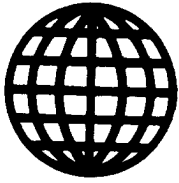


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INTER-AFRICAN

PRC SEEKS TO REBUILD SHAKY BASE FOR AFRICAN DEVELOPMENT AID

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 23 May 87 p 6

[Article by Guenter Krabbe: "Chinese Interest in Africa Growing--Chinese Foreign Minister Visits Kenya"]

[Text] Nairobi, 22 May--Chinese Foreign Minister Wu Xueqian arrived in Niarobi today, his first stop on a 2-week trip to Africa. The principal themes of his trip are Chinese aid for Africa as well as developments in and around South Africa. From Kenya, he will travel to the so-called frontline states of Zambia, Zimbabwe, Mozambique and Tanzania and will then visit Nigeria and the Ivory Coast. His visit is an indication of China's growing interest in Africa. Last year, Chinese President Li Xiaunian and Deputy Minister President Li Peng visited seven African countries as did Minister President Zhao Ziyang in 1983. Nine African heads of state visited Beijing last year and Kenya sent a delegation of its unity party to the Chinese capital.

Africa is the focal point of the Chinese foreign aid program. The most spectacular project was the 1,900-kilometer railroad line, completed in 1976, which links Daressalam in Tanzania and Kapiri Mposhi in Zambia. It was conceived as an alternate route to circumvent then blockaded Rhodesia and now South Africa but has never really served its intended purpose. For one thing, the rail line does not connect with the Zambian or the Tanzanian railroad system or, for that matter, with the Tanzanian port of Daressalam so that goods must be reloaded twice at both ends at added cost. For another thing, the Chinese locomotives turned out to be too weak. A rather unsuccessful attempt to remedy this situation was made in the eighties with the help of FRG development aid funds. China originally financed construction of the rail line with an interest-free \$400 million loan to Zambia and Tanzania but neither country has been able to make any payments on the loan since 1983. This year, the railroad administration announced that it urgently needs an additional \$180 million to meet the cost of required repair work. For most of the way, the rail line follows the track bed originally surveyed by the German colonial administration in 1914. When the Chinese project first came up in the sixties, both the World Bank and other Western financial institutions declined participation because they felt the line would not be profitable. The project then became part of Mao's efforts to persuade Africa to come over to China's side in its ideological conflict with the Soviet Union. But aside from this railroad project and some sugar refineries, fertilizer plants and cigarette

factories, China does not even try to give the appearance of rendering development aid. The projects generally are political in nature, e.g. the large sports stadiums in Kenya, Senegal, Zaire, Botswana and Zimbabwe. They are all almost identical, as if ordered from a catalog. The one in Sierra Leone is different. At the request of the then head of state, the Chinese added a cricket pitch. Other favorite projects include monumental, marble-laden buildings reminiscent of the Great Hall of the People in Beijing to serve as headquarters for whatever political party happens to be in power. One such building was put up in the Togolese capital of Lome. The building also serves as a conference center, to be used once every few years when an appropriate meeting is scheduled to take place in Lome. Another palace, this one even more ostentatious and utterly useless, was built in the remote provincial town of Lamakara, 450 kilometers north of the capital, which has the distinction of being the home town of Togolese President Eyadema. These buildings make no contribution whatever to Togo's economic development.

China and Africa have little or nothing in common. Beijing, however, is trying to fabricate a common historical heritage by likening China's situation in the 19th and early 20th century to the colonization of Africa. In the early sixties, China actually aroused fear in Africa when the then Chinese Foreign Minister Dzu Enlai announced in Somalia at the end of his visit to Africa that the continent was "ripe for Marxist revolution." Now, China no longer speaks of revolution. In Angola, for example, China was still supplying arms to the now badly split FNLA 5 years after the Marxist-Leninist MPLA had taken over the government in Luanda with Soviet help.

In addition to rhetoric, culture is the second leg of China's African policy. Several thousand young Africans are studying at Chinese universities. A group of young people who have received outstanding instruction as circus performers in China recently returned to Kenya. Unfortunately, there is no circus in Kenya or any other kind of showplace where they might demonstrate what they have learned for money.

9478

CSO: 3420/23

FRG SET TO OFFER GOVERNMENT DEVELOPMENTAL, ECONOMIC AID

Frankfurt/Main FRANKFURTER RUNDSCHAU in German 27 May 87 p 2

[Article: "Aid for Angola from Bonn Following Political Concessions. State Minister in Luanda. Agreement Contains Previously Rejected Berlin Clause. German Industry to Help"]

[Text] Luanda, 26 May (TP)--A new chapter has begun in terms of relations between the FRG and the People's Republic of Angola with the first visit by a minister from Bonn, Helmut Schaefer (FDP), state minister in the foreign office, and with the signing of the first bilateral agreement. During his three-day visit in Angola, which ended on Tuesday, Schaefer met with Angolan president Jose Eduardo Dos Santos and a number of high-ranking politicians, and signed an agreement concerning food aid. This agreement provides for the delivery of 3600 metric tons of wheat for particularly needy people.

This agreement was in essence made possible by the fact that approximately two years ago after years of refusal the Angolan government consented to sign an agreement which contains the so-called Berlin clause in which the political representation of West Berlin by the FRG is expressly stated.

Even today Angola has not forgotten that the FRG was clearly on the side of the colonial forces during the long and bloody war of independence against the Portuguese colonial regime. At the time, Portugal also used, among others, West German weapons and military vehicles in the battle against the leftist rebels and had its wounded soldiers treated in German army hospitals. But more than 11 years after independence and eight years after the establishment of political ties between the two countries, the Angolan government is now expressing surprisingly strong interest in establishing a new basis of relations with Bonn. According to observers, this was due in part to the extremely tense economic situation in Angola. This situation was caused primarily by the activities of the Angolan rebel movement, UNITA, which is supported materially and politically by South Africa and the United States, and by military advances and acts of sabotage by the South African army deep in Angolan territory.

The government in Luanda is addressing the urgent need to improve the miserable economic situation. It thinks that the FRG could also play a role in accomplishing this goal. During Portuguese colonial rule a number of West

German companies were active in Angola. The important iron mine in Cassinga, for example, was equipped largely with German machinery. Furthermore, a number of medium-sized electrical utilities are equipped with German turbines. German industry has a good name in Angola and that is why the socialist government is so very interested in renewed participation by German business.

During his visit State minister Schaefer emphasized again and again that the European Community had basically declared its readiness to help the so-called frontline states which are being particularly adversely affected by the South African policy of destabilization. And since Angola was in such an extremely difficult position economically and was constantly being threatened militarily by South Africa, Angola ought to be allotted similar support from the FRG such as that it already gets from Italy and the Netherlands, for example.

The Angolan government apparently sets such great store by this aid that it is not only prepared to consent to the agreement on the promotion of investment required by Bonn but also to ignore subjects during Schaefer's visit which could have made the German visitor uncomfortable--for example, the existence of an office for the rebel organization in the FRG.

