed effects of the depreciation of the rand last year, the resultant petrol price increase of 40% in February, the increase in GST announced in the Budget and various administered price increases have still got to work their way through the system.

"But there will be no salary increases in the public service this year and, once

TONY KOENDERMAN
Deputy Editor

these effects peter out, the rate of inflation should come down."

The behaviour of the inflation rate has followed closely the pattern predicted by the Reserve Bank last year when it said the rate would accelerate well into 1985 before declining.

Owing to a transmission error by Reuters, *Business Day* incorrectly reported yesterday that the year-on-year M2 money supply had risen by 34% in June to R39,1bn. This should have read 21,34% to R39,1bn.

On a year-on-year basis, M1 rose by 20,8% in June to R25,6bn, and M3 rose by 20,5% to R44,8bn.

The main indicator of inflation, the consumer price index (CPI), peaked at an annual rate of increase of 16,4% in June, which is only marginally lower than the 65-year peak of 16,5% in April.

It is still possible that the CPI may rise even higher in July or August, but most economists expect the rate to drop after that, and a rate of 14% by the year-end is widely predicted.

CSO: 3400/941

RECESSION HITS SERVICE STATIONS

Johannesburg THE STAR in English 26 Jul 85 p 14

[Article by Zenaide Vendeiro]

[Text]

By Zenaide Vendeiro
Transport Reporter

Service and filling station owners had experienced a series of nightmares in the past year because of the recession, the chairman of the South African Motor Traders' Association (Samta), Mr S Druckman, said yesterday.

"We have witnessed a continuing decline in the available money supply, with an almost drastic drop in consumer spending, record increases in the consumer price index and the rate of inflation, unprecedented increases in taxation and the highest interest rates in history," Mr Druckman said in his report to Samta's annual general meeting.

In comparison with other sectors of the motor industry, however, the service section had weathered the storm extremely well.

Mr Druckman said the R5 levy system on fuel sales after hours, which was abolished in October last year, had been a vital source of income, especially in country areas where low turnover and high operating costs had completely eroded profitability.

But the worst effect of the abolition of the levy system had been the withdrawal of official selling hours for fuel. Some dealers, he said, had already been exposed to subtle pressure from their oil companies to offer a 24-hour service despite assurances that this would not be done.

Mr Druckman said the increase of 1,2c a litre in the markup of fuel in January, bringing the total markup to 5,2 c a litre, had been welcome.

A survey of the profitability of fuel retailers undertaken by the Department of Mineral and Energy Affairs had shown that a further increase was not justified at this stage, Mr Druckman said.

On the controversial question of discounted petrol, Mr Druckman said the massive increase in the petrol price had been used as "a shrewd marketing opportunity" by the Boksburg Pick 'n Pay Hypermarket, which offered a four percent discount in petrol coupled with a self-service system.

A survey had shown the service stations affected by the scheme experienced a 17 percent drop in fuel sales and a 22 percent reduction in oil sales.

Mr Druckman said the situation would normalise as legislation controlling the price of petrol was expected to come into effect in the near future.

OVERSUPPLY OF OFFICE SPACE REPORTED

Johannesburg THE STAR in English 9 Aug 85 p 16

[Article by Frank Jeans]

[Text]

The oversupply of office space — in the greater Johannesburg area alone there is an estimated 200 000 sq m — is costing landlords hundreds of thousands of rands.

Mr Chris Lombard, managing director of Lombard Real Estate, told a South African Property Owners' Association seminar on leasing and development in Johannesburg yesterday that a building lying empty for a year could result in a loss of income of R924 000.

Referring to the "debilitating effect" of vacancies, Mr Lombard gave as an example a building of 5 000 sq m leased at R13 a sq m and 200 monthly parking bays at R60 a bay.

"The cost of a six-month vacancy in this case spread over a five-year lease would be R462 000 and R924 000 for a year," he said.

"One wonders, therefore, why landlords do not react quicker to negative changes in the market place and allow themselves to negotiate leases at discounted rents sooner than later."

Mr Lombard sees this as one of the most serious causes which hinders the leasing of space in a difficult market.

"By the time landlords have woken up to the fact that the market is shot to hell, this realisation unfortunately coincides with the peak in the oversupply situation, with the result that it is very difficult to lease significant amounts of space no matter what incentives are offered to tenants."

Urging the setting up of a sophisticated statistical data base of supply and demand for the office market, Mr Lombard told delegates: "We are without an adequate source of information and the resultant ignorance about future demand and supply is one of the chief causes of over-building."

Mr Alastair Barclay, executive director of Richard Ellis SA, told delegates that under normal conditions greater Johannesburg absorbs about 130 000 sq m of space annually.

"At present, however, the space take-up is negative in the current downturn," he said.

"Rents in the CBD have fallen by between 20 and 33 percent over the past year — down from R15 a sq m to R10 to R12."

While rents for suburban prime properties had not dropped so dramatically, Mr Barclay believes that with rents falling so fast in central Johannesburg, the CBD is again starting to look attractive on pure economic fundamentals relative to the higher rental structures in decentralised areas.

"This factor may persuade some tenants who had planned to move out, to remain in the CBD," he said.

While he sees encouraging signs that the worst may be over in terms of the current downturn, he is doubtful about any major upturn in the office and industrial leasing markets before mid-1987 at the earliest.

CSO: 3400/941

UDF URGING BOYCOTT OF REEF SHOPS

White Business Target

Johannesburg BUSINESS DAY in English 12 Aug 85 p 1

[Article by Sipho Ngcobo]

[Text]

A BOYCOTT of white-owned businesses and retail outlets could hit Reef towns this week after a call from the United Democratic Front.

Thousands of pamphlets calling for the boycott were distributed at the weekend by the Consumer-boycott Committee of the UDF.

Major demands by the committee are:

- **Lifting of the state of emergency;**
- **Release of all detainees and political prisoners; and**
- **Removal of soldiers from townships.**

The pamphlets urge people to stand in unity against apartheid and buy only from shops in townships.

A similar boycott of consumer-goods called by the UDF has been going on for about a month in the Eastern Cape. Sales in some Port Elizabeth shops have dropped by between 30% and 100%. At least two shops have closed their doors.

Soweto business tycoon Richard Maponya said boycotters had, at last, chosen the right target — the white businessman.

"White businessmen have the voting ticket through which they have put the present government in power, the government that is responsible for the black man's suffering. They have used their vote the way they like. They are therefore responsible for all that is happening, including the state of emergency," Maponya said.

Limited Success

Johannesburg BUSINESS DAY in English 13 Aug 85 p 3

[Text]

CALLS for a black consumer boycott of white-owned shops on the Reef have so far met with only limited success, but various organisations called for a broadening of the boycott yesterday.

Worst hit area on the Reef seems to be Pretoria but the response to the boycott and stayaway call was limited, according to the Pretoria Chamber of Commerce.

But Checkers MD Clive Weil described business there as "slow". Stores with a high black profile had definitely been affected, he said.

Now both the National Mine Workers Union and a group of 14 other organisations have joined the calls for consumer boycotts.

A quick poll of a few traders in areas likely to be most affected indicated that while there was obvious concern at what might lie ahead, immediate feelings were a boycott was unlikely to be as actively supported as had, for example, happened in the Eastern Cape, where at least two shops had closed as a result.

In a seperate development the NUM said it would put into action its plan for a consumer boycott in mining towns, but said this would take a few days to organise.

Commenting on the spread of consumer boycotts to the Reef, Assocom chief executive Raymond Parsons said "organised commerce is concerned at white business being singled out for consumer boycotts — as it has repeatedly over many years taken a strong public stance on the need for meaningful reform in SA.

"While employers remain willing to negotiate with black leadership about legitimate grievances, they must protect their own interests and will clearly have to take whatever business counter-measures are necessary to neutralise the effect of the boycott."

Economists say the boycott could have minimal impact on the SA economy if there is merely a shift in buying from urban chain stores and shops to smaller topwnship shops — though the higher prices charged in smaller shops will cut living standards.

CSO: 3400/941

JULY SALES FIGURE ON JSE MAY SET RECORD

Johannesburg THE STAR in English 26 Jul 85 p 14

[Article by Peter Farley]

[Text]

By Peter Farley
Investment Editor

The wave of foreign selling of shares on the Johannesburg Stock Exchange (JSE) is gathering momentum, and current trends indicate that this month will set the highest monthly net sales figure since non-resident exchange control was abolished in February 1983.

After nearly two years of steady net purchases, which saw a capital inflow of almost R1 billion in the 16 months to end April, there were net monthly sales in April of almost R50 million.