12552

CSO: 3420/30

KGB TRAINS DISA AGENTS BOUND FOR PORTUGAL

Lisbon TEMPO in Portuguese 30 Jul 87 p 64

[Text] The Luanda secret police is changing its operational methods in Portugal. Personnel from the embassy in Lisbon were recently in Luanda to establish the new modus operandi of DISA in Portugal, with the cooperation of the minister of security and the resident KGB agent in Luanda.

These new plans and methods reveal a stronger KGB influence and its 'vademecum.' DISA "headquarters" in Portugal will be located on one of the two floors of the chancellery of the Luanda embassy, but in Queluz a house has been prepared to serve as residence for a group of agents, mainly of the female sex. A telecommunications network forms part of the structure. Two telex operators and three listeners will take turns in the telecommunications room. Miniature tape recorders will be (or have been) distributed to agents in the field. But the greatest novelty was the appearance in the force of "swallows"; a good number of attractive black and mulatto girls, who provide a special "service" to DISA activities in Portugal, as if it were conquered territory.

All DISA men and women who will work in Lisbon were trained in a special school in Luanda by Soviets who are fluent in Portuguese and who even pass themselves off as...Portuguese.

In the new scheme of things, the only DISA agent in Lisbon who may make contact with the Angolan ambassador in Portugal is the chief, who in order to do that, will use the chancellery or the embassy residence on Avenida das Descobertas in Lisbon.

/9274

CSO; 3442/0270

NEW FAPLA CONTINGENT IN LOBITO TAKES OATH

Luanda JORNAL DE ANGOLA in Portuguese 7 Jul 87 p 3

[Text] Benguela--A group of young men last week took the oath of allegiance to the fatherland of Agostinho Neto, at a ceremony held in the commune of Biopio, municipality of Lobito. Presiding at the ceremony was the coordinator of the party committee of the Seventh Political-Military Region, Captain Santiago Francisco.

During their training period the young combatants will acquire expertise in the area of military technology, in order more efficiently to fulfill the task of defending the Angolan fatherland and guaranteeing the security of the working masses and the general public.

The ceremony marked the conclusion of the fifth course in political and combat preparation for new combatants of the FAPLA. Speaking in representation of Major Domingos "Derrama" Ferreira, chief of the political directorate of the Seventh Region, Capt Santiago said that the training of new military cadres represents a guarantee of success in the struggle against the machinations of the puppet gangs and their masters.

The FAPLA officer added that success in the combat actions against the domestic and foreign enemies of the Angolan people requires discipline, organization, and revolutionary awareness as well as the complete eradication of all antisocial tendencies.

Santiago Francisco concluded his address by once again advising the young combatants to make a maximum effort in their practical application of the skills acquired during the training period, so as to cope successfully with the current situation of undeclared war afflicting our country.

For their part, the newly sworn combatants pledged to defend Angola's sovereignty without respite until the annihilation of the last puppet in the service of international imperialism, which is attempting at all costs to impede progress throughout the territory of the People's Republic of Angola.

Present at the oath-taking ceremony were members of the MPLA-Labor Party and of the Youth of the Party; representatives of the mass organizations and social organizations; and other guests.

New Executive Board of Party Representative Committee Introduced

The new executive board of the Party Representative Committee of Zone C, municipality of Benguela, was introduced last Saturday to the residents of the municipal districts of Kassoko, Caponte, Capiras, Benfica, and Sao Joao during a ceremony held at the offices of the Kassoko people's committee.

In the course of the ceremony--which was presided over by Jeremias Dumbu, first secretary of the Benguela Municipal Committee of the Party and municipal commissioner--the residents were informed concerning certain directives left by Comrade President Jose Eduardo dos Santos during his visit to that province.

In his address, Jeremias Dumbu spoke of the fundamental role that each representative of the party must play in fulfilling the contribution that we are obligated to make toward solving certain problems that impact our people. "Fulfillment of the directives issued by the party cannot be evaded," he continued, "inasmuch as these directives are designed basically to minimize the increasing difficulties faced by our people."

With respect to robbery and black marketeering--epidemics that are being combated in all regions of Benguela Province--this member of the Provincial Party Committee concluded his address by reminding the local residents of the need for them to collaborate by reporting everyone who openly or clandestinely persists in continuing the parallel markets. He also urged them to maintain hygienic standards as a means of combating the cholera epidemic that has recently afflicted the country and has already resulted in a moderate to substantial number of deaths despite the fact that the anticholera campaign is being waged rigorously.

10992

CSO: 3442/227

MALANJE AUTHORITIES COMMENT ON AGRICULTURAL PLANNING

Luanda JORNAL DE ANGOLA in Portuguese 26 Jun 87 p 3

[Article by J. Rosa Santos: "Provincial Authorities Advocate Agricultural Planning"]

[Text] Malanje (By our correspondent)--Domingos Inacio Muxiry, deputy provincial commissioner for production, says it is necessary to introduce a new philosophy into agricultural production, whereby a survey would be made of the villages and the general population to be used as a basis for correct planning with respect to the means of production and seed stocks.

Domingos Muxiry made this statement at a meeting he held with the traditional authorities of the municipality of Kiwaba-Nzogy in the course of a working visit to that locality. He went on to speak of the need for greater control over agricultural products by provincial officials at various levels, with a view to preventing their circulation on the parallel markets.

During the meeting the village chiefs of the municipality expressed their firm intention to comply with the directives issued by higher authority, and in particular as they relate to increasing production and productivity with the aim of improving the conditions of the people.

Continuing his visit to this municipality of Malanje Province, Domingos Muxiry met with officials of the local party organizations and of the JMPLA-JP [Youth of the Popular Movement for the Liberation of Angola-Youth of the Party] and Defense and Security Forces, with whom he discussed matters relating to the political, military, and socioeconomic situation of the municipality.

Conference on Defense of the Fatherland

A round table conference on the topic "The Duty of Every Citizen When the Fatherland Is Threatened" was held yesterday in this city under the direction of Captain Antonio Damiao da Silva, provincial chief of the Military Recruitment Center (CRM).

The conference is part of the sensitization program looking toward the upcoming new military induction period. Its participants included the neighborhood coordinators; village chiefs; members of the BPV [People's Vigilance Brigades]

of the municipality, which is the provincial capital; and a substantial number of ordinary citizens.

In the course of his presentation, Capt Damiao da Silva cited the need for the entire nation to play an active role in carrying out the tasks of national defense because--he emphasized--this is the Number One obligation of every citizen of the nation.

The provincial chief of the CRM also called on those present--and in particular the village chiefs and neighborhood coordinators--to carry out a comprehensive program for sensitizing the youth of their respective areas, so that the latter will report at the induction centers.

Youth Meeting

The Malanje Provincial Committee of the JMPLA-JP is holding its second special session today and tomorrow to study the directives concerning participation by young Angolans in the nation's socioeconomic development.

The session--which will be directed by Mateus Celestino, Malanje provincial first secretary of the JMPLA-JP--will also undertake a study of the special program for the construction of schools and a residential neighborhood for youth.

Questions regarding coordination of the members of the JP and of the cadres and leaders of the territorial battalions, the ODP [People's Defense Organization], and the People's Vigilance Brigades will also be discussed at the meeting.