This trend continued in June, figures compiled by a leading institution show, with net sales rising to around R75 million.

This would push into deficit net transactions by foreigners on the JSE since the beginning of the year, after net purchases of some R200 million in the first four months of 1985.

The June figures included the sale by London investors back into South Africa of large lines of stock in both Kersaf and Barlow Rand.

The rand has fallen back to the 50 US cent level after having traded above 52 cents earlier in the week, but analysts said the bearish trend on the stock market had had little impact on the currency.

The lower gold price and active forward covering had pushed the currency down.

But market sources say that heavy selling since the end of June could produce net sales for July as high as R150 million.

FRENCH INVESTORS

Undermining any local interest on the gold boards has been steady selling and, more importantly, an almost total withdrawal of buying orders from United States funds and individuals.

Adding to this uneasiness in the gold share market has been large scale selling of gold mine scrip by French investors over the past couple of days.

Towards the end of June and in early July selling by UK investors was another key factor in depressing the gold share market, but this has not been as strongly evident in the past couple of weeks.

However, this was probably more due to the slight strengthening of the gold price and the weakness of the dollar than because of any political considerations.

Also, brokers point out, London markets turn quiet in July because of the European summer holidays.

The subsequent uncertainty about the gold price and the increased incidence of political turbulence in SA could bring a resurgence of selling pressure, say some brokers.

However, analysts point out that the yields on gold shares have steadily risen from a low in mid-April of around six percent — when the All Gold index peaked at 1 100 — to about nine percent at the moment.

This downwards rerating of gold scrip, even given the wallowing gold price, could start attracting buyers interested in the improved returns.

For the time being, however, the sale by foreigners of SA shares appears set to continue, with little evidence of any fresh buying interest emerging.

CSO: 3400/941

DU PLESSIS ON EFFECTIVENESS OF MONETARY MEASURES, LABOR UNIONS

Johannesburg THE CITIZEN in English 17 Aug 85 p 5

[Article by Tim Clarke]

[Text]

DURBAN. — Mr Barend du Plessis, the Minister of Finance, said in Durban yesterday that monetary and fiscal measures undertaken by the Government last year were now proving their worth.

Speaking at the Natal Provincial Congress of the National Party, Mr Du Plessis was cautious about an up-turn in the economy but said there was no doubt that the monetary and fiscal measures put into force last year had been beneficial.

He said one of the major problems facing the economy was the high inflation rate, and the Government was doing everything possible to curb it.

Mr Du Plessis said that next year's Budget would also be stringent.

On the question of possible trade sanctions against South Africa and possible disinvestment, Mr Du Plessis was guarded in his replies.

He said: "We don't know what is in the pipeline; we must wait and see; to make any statement about this at present would be wrong."

Mr Du Plessis said he was extremely sorry that many good business practices "went to the wall" because of the stringent measures adopted by the Government last year to correct spending in the country and to keep proper control.

He said South Africa did not have any alternative but to impose the strict economic measures.

Mr Du Plessis also warned that the Government was "in full cry" in finding out tax dodgers. He said that many people in South Africa had been dodging taxes for years which was placing a burden on the average man in the street.

But this slack was being taken in and when the date ended for these people to declare their assets, there would be no more mercy.

Mr Du Plessis emphasised the Government had predicted that there would be an increase in inflation.

He said the factors which affected inflation included:

- The cost push inflation factor, which mainly revolved around labour costs;
- The depressed rand. He said that imports were costing far more because of the low state of the rand. This also involved petrol prices;
- Easy credit — this was "a bad situation" in the country.

Trade Unions Becoming Less Radical

DURBAN. — There was a new trend of greater responsibility developing among trade unions, the Minister of Manpower, Mr Pietie du Plessis, said yesterday.

Responding to criticism of trade union demands aired from the floor at the Natal National Party congress, he said: "The more they seem to gain confidence in our industrial relations system, the less radical they are becoming."

Over the past eighteen months to two years, there had been a clear pattern of change among some of the most radical unions, the Minister said.

"There are hopeful signs of new responsibility with more unions registering and a greater willingness generally to remain within the parameters of the legal requirements."

The Minister was asked for closer Government attention and intervention where unreasonable demands were being made by trade unions.

In reply he said it was the Government's belief that is should respect the relationship between worker and employer and keep out of the negotiating process as far as possible.

"This is the one area where reform has been the fastest and most successful," Mr Du Plessis said.

"You have to remember that labour legislation is presently in an evolutionary process and that many trade unions and smaller employers especially have not quite come to grips with it.

"What we need is a consolidation period and for that reason the Government does not want too many changes to legislation."

Trade unions were needed because the goal was maximum labour peace.

"Already we can boast that our strike frequency is of the lowest in the world, lower than the United States," the Minister said. — Sapa.

CSO: 3400/941

SOUTH AFRICA

CAR SALES TOTTER, PRICE WAR HEATS UP

Prices Down

Johannesburg BUSINESS DAY in English 12 Aug 85 p 1

[Article by Alan Ruddock]

[Text]

ALAN RUDDOCK

MASSIVE discounting in the motor industry — up to 30% is being offered off the list price of some models — has failed to stem the slump in car sales.

Figures released yesterday by Naamsa, the National Association of Automobile Manufacturers in SA, show that, while July car sales were 14,1% up on June, they were still down 12,2% on July 1984 — which was an exceptionally bad month in the wake of the increase in GST.

For the first seven months of the year sales totalled 116 315. This is 35% down on last year's 179 304 in the same period.

Market leader in July was Toyota, with 23,7% of sales (22,2% in July 1984), followed by Volkswagen with 14,1% (9,5%), Mercedes-Benz (including Honda) with 10,5% (10,5%), Samcor with 10,5% (9,2%), and Ford with 10,2% (15,7%).

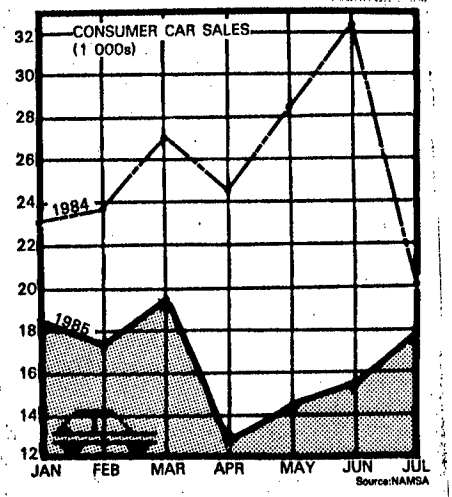
Toyota marketing director Brand Pretorius says that "most of the industry is trading very unprofitably and we should be concerned about the plight of the nearly 2 000 motor dealers in SA — especially those forced to conform to excessive discounting."

Observers say that discounting has reached dizzy heights as manufacturers scramble to hang on to their share of the passenger car market — and car dealers are losing out.

Among those advertising discounts are Renault, Alfa Romeo and Samcor. Deals range from Renault's low-interest package to Alfa's R7 500 cash discount on a car costing R25 000. Samcor is offering R1 500 off the Mazda 323.

Dealers claim most manufacturers are involved in discounts of one sort or another.

Fleet sales account for as much as 70% of all cars sold and Pretorius says that fleet sales "are underpinning the industry."



Traditionally, fleet buyers can expect an automatic discount of about 15% but sources say that the manufacturers' priority now is to move stock at almost any price.

Observers say that car dealers are being pushed out of large fleet sales by manufacturers who have resorted to dealing directly with fleet buyers.

"Large kickbacks and undercutting are not a fundamental principle of succesful marketing and we do not participate in this kind of discounting," Pretorius says.

General Motors alleges that one "large manufacturer" is giving buyers kickbacks. Marketing director Al Carpenter says: "GM is totally opposed to manufacturers' kickbacks but we know that one large manufacturer is operating this way at present to maintain market share."

Sales of light commercial vehicles in July this year were 21,7% down on July 1984, at 7 258, while medium commercials were down 16% to 443, and heavy commercials down 21% to 867.

For the first seven months of the year, total light commercial sales were down 37%.

Discounting a Factor

Johannesburg BUSINESS DAY in English 13 Aug 85 p 1

[Article by Alan Ruddock]

[Text]

CAR dealers' net profit margins have plunged below 1% as discounting and high interest rates take their toll.

"It is very difficult to make a profit at the moment and some dealers are experiencing negative profit margins," according to National Automobile Dealers' Association chairman Bob Thomas.

Thomas says the April — June quarter was disastrous for dealers and believes another three months of similar hardship will force many dealers to close.

However, he believes the worst is over.