10992

CSO: 3442/227

SMALL SUGAR CROP FORECAST FOR BENGUELA PROVINCE

Luanda JORNAL DE ANGOLA in Portuguese 26 Jun 87 p 3

[Article by Rui Vasco (ANGOP): "Sugar Crop in Trouble"]

[Text] The 1987-88 sugar harvest began last Tuesday at the "1 May" unit--which is associated with the Centro (Osuka) Regional Sugar Enterprise--with a planned crop forecast of 10,000 tons.

This is the lowest figure recorded to date by the enterprise, whose real production capacity is 30,000 tons per harvest.

The best production figure since independence was that of the 1977-78 crop, which yielded 22,026 tons of sugar. In the ensuing harvests, production underwent successive declines up to and including the current forecast, which is the lowest ever.

This situation is caused by the low productivity of the plantations, which in turn is caused by poor drainage in the canefields and by the lack of machinery to renovate them (a process that normally takes place after five successive cuttings) and also by the shortage of fertilizers, herbicides, and insecticides.

In the opinion of top officials in the sugar sector, another contributory factor is the "abnormal" conditions under which the workers of the sector--and primarily the cane cutters--work, because of the lack of transportation and clothing and because of deficient nutrition.

The "1 May" sugar unit has an agricultural area of 3,800 hectares. Current yields do not exceed 40 tons of sugar cane per hectare, of which an average of 3 tons per hectare are lost to theft.

The problem of the vehicles that transport the sugar cane--a problem caused by the shortage of accessories and spare parts and also by the reduced number of vehicles on hand--has caused disruptions in the milling process, because of the delays in transporting the cane to the mill.

During the 1986-87 sugar harvest, the "1 May" unit--despite the fact that it overfulfilled the initial target--produced only 12,134 tons, representing approximately 40 percent of installed capacity.

The Centro (Osuka) Regional Sugar Enterprise comprises two units--the "1 May" and the "4 February"--situated respectively in the communes of Catumbela (municipality of Lobito) and Dombe Grande (municipality of Baia Farta).

The "4 February" unit has an area of approximately 3,183 hectares under cultivation, and can produce--under normal conditions--from 8,000 to 10,000 tons of sugar per harvest.

At the present time, however, production at the "4 February" unit does not exceed 5,000 tons, because of problems that afflict the sugar sector in general in the province, coupled with the water shortage that prevails during the dry season (the cacimbo).

For years, therefore, the concept of constructing a dam on the Coporolo River has been discussed and refined, with the aim of regularizing the supply of water to this production unit, whose machinery is newer than that of the "1 May" unit but lacks the accessories and spare parts necessary for its maintenance.

In short, it must be concluded that based on the indices of production and installed capacity, the Benguela sugar sector--the strongest and most important in the nation--is passing through a critical period that calls for special attention.

Our country is in a phase of austerity, and for that very reason is experiencing financial problems and foreign exchange problems. This is why it is essential to achieve maximum recovery of the principal national industries, and in particular those industries whose products replace imported goods. It is something that is urgently necessary.

10992

CSO: 3442/227

LOBITO SALT ENTERPRISE TO INCREASE PRODUCTION

Luanda JORNAL DE ANGOLA in Portuguese 10 Jul 87 p 3

[Text] Lobito--The Regional Salt Enterprise (ERSAL)--a state economic unit based in this city--will introduce new systems for operating its saltworks with a view to stimulating an increase in its production, currently projected at 15,000 tons per year. This step will be taken in conjunction with the acquisition of new motor pumps and "Damper's" vehicles.

In an interview granted to ANGOP, ERSAL Manager Fernando Filipe said that the purpose of this small capital investment is to restore a considerable part of the production areas that were deactivated approximately 3 years ago because of damage caused by the heavy rains that fell in 1984 in some areas of the province.

ERSAL has a production capacity of 60,000 tons per year of common salt and 30 tons per day of purified salt.

In the opinion of ERSAL's manager, only when domestic demand is satisfied will it be possible to consider exporting this important product, which is the principal reason for ERSAL's existence. As of June, ERSAL's production for this year was estimated at 6,200 tons of common salt.

ERSAL--with a total of 384 workers--is facing the same financial problems as the other units that engage in the extraction of salt. The low price for salt; the high production costs; and the expense of equipment maintenance have saddled the enterprise with an operating deficit that creates problems with respect to wages.

10992

CSO: 3442/227

ENE GUARANTEES REGULAR ELECTRIC SUPPLY

34420257b Luanda JORNAL DE ANGOLA in Portuguese 28 Jul 87 p 3

[Article by Miguel Filipe: "Industrial Park To Receive Regular Electric Power Supply Next Year"]

[Text] Lubango (Our bureau)--The fourth enlarged meeting of the board of directors of the National Electricity Company (ENE)--which was convened on 23 July--concluded Saturday in this city with the adoption of important measures to improve the performance of the enterprise in all fields of activity.

The meeting studied the record with respect to fulfillment of the tasks set during 1986 and the first 6 months of this year. It prescribed the activities to be carried out in the next 12 months, and also studied and approved the draft of the technical economic plan for the 2-year period 1988-89.

With ENE General Manager Quelhas Mota presiding, the fourth meeting of the board of directors of the National Electricity Company also verified that generally speaking, there had been improvements in the performance of the enterprise's activities despite the technical and material difficulties that have confronted it.

The final determination was that various programs being carried out this year (and others still in the start-up phase) will make it possible to guarantee a supply of electric power by the end of next year to all the provincial capitals and strategic industrial parks without running the risk of interruptions because of equipment damage or failure.

The meeting also determined that a comprehensive effort at redynamization of the accounting department of the enterprise will make it possible to update the ENE's accounts for the period 1980-86 by the end of this year, and to carry out an inventory and reappraisal of all the assets of the enterprise.

The closing address was delivered by Joao Vlaney, member of the party executive committee and secretary for economic and social development. Speaking for Provincial Commissioner Lopo do Nascimento, Joao Vlaney emphasized the importance of the ENE's activities to the nation's socioeconomic development.

10992

VOCATIONAL TRAINING CENTER FOR INDUSTRY CREATED IN LUBANGO

34420257d Luanda JORNAL DE ANGOLA in Portuguese 29 Jul 87 p 3

[Text] Huila (Our bureau)--The Fadario Muteka vocational training center of the Ministry of Industry was opened yesterday in the city of Lubango, at a ceremony presided over by Burity da Silva, director of the Department of Cadres of the Central Committee of the MPLA-Labor Party.

The Fadario Muteka center was founded with the aim of providing for the training of basic cadres for the industrial maintenance sector and machine operators of the central and southern regions of Angola. It has a capacity to board 150 students.

According to Albino Sinjecumbi, director of the center, plans call for expanding the training activities of this educational establishment to include the administrative areas. This initiative will have the cooperation of advisers from several Portuguese enterprises in the field, although the teaching staff is entirely Angolan.

The dedication ceremony included a tour of the installations of the new center, which consists of machine shops, electrical shops, a foundry, and classrooms for the teaching of theory. The center was completed with the assistance of a number of international enterprises and agencies.

Vice Minister of Industry Galvao Branco attended the dedication ceremony and delivered an address. He said that the opening of this center brings to eight the total number of institutions entrusted with the task of training the specialized manpower that the ministry needs.

The vice minister went on to tell of other projects that are in the planning stage, notably the removal of the Institute of Mines to the city of Sumbe and the creation--in Lubango--of an additional vocational training center.

10992

ANGOLA

VEHICLE REPAIR PLANT TO OPEN TRAINING CENTER

34420257c Luanda JORNAL DE ANGOLA in Portuguese 28 Jul 87 p 3

[Article by Julio Gomes: "MANAUTO 120 Plant in Huambo To Open Training Center"]

[Text] Huambo (Our bureau)--The MANAUTO 120 Plant plans to open a vocational training center soon that will be extended to the provinces of Bie and Kuando Kubango, JORNAL DE ANGOLA has been told by an authorized source within that enterprise.

Created in 1982 with the assistance of Swedish technical experts, MANAUTO 120 has specialized in repairing Volvos, and last year did approximately 18,124,800 kwanzas worth of business, 50 percent of which was remitted to the General Budget of the State.

We have also been told that MANAUTO 120 has also been servicing Scania trucks, although on a smaller scale.

The source we contacted told us that the technical and administrative services of the enterprise are performed by 64 workers, distributed throughout the Planning; Finance; Human Resources; and Technical Production departments (which comprise the paint shop, body shop, engine shop, car wash, and the lubrication and storage sections).

MANAUTO 121

Created in 1979, MANAUTO 121--located in this city--has been servicing IFA brand vehicles, for which it received a total of 1 million kwanzas last year.

Despite some difficulties, MANAUTO 121's manager Virgilio Calulica says the level of performance of the programmed activities is satisfactory.

He says that MANAUTO 121 has provided assistance to the provinces of Bie and Kuando Kubango, despite its shortage of repair parts.

The delays that have occurred in transporting these components, he said, have been instrumental in obliging the enterprise to have recourse to the black market.

With approximately 50 workers placed in various sections, the enterprise is prepared to provide better service not only to local entities but also to entities in other provinces, thanks to its improved capability.

Lastly, MANAUTO 122--under the authority of the commission of the Ministry of Transport--is equipped to service light motor vehicles, with state sectors accorded a measure of priority.

Just as the other enterprises mentioned above, MANAUTO 122 is also struggling with problems relating to the parts shortage: a fact that considerably impedes the production process.

To cope with these problems, MANAUTO 122 Manager Joaquim da Conceicao Mayer called attention to the necessity for decentralization of ABAMAT (Technical and Material Supply Enterprise) to make it possible for each enterprise to control the materials for the automobiles it services and thereby eliminate the bureaucracy and other negative factors.

10992

BRIEFS

MALANJE PARTY CELLS--Approximately 2,800 party members and candidates for membership are distributed throughout 287 local working cells under the control of the Department of Organization of the Malanje Provincial Party Committee, ANGOP was told by Nuno de Oliveira Chiquito, Malanje provincial party second secretary. Nuno de Oliveira--who is also secretary for the Department of Organization--went on to say that this figure could increase in the near future when the third phase of the party membership campaign is initiated (the campaign began some days ago). This party official expressed the view that the party work carried out in the province is satisfactory at all levels, but advised the members to intensify their commitment to the tasks entrusted to them. The Department of Organization of the Malanje Provincial Party Committee also made visits of assistance and supervision to the cells of the peasants' associations, and held methodological meetings with political activists who support the work of the rank-and-file organizations. [Text] [Luanda JORNAL DE ANGOLA in Portuguese 7 Jul 87 p 3] 10992

SONANGOL-SALCIDA SIGN ACCORD--An accord designed to make Angolan petroleum more commercially profitable was signed yesterday between the National Angolan Fuel Company (SONANGOL) and SACILDA (the enterprise devoted to promoting Angolan products on the international market) at SONANGOL headquarters in Luanda. Signing for SONANGOL was General Manager Herminio Escorcio, and for SACILDA, Manager Dumilde Rangel. Beginning next January, SONANGOL will consign to SACILDA--under the terms of the accord--20,000 barrels of petroleum per day for sale on the international market. The manager of SACILDA took the occasion to declare that the enterprise he directs is making a significant investment in this type of transaction, in order not only to endow itself with the financial capability to operate with greater autonomy in the international market but also to provide the People's Republic of Angola with conditions for the sale of petroleum that correspond to those currently governing the international market. Sources connected with SACILDA say it may be possible to obtain financing through foreign economic agents so that Angola's commerce and industry may be better represented on the international market. This accord will enable SACILDA to buy and sell on the basis of a more profitable schedule of prices that will take into account the fluctuations in price that occur on the international market. [Text] [Luanda JORNAL DE ANGOLA in Portuguese 4 Jul 87 p 1] 10992

SWEDISH DONATION--The ASDI (Swedish Agency for International Development) is supplying 12,000 liters of Lactato Ringers--a liquid rehydration (serum)--in vials to the Angolan Ministry of Health to assist in the anticholera campaign. Contacts were immediately established with the World Health Organization in Geneva, and the merchandise was sent to The Netherlands, from where it was transported by TAAG [Angolan Airlines] to Luanda. The serum was officially delivered on Tuesday by Acting Charge d'Affaires Svend Thomsen of the Embassy of the Kingdom of Sweden to the People's Republic of Angola. [Text] [34420257a Luanda JORNAL DE ANGOLA in Portuguese 16 Jul 87 p 3] 10992

CATHOLIC CHURCH CHALLENGING GOVERNMENT ON ISSUES

34420267 Lisbon EXPRESSO in Portuguese 1 Aug 87 p 13

[Article by M.P.: "Specter of Polish Church Troubles Cape Verde"]

[Text] When--in the summer of 1981--the Polish Church and the union "Solidarity" were at the center of the social movement hostile to the Warsaw regime, Cape Verde's Prime Minister Pedro Pires sounded the alarm to his closest associates and emphasized the necessity for preventing something similar from taking place in Cape Verde.

We know how the Polish social explosion ended: with the invasion by the Soviet troops.

Today, 7 years later, Cape Verde is experiencing a situation of social challenge to the regime of the PAICV [African Party for the Independence of Cape Verde] (successor to the PAIGC after the downfall of Luis Cabral in Guinea-Bissau). The movement consists of three basic vectors: the challenge of the Catholic Church, which has been in open conflict with the government since the legalization of abortion; the social and student movement of opposition to the regime, a movement that is growing on Sao Vicente; and the underground opposition at home and abroad.

The demonstrations of last weekend (in which 500 persons took part) in the city of Mindelo attested to the continuing growth of the opposition to the regime. As long ago as last December the students at the secondary school in Mindelo demonstrated in favor of improved access to education (and better quality education) and also criticized the military service obligation, which was instituted recently.

Teofilo Silva, an employee of the Cape Verdean Central Bank, wrote--in the Catholic monthly TERRA NOVA--an article praising the Sao Vicente student movement and criticizing the Praia regime with unaccustomed harshness.

The government was not slow to react: the writer of the caustic article was removed from all functions of responsibility at the Central Bank. This instance of personal persecution was the immediate cause of the demonstration of solidarity that erupted last Friday in Mindelo, in the course of which there were confrontations with the police and a total of 16 arrests.

Abortion Law: The Confrontation

Following independence the Catholic Church and the Cape Verdean Government maintained a relationship that some observers categorized as a "marriage of convenience."

Even when the young republic adopted the Agrarian Reform Law (which provoked a strong reaction on Santo Antao and resulted in a number of political prisoners), the Church--itself one of the largest landowners and one of the principal targets of the law--was circumspect in its criticism. It was not the time for confrontation, and ever since the end of the colonial era the Church had been adapting to the new times.

The emergence of the periodical TERRA NOVA--owned by the Capuchin monks of Sao Vicente (who devote themselves to acts of charity on that island)--marked the beginning of a new phase in the relationship between Church and State, despite the fact that the bishop of Cape Verde, Dom Paulino de Evora, had always maintained that the monthly was not expressing the official positions of the Church. When contacted by EXPRESSO, Dom Paulino de Evora refused to make any comment regarding the incidents in Mindelo.

It was this periodical, however (which is well established abroad) that expressed in the most unremitting and violent manner the Church's attacks on the law--approved this year by the Cape Verde parliament--that decriminalized the voluntary termination of a pregnancy.

The Press Law--which has a decisive impact on the right of access to information--was also cause for confrontation. The radicalization of the respective positions was reflected in the pages of TERRA NOVA (expressing the Church's positions) and in those of VOZ DI POVO (an unofficial organ that reflects the government's position).

In June the Praia cathedral was attacked and desecrated by persons unknown. This act gave rise to two large demonstrations of anger and protest against the PAICV regime.

All this served as the backdrop for the demonstrations in Mindalo last weekend. The authorities freed all those who had been arrested (two of their number had been sentenced by the Police Court to remissible penalties), except for Emanuel Morais, who had been attacked by police and is currently hospitalized in Mindelo.

The outcome of this continuing situation--in which the Church, despite its official silence, is playing a decisive role--remains to be seen. The specter of what happened in Poland is increasingly vivid in Cape Verde, and the regime is currently vacillating between strengthening the repression and opening the way for the emergence of other political parties.

10992

ISOLATION BY WEST SEEN HASTENING INTEGRATION INTO SOVIET BLOC

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 22 Jun 87 p 12

[Article by Guenter Krabbe, Nairobi: "With the Weapons Came the 'Politruks.'
How Ethiopia Has Strayed Down the Road Toward People's Democracy."]

[Text] Ethiopia has elected its national assembly, the Shengo. Now there is only one step remaining before this East African land becomes a people's democracy: In September, 13 years after the beginning of the revolution, the constitution will take effect, thereby proclaiming the People's Democratic Republic of Ethiopia; the 835 delegates to the Shengo will assemble, and the president will be elected. There is no question that this will be the hitherto head of state and party, Mengistu Haile Mariam. In the West, prior sentence has already been passed upon Ethiopia, its constitution, and Mengistu: For years it has been said that the country was under Soviet influence, its Marxist-Leninist constitution modeled along Soviet lines, and that free elections were out of the question. Besides that, the wars of secession in Eritrea and Tigre showed that today even those nationalities which had tolerated Emperor Haile Selassie up to 1979 wanted their own government.

That judgment is a basic tenet of Western policy toward this country on the Horn of Africa. Admittedly, in Bonn a certain relaxation is noticeable, and the onetime colonial power Italy, too, already appears almost open-minded; but the United States, once the closest ally of the empire, finds nothing good about the republic. Nevertheless, every charge the West now brings against Ethiopia should have been brought against imperial Ethiopia, as well, and ought to be brought against most of its closest friends in Africa today.

In fewer than a dozen of the over 50 African countries are two or even more parties permitted. A similar number have no party at all and are military dictatorships. The others are one-party states. Ethiopia is one of these; Kenya, Zaire, Malawi, the Ivory Coast, Burundi--all countries that are considered pro-West--are some of the others. Ethiopia's constitution contains elements also found in the Soviet constitution. The neighboring country of Somalia and other countries have similar constitutions. The guarantees of human and civil rights also contained in the Ethiopian constitution will probably have just as little substance

in a court of law as the equally guaranteed rights in Liberia, Gabun, Botswana, Madagascar, and other African countries. The freedoms of speech, the press, and opinion are of just as little value in Ethiopia as in Togo, Tanzania, Rwanda, Cameroon, or Mali, no more and no less. If one is to believe the official propaganda, Ethiopia has the greatest, most brilliant, most humane, most popular, most just, and most peace-loving head of state, for whom the country is envied, just like--with very few exceptions--all the other African countries, as well.

There are attempts at secession and autonomy in Ethiopia and in the Sudan, in Chad, in the Western Sahara, in Zimbabwe, or in Mozambique. The Biafran war cost two million lives. In Eritrea the war of secession began almost 25 years ago; in Tigre, over 50. At that time, Emperor Haile Selassie was ruling in Addis Ababa, and the West took a stand on his side against the secessionists. In Tigre, the princes deserted with their armies to the side of fascist Italy in the Abyssinian War. In Eritrea, even after Cuba's change of front to the side of the "fascist junta in Addis Ababa," the rebels trained and armed by Cubans still profess loyalty to Marxism-Leninism. The roots of rebellion stretch much further back in history than just to 1974. It is not a matter of a liberal-democratic uprising for self-government and equal rights.

The revolution of 1974 had strengthened and encouraged rebellion for the same reasons and at the same time as Somalia, which was trying to wrest Ogaden from Ethiopia. With this Somalian attack, the condition for allied assistance was fulfilled under the American-Ethiopian defense agreement. But America refused and even delivered no more weapons. Not until after Ethiopia had turned to all the other Western countries and had been rebuffed, did it turn to the Soviet Union and Cuba. They came to its aid, and with the weapons and the soldiers, the "politruks" (political officers) naturally came, too. However, Ethiopia could get rid of them again, if the West were to give it a guarantee of stability. In the same African region, the Sudan and Egypt have demonstrated this.

Ethiopia has also been charged with resettlement operations and with the concentration of scattered farmers in villages. Both, however, are Western ideas. Resettlement, as Ethiopia has pointed out, was suggested by the World Bank as early as 1972 as the "only way" to prevent the catastrophe of further famines. In 1985, when the Ethiopians, in the middle of the next and, up to that time, greatest famine, asked the Western nations for help in resettling people, they were turned down, even by Bonn. Only Italy was prepared to give indirect aid. Once again the West had refused, and once again the Ethiopians turned to the Russians as a last resort. The situation is similar with respect to the establishment of villages, something the West has called for in other African countries as one of the most important elements of agricultural developmental policy. But Ethiopia, it has been claimed, wants to depopulate the rebellious provinces by resettlement and to gain control of the remaining inhabitants by establishing villages. This allegation is immediately discredited on noting that from Eritrea, the most rebellious of all the provinces, no one has been resettled at all, and that there

has been no establishment of villages there, either. The Eritreans have always lived in villages, without its having prevented uprisings. Even the claim that there has been collectivization in agriculture cannot be substantiated. With 94 percent of all agricultural land under the private ownership of small farmers, Ethiopia is one of the African countries with the strongest private economies.

The latest accusation has to do with electoral choices among candidates who are really all of the same persuasion, rather than among different parties, for a parliament that has no actual authority. Both objections would have to be raised in just about every country on the continent, if Africa could be adequately measured with a European yardstick. In fact, it is even doubtful whether in Liberia, Senegal, Botswana, or Zimbabwe several parties would be allowed to continue to participate in the elections if the overwhelming victory of the president's party were not predictable--or readily manipulated. In Ethiopia there were just a few electoral districts with only one candidate. The absence of an opposing candidate for Mengistu was naturally just as glaring as for any other head of state in Africa. Otherwise there were choices between a candidate of the Party and one or two non-Party candidates from the mass organizations, which, of course, are branches of the universal party. In Kenya, too, as one of several examples, the voters can choose among several candidates; however, they are all candidates of the Party. Unions, women's organizations, or other mass organizations are not permitted to nominate candidates. In Djibouti, once again as just one example among several countries, there is only one single candidate in each electoral district, that is, not even--in the Western European sense--a pretense of an election. Ethiopia truly does not fit into the world of European political thought and never was a paragon of Western democracy. Africa has other traditions than Europe, other experiences and other methods. To be sure, Africans pursue happiness just as much as other people, even if they define happiness in different terms. Nevertheless, Africa continues to be measured by European standards, Ethiopia more so than other countries south of the Sahara. That is just what makes it so much harder for Ethiopia to make any headway against preconceived notions. Yet the longer the West isolates Ethiopia, the greater the danger that its Marxist-Leninist rhetoric will be filled with Marxist-Leninist content.

13295/9604

CSO: 3420/27

ELF SPOKESMAN DISCUSSES RECENT VISITS

34040006a Tunis AL-SABAH in Arabic 1 Jul 87 p 6

[Interview with Muhammad 'Ali Idris by 'Abd-al-Ra'uf al-Imam: Gulf Assistance and Support for the Eritrean Revolution"; date and place not specified]

[Text] Mr 'Abdallah Idris Muhammad, editor-in-chief of the ERITREAN LIBERATION newspaper, and Mr Muhammad 'Ali Labbab, chief of the Foreign Relations Office of the Eritrean Liberation Front, both visited Kuwait and the UAE, where they met with officials and held extremely important talks and made contacts. In recent days we had a long interview with fighter Muhammad 'Ali Idris, chief of the ELF's Foreign Relations Office, who gave us the full details of these visits and provided us with a clear analysis of the full scope of the Eritrean people's cause.

Asked about the most important objectives of the recent visits to Kuwait and the UAE, Mr Muhammad 'Ali Idris said:

"We explained to the officials of the two fraternal countries the latest developments in the Eritrean question, both past and present, that have occurred in the Eritrean and international arenas.

"What gave the visit to Kuwait special importance is the fact that this fraternal country has always stood on the side of the Eritrean cause in general and the ELF in particular. It has been generous and altruistic in its material and moral support, out of its belief in this just cause and the need to stand by its fighters.

"We found that the brothers in Kuwait fully understood our presentation of the facts, intricacies, and conditions and the two nations were in full agreement regarding the Ethiopian-Eritrean conflict. The brothers in Kuwait promised us more aid and added backing and support for the Eritrean people's struggle in the various fields.

"In other developments, we held meetings with popular and philanthropic organizations in Kuwait. These organizations expressed their full appreciation of the Eritrean's people's harsh and tragic circumstances which sometimes call for assistance sufficient to meet the needs of the Eritrean steadfast fighters, refugees, and families of martyrs."

[Question] What were your most important activities and meetings in the UAE?

[Answer] We met with a number of officials and presented them with a clear and elaborate explanation of the circumstances of our people and their resistance movement. We reviewed the delicate and sensitive intricacies of the Eritrean cause that require aid and assistance to help us to get through this difficult stage and to continue the armed struggle for liberation with efficacy and steadfastness so that the Eritrean people, the vanguard of the Islamic Arab front in the heart of the African continent, may achieve their desired sovereignty, independence, dignity, strength, and prosperity.

We also sense great support from the authorities, particularly since the UAE is considered one of the fraternal Arab states that has always stood on the side of the Eritrean people and never waived in its material and moral support of their struggle.

We would like to note here that His Royal Highness Shaykh Zayid Bin Sultan Al Nuhayyan continues to exhibit extreme interest in the developments of the struggle of this ancient Arab-African people.

[Question] What is your current assessment of diplomatic and revolutionary developments in the Eritrean struggle, particularly since Addis Ababa has recently expressed an amazing determination to continue its aggression and pursue its ambitions in this integral part of the Arab world, known throughout its history for its legendary opposition to the invaders wishing to raid the territory of the Islamic Arab nation from that side, thus making Eritrea the gateway and the southern stronghold of our nation throughout the centuries? And what progress has been made in the plan to achieve Eritrean national unity?

[Answer] Regarding national unity and the unification of the Eritrean factions, we in the ELF are still making every conceivable effort to realize revolutionary unity, notwithstanding the failure of the recent tripartite unity. This cannot be the end of the road because we believe in the concept of united struggle which essentially is the decisive factor in the Eritrean-Ethiopian conflict, noting that the so-called unified organization ceased to exist in Eritrea when the united factions withdrew from it. Therefore, we call upon all the brothers in the Eritrean factions to hold dialogues and meetings to unify the ranks of the Eritrean resistance, while renouncing egoism and individualism which unfortunately still govern the imagination of some people. The achievement of all these things is important and essential in accordance with many formulas that can be employed in realizing a minimum level of agreement and unified and coordinate action in the confrontation with a historic imperialist and colonialist enemy, fully backed by foreign forces that harbor great ambitions throughout the Arab and African regions.

12502

PRESIDENT VIEIRA'S ILLNESS AROUSES SUCCESSION SPECULATION

Lisbon EXPRESSO in Portuguese 1 Aug 87 p 13

[Text] The situation in Guinea-Bissau remains, simultaneously, at an stale-mate and undetermined, as a result of Nino Vieira's convalescence, as EXPRESSO learned from Western sources residing in the Guinean capital. Several rumors have been circulating in Bissau concerning the nature and effects of the president's illness, but no official information has been provided regarding the matter.

Current state business is being handled by the regime's number two man, Col Iafai Camara; but most of the decisions remain to be made, awaiting better times.

Meanwhile, it is not known whether Nino Vieira will recover completely from the damage caused by his illness; hence, it is admitted in Bissau that the one who is still president of the republic may not return to the government completely. The battle for the succession is increasingly intensive, but Iafai Camara is still the leader, with great advantages: he has control of the army, has Cuban backing at his disposal (and hence Soviet support), and is already exercising power.

The other two candidates, at their own desire or forced by circumstances, are Col Manuel Santos (Manecas), recently promoted to vice-chairman of the Council of State, and Carlos Correia, state minister for rural development and fishing. Carlos Correia, in whom many observers admit serious technical incompetence, has some trump cards to play in the race: his position in the state and party hierarchy, and his Balanta ethnic origin.

Vasco Cabral, one of PAIGC's [African Party for the Independence of Guinea-Bissau and Cape Verde] historical leaders, and up until recently, one of Nino Vieira's main advisors, is virtually excluded from this palace struggle.

Since the president dismissed him last February as minister of justice (because he had expressed his disagreement and apprehension over the constant, arbitrary imprisonment of Guineans), Vasco Cabral has ceased to influence the decisions at the presidential palace. Iafai Camara's exercise of authority removed him completely from the state's decisions, sending him to the party leadership, which is becoming increasingly devoid of political significance.

Iafai 'Warned' by Nino

A few months before his illness, Nino Vieira severely admonished his number two man, Iafai Camara, accusing him of planning a coup against the regime. It should be remembered that, in October 1985, Iafai was the perpetrator of the imprisonment of Paulo Correia and his group, later shot as a result of the charge of an attempted coup d'etat against the president.

As EXPRESSO reported, on 9 May of this year, something that was promptly denied by Bissau (as had already occurred a year earlier in connection with the later confirmed case involving Paulo Correia), Iafai was left "working at home," while at the same time several army officials close to him and also linked with Jose Pereira, minister of security, were being held.

Nino Vieira's illness calmed spirits, and those being held without substantiated guilt were released without trial.

Despite this, Iafai Camara currently exercises power in Bissau, although the president has wanted Manuel Santos (Manecas) to occupy the throne.

Col Manuel Santos, currently minister of commerce and tourism, was one of the favorite guerrilla fighters of Amilcar Cabral, with whom he was on close terms in Konakry during the colonial war.

A former student at the Lisbon Superior Technical Institute, who dropped out to join PAIGC, Manuel Santos attended a course on advanced military studies in the USSR, which equipped him to command the Abel Djassi (Amilcar Cabral's pseudonym during the war) Brigade, which used the first ground-to-air missiles available to PAIGC. The launching of those missiles at the end of the war brought about an almost total immobilization in Bissau of the Portuguese Air Force, essential to back up the colonial army's land operations. The appearance of this new weapon on PAIGC's side was a deciding factor in terminating the war in Guinea-Bissau.

Defender of the Capitalist System

Manuel Santos played a fundamental role in the talks held on site between the Portuguese troops and PAIGC after 25 April. The arrival of the guerrillas in Bissau (after the Algiers agreements) was also organized by him.

Life in the city changed the habits of the guerrilla commanders who, as a rule, abandoned their female fighting companions to marry girls from the capital. Manuel Santos, who was to marry Amilcar Cabral's daughter, did the same.

At the time, a musical ensemble from Bissau composed a song in which it described the matter of the fighting women being abandoned in favor of city girls; but the new government did not like it, and Manuel Santos, then information minister, decided that the radio stations could no longer air

the song, which was circulating among the local area residents. It was his first act of censorship, and perhaps the first repressive gesture of the young republic.

When Nino Vieira ousted Luis Cabral, Manuel Santos was minister of transportation, and his detractors were accusing him of corruption. It is not known exactly what his initial position was in connection with the coup d'etat, but there were rumors that he had attempted to escape, by swimming across the Geba River. Caught by supporters of Nino Vieira, he was taken into the presence of the latter, who invited him to remain in the country and back the new regime.

Manuel Santos remained, continuing as head of the Ministry of Transportation and Equipment, and was one of the leading defenders of Guinea-Bissau's new economic policy: a shift toward the West, denationalization of trade, agreements with the IMF, and recourse to the capitalist system to develop the country. Nino Vieira received his advice well, and used him as the regime's leader to claim that the "new republic" was not against the Cape Verdians: "proven" by the very presence of Manuel Santos in the government.

But it is precisely his Cape Verdian origin that might prevent the present minister of commerce and tourism from rising to power, replacing Nino Vieira. Manecas Santos still has against him Cubans and Soviets (who do not forgive his Western heterodoxy), the army (in which his influence is now reduced), and the fact that he has major economic interests in Cape Verde.

In his favor, he has the young cadres still remaining in Bissau (the generation of independence), Nino Vieira himself, and the hopes placed in him by those who yearn for the modernization of the Guinean economy and the liberalization of the regime in the direction of a state of law. But where are the "Kalashnikovs" that would guarantee those intentions?

2909

CSO: 3442/266

ECONOMIC SITUATION SEEN WORSENING

Frankfurt/Main FRANKFURTER RUNDSCHAU in German 3 Jun 87 p 9

[Article: "Ivory Coast Having Payment Crisis"]

[Text] One week before the beginning of the international economic summit in Venice, Africa has sent out a new emergency call to the seven most important industrialized nations. The Ivory Coast, whose economic and political significance is important to all of black Africa, can no longer meet its foreign debt payments. This is a dramatic event, particularly since this country has up to now been considered the most prosperous on the black continent and because its economic performance was held in such high estimation by its believers.

Within banking circles it is pointed out that the financial situation in this African nation had already clearly declined at the beginning of the year. In May deadlines for repayment of the debt were not met for the first time. It is therefore anticipated that by the end of 1989 the Ivory Coast will not be in a position to meet its payment obligations.

The warning signals from Africa were accompanied by American banks drastically placing funds in reserve for loans to third-world countries. Citicorp and Chase Manhattan placed billions in reserve within a few days.

The Ivory Coast, whose foreign debt is estimated at eight billion dollars, is the world's largest producer of cacao and the third largest producer of coffee. The "financial crisis" in this black African nation is the first in its 26-year history since independence. The country is characterized by its exemplary political stability under the leadership of its president, Felix Houphouet-Boigny. Following the "golden 1970's," beginning in 1985 there was a drastic drop in raw material prices for the most important agricultural products and at the same time a sudden drop in the exchange rate of the dollar. For more than a year the country's president has not tired of pointing out the unfortunate role of international speculators who are shaking the two pillars of the country's economy--cacao and coffee.

Currently a delegation from the International Monetary Fund, together with the government of the Ivory Coast, is looking for a way out of the miserable situation. According to experts, there are three possible solutions which

could help this country out of its crisis situation. The first--less probable--is complete refusal to pay back the debt. The second would involve new loans. The third, which is viewed as the most likely, rescheduling of the debt, or more aptly put, rescheduling of the rescheduled debt. Despite the disaster Houphouet-Boigny has not lost courage: "Discouragement is not an Ivory Coast virtue."

12552

CSO: 3420/30

MADAGASCAR

ECONOMIC CRISIS HEIGHTENS RACIAL TENSIONS

Brussels LA LIBRE BELGIQUE in French 16-17 May 87 p 2

[Article by Philippe De Boeck, special correspondent to Madagascar: "Madagascar: The Economic Crisis Exacerbates Racial Tensions"]

[Excerpts] Madagascar is the fourth largest island on this planet. The piece of Africa which broke off from the continent following a cataclysm a few million years ago to become the island of Madagascar can be compared to a Noah's ark. More than an island, this red-white-green country is really a continent.

Madagascar is an incredible cocktail of different cultures and faces. A census would find 18 ethnic backgrounds of Malaysian, Polynesian, Muslim, African and Asian origins. But all of them speak the same language: Malagasy. Ethnologists are still unable to explain the origin of this national and unique language.

A former French colony since the twenties, today the island-continent is economically adrift. Following semi-independence in 1960, the 1975 revolution led by Commander Didier Ratsiraka completed the de facto independence of the island. A potentially rich non-aligned nation, Madagascar is currently experiencing a serious economic crisis. Discontent is beginning to be felt at several levels.

In the Crater of the Crisis...

Henceforth, strikes, riots and disturbances following soccer games are common occurrences in Madagascar. There is no revolt yet, but problems are appearing somewhat everywhere and the authorities have no solution to offer. The country is slowly sinking into the crater of the crisis.

A 5-month strike. The approximately 40,000 students at the University of Antananarivo have been on a total strike since the beginning of the year. At stake is the government's refusal to continue to pay scholarships (16,000 Malagasy francs per month, or 800 Belgian francs) for students repeating programs for the third time. One should realize that in Madagascar it is possible to study until the age of 40, if not 50, and there is no lack of examples.

Hugues, 30 years old, has been working in one of the capital's hotels for a short time as errand boy. He covers more than 40 kilometers a day and makes 38,000 Malagasy francs (1,900 Belgian francs) per month. He had started studying for an English degree but had to interrupt his studies for financial reasons. "Here we take a long time to study (editorial note: for reasons, specifically, of language problems); I had to repeat the program for a third time and now I no longer have a scholarship. So, in the meantime I had to look for a job. But I do hope to be able to pick up my courses again in a year."

Many students prefer to continue their studies and transfer from one college to another (that is to say receive 16,000 Malagasy francs per month and have free housing) rather than find themselves unemployed. A compromise was nearly reached last April, but it was neither the first nor the last. The army is always ready to intervene. A company is camping out every day in a park not far from the colleges...

"Rotaka." In Malagasy "rotaka" means "disturbances." At the last soccer game played in the capital for the African Cup of Nations, Madagascar was eliminated by Kenya in a return game. After leaving the stadium, the Malagasy supporters went to the center of the city where they broke shop and travel agency windows and set cars on fire until late in the night. The next day, the capital slowly returned to its rhythm and bandaged its wounds. The army patrolled with helmets and rifles.

Three days earlier, President Ratsiraka had left for a trip to Paris, Moscow and North Korea to visit his "old friend" Kim Il-song. The morning of his departure, the 20 kilometers which separate the airport from his residence were lined with military personnel, their Kalachnikovs at the ready. Two soldiers every 100 meters. "I am not escaping," he stated at the time. That says a great deal about the prevailing climate on the Big Island.

Disturbances in the South. The population's discontent has been felt somewhat everywhere, but it is in the south and more specifically in the cities of the southwest and the center that the riots have been most serious. Even though they are peace loving by nature, the Malagasy people have let their anger explode against all the Indo-Pakistanis. As a matter of fact, this community has been accused of setting the laws in economic matters, of enriching themselves at the expense of the Malagasy, and of not failing to show it (see below).

For the Malagasy the situation is really critical. Not that they are starving (although some regions in the south are experiencing famine) but everything is going from bad to worse and the country has regressed 30 years over the last 10 years. As Mr Papillon, a French restaurant owner who arrived on the island in 1951 and who knows the country very well, noted: a farmer earns 25,000 Malagasy francs per month; a civil servant 40,000 Malagasy francs per month; and a secretary 45,000 Malagasy francs per month. And everything is becoming more and more expensive. So...

Corruption. Madagascar, which is a Third World country and one of the countries of Africa, receives aid from various origins and follows the

precepts of the International Monetary Fund to the letter. But the corruption of power and the gap between the "rich" and the others is so great that the damage seems irreparable.

However, since 1984 the Malagasy authorities have made foreign investments easier and have once again turned toward the Western powers, and more specifically their former privileged partner: France. In Malagasy memories, the "French golden sixties" are still very real and hope is alive once more, weak but real.

Nationalizations and Corruption: an Economy in Ruins...

The island of Madagascar is a potentially rich island which could be largely self-sufficient. Madagascar exported rice until the seventies. Today they have to import that rice, which constitutes the basis of Malagasy meals. A coffee plantation on the western coast produced more than 60,000 tons per year in 1966. Today they are nationalized, and an 8,000 ton production is considered good.

At all levels, the economy--which, it is true, is largely dependent on the prices on the international markets--has suffered the same fate. Only a few plantations have miraculously escaped the 1975 nationalizations. Ruin. Until 1984, the nationalizations, the corruption and the seizure of trade by some ethnic groups, combined with the world economic crisis positively ruined the Malagasy economy.

Lately, the Malagasy government has once again called on the Western powers, following fruitless attempts with the socialist countries. Signs of recovery of investments are beginning to become more concrete, even though the "investment code" is still rather laborious and strict.

Zigzag... The economic crisis has paralyzed all evolution since 1975. Cars, mostly French, have not changed since then. Neither have the roads and the art of driving in Madagascar consists in zigzagging among the potholes. As for spare parts, let us not talk about them: there have not been any shock absorbers here for 10 years. But because of the ingenuity of the Malagasy people the cars are still running here. A cab driver is very often accompanied by a co-driver mechanic, just in case...

Clothes also date back to the seventies. The old shirts, old t-shirts and jeans are worn to threads and often in shreds. Everything can be found at the market but at prices which are prohibitive for the average Malagasy. A pair of "Bata" shoes costs one-third of a month's salary. But at least half of the salary (the average pay of a Malagasy is about 27,000 Malagasy francs, or 1,900 Belgian francs) is used to buy rice, which today costs 500 Malagasy francs (25 Belgian francs) per kilogram. When you have a large family there really is not much left over after that. Ten years ago, the price per kilogram of rice was 12 Malagasy francs.

As a matter of fact, there are enormous problems related to rice. The rice fields, which are considered national monuments here, no longer produce enough for domestic consumption, while about 10 years ago Madagascar exported part of its production...

The Indo-Pakistanis: Monopoly and Arrogance

If there is one thing the Malagasy has not inherited from his Asian ancestors, it is undoubtedly a commercial sense. The Westerners brought money and an economic and financial system into a system where barter ruled supply and demand. Since the revolution and the nationalizations, commerce has slowly (but surely) passed into the hands of the Indo-Pakistanis. The Chinese also hold a good part of commerce, but they are more discreet. They provide employment for the Malagasy and reinvest directly, unlike the Indo-Pakistanis. Furthermore, the Chinese mix easily with the Malagasy whereas the Indo-Pakistanis live in a very closed milieu.

Born Traders. The Indo-Pakistanis are born traders. In