Thomas is sceptical of the benefits of heavy discounting. "The discounts have tended to nullify manufacturers' price increases."

Dornat director Natie Blumberg agrees: "Manufacturers are prostituting their own products. Anyone who thinks they are getting a bargain should think again."

Thomas says that, while dealers have been forced to close all over the country, the problems are easing.

"There is a lot of competition between dealers and some of the discounting is being fuelled by the dealers and that is stimulating the market to some extent."

McCarthy Group marketing manager Alf Price says manufacturers will do nothing that will consciously harm their dealers and disagrees with suggestions that manufacturers are cutting dealers out of fleet sales.

Price says unless there is some significant upturn in the economy, the forecast for the second half of the year has to be similar to the first.

"This is a volume business and dealers are really struggling, but I see no reason to expect a significant increase in passenger car sales."

Samcor's sales and marketing director Les Brown maintains that manufacturer discounting does not adversely effect dealers.

"We make sure that our marketing programmes help to improve the situation for dealers and do not lead them into financial difficulties."

CSO: 3400/941

BRIEFS

YOUTH AGREEMENT WITH BULGARIA--The United National Independence Party Youth League and their Bulgarian counterparts, the Dimitrov Young Communist League, have agreed to sign a protocol of cooperation covering the next 3 years. The agreement follows talks held in Moscow between a member of the Central Committee and the Youth League executive secretary, Alexander Kamalondo, and a member of the Dimitrov Young Communist League Central Committee. [Excerpt] [Lusaka Domestic Service in English 0600 GMT 1 Aug 85]

COOPERATION AGREEMENT WITH ROMANIA--Romania and Zambia have agreed to continue exploring areas of cooperation in mining, geology, industry, agriculture, and trade. The agreement follows a meeting of the ninth session of the Zambian-Romanian joint permanent commission which ended yesterday with the signing of a trade protocol. In mining, the committee cited coal research, exploration, and uranium exploration as an area the two countries could cooperate, while in industry a glass sheets factory and copper sheets and plants could be possible projects. In agriculture, joint cooperation was called for in the development of Kalimwangwe state farm, the beekeeping industry, and agricultural research and extension services. [Text] [Lusaka Domestic Service in English 0500 GMT 3 Aug 85]

CSO: 3400/916

ZIMBABWE

NKOMO CLAIMS RAIDS ARE TO HARASS HIM

Johannesburg THE CITIZEN in English 6 Aug 85 p 13

[Text]

HARARE
Zimbabwe's chief opposition leader, Mr Joshua Nkomo, yesterday accused the government of harassing him with fresh police raids on his homes in Harare and Bulawayo.

Mr Nkomo said from Bulawayo police spent more than three hours on Sunday searching his home there and took away party literature.

His other home in Harare had also been raided, the PF-Zapu leader said.

Acting Police Commissioner Mr Henry Mukurazhizha confirmed the searches, but declined to give details.

Last Thursday Mr Nkomo said police searched his home in Bulawayo and arrested 12 people and took away PF-Zapu literature and badges.

Eleven people were arrested during a similar raid on Mr Nkomo's home in Harare on July 23.

Mr Nkomo said yesterday: "This seems to be a plan by the ruling Zanu-PF party to harass and remove me as I am the stumbling block of the creation of their one-party state."

Three weeks ago, State Security Minister Mr Emmerson Munangagwa said intelligence officials had arrested a rebel in Mr Nkomo's house, a charge the PF-Zapu leader denied.

Meanwhile a number of Zapu agents who were deployed to disrupt general election in various Harare suburbs have been arrested and will appear in court soon, according to the Prime Minister, Mr Robert Mugabe.

Addressing Zanu (PF) supporters celebrating their election victory at a major sports stadium on Sunday, he said these deployments had sparked off the recent political disturbances in which minority party members' houses were ransacked and their property thrown into the streets.

Although the action by the ruling party's supporters had been caused by Zapu's deployment of reactionary elements before the general election, it was not the party's policy to resort to violence and victimisation of minority parties, he said.

"Instead you should persuade them to join us and not coerce them into the ranks of Zanu (PF)".
— Sapa-Reuter.

CSO: 3400/868

ZIMBABWE

RESTRUCTURING OF CENSOR BOARD URGED

Harare THE HERALD in English 3 Aug 85 p 1

[Text]

THE Board of Censors must be completely restructured to reflect the socialist path being taken by independent Zimbabwe, the Zanu (PF) secretary for commissariat and culture, Dr Herbert Ushewokunze, said yesterday.

To suggest that the board be "democratised" was too liberal an approach, Cde Ushewokunze said when he answered questions at a seminar in Harare on the role of books and magazines in the transformation of Zimbabwe towards a socialist-orientated state.

While he was Minister of Home Affairs he had "put up battles" to push the board to unban progressive and revolutionary material which had been outlawed under the Smith regime, he said.

"Books on the armed struggle to liberate Zimbabwe, for example, were not to be read in the country, not even as late as 1982."

On the Zimbabwe Broadcasting Corporation he said: "The system is still perfectly capitalist . . . calling for a new look at those working in this institution."

There were a number of "good cadres" in ZBC, but they could not influence the policy of the corporation. Some articles they wrote were "either totally rejected or doctored".

Some films shown were "capitalist through and through". He was satisfied with live shows which he said were in line with national transformation.

On newspapers, he said: "We now see sense in newspaper reporting." But such stories as baby dumping still persisted, making front page headlines "with no attempt to explain the socio-economic factors giving rise to the problem".

CSO: 3400/923

ENGINEERING COMPANIES UP IN ARMS OVER UNFAIR COMPETITION

Johannesburg THE STAR [Business] in English 6 Aug 85 p 20

[Text]

The Star Bureau

HARARE — Zimbabwean civil engineering companies are up in arms about what they see as unfair competition from overseas firms for internationally funded road construction projects.

But one of the foreign firms involved, the Yugoslav Partisanski Put Company, counters that local contractors are collaborating among themselves to "fix" higher prices for such projects.

The Yugoslav group has won two contracts — worth more than R37,8 million, to upgrade existing roads in rural areas. To win the contracts, they successfully outbid local civil engineers by undercutting them by R14 million on the two projects.

According the Zimbabwe Federation of Civil Engineers and Contractors, the Yugoslav company had an unfair advantage over the local concerns in that it did not have to pay import duties and other taxes on its equipment, spares and fuel.

Mr Keith Butterfield, president of the local federation, denied that Zimbabwean contractors collaborated to "fix" tender prices, and said that competition among civil engieering firms here was as keen as anywhere.

The asssitant managing director of Partisanski Put, Mr Branko Vukicevic, told the *Financial Gazette* newspaper that there was something wrong with contractors in Zimbabwe if they could not keep their prices low enough to exclude foreign competitors.

He added that Zimbabwe contractors had been known to circulate among themselves details of previously successful bids, a practice which led to "unnecessarily high prices". He said that in Yugsolavia local firms bid as low as possible and managed to exclude foreign competitors.

CSO: 3400/923

ZIMBABWE

URBAN CATTLE THIEVES WREAKING HAVOC AMONG BULAWAYO

Harare THE HERALD in English 5 Aug 85 p 3

[Text] Urban cattle thieves are wreaking havoc among herds owned by local ranchers and grazed on municipal farms west of Bulawayo.

One rancher who has suffered great losses is Cde L. M. Sibanda, who last week lost one of his prize dairy cows to rustlers. He said he was grazing three dairy cows on Cowdray Park Farm, which he leases from the city council.

On Thursday night the cows were paddlocked on the farm as usual but yesterday morning, one cow was missing. The police were called in and with the help of tracker dogs, traced the spoor of the cow and the rustlers to a dam on the farm, used by school-leavers for fish farming.

The cow had been slaughtered and butchered near the dam. The thieves had taken the meat and walked towards Luveve.

Cde Sibanda said the dogs had lost the spoor when it entered the suburb.

The thieves had tried to cover up their route by following a round about path and had also tried to brush out the spoor.

Cde Sibanda said the cow was the latest in a long line of beasts which had been stolen from him in recent months. It had been an excellent milk producer and was worth about $2,000.

"I had many more cattle grazing on the farm but I moved them to another place because of problems I have had at Cowdray Park. This poaching has been going on for a long time," he said.

Cde Sibanda said he had reported all incidents of cattle rustling to the police who had a long list of the cattle stolen from him.

A police spokesman confirmed the theft and slaughter of Cde Sibanda's cow and agreed that stocktheft had been continuing for a long time in the area.

Two people had been arrested and were facing trial for similar offences committed in the Cowdray Park area, he said.

CSO: 3400/923

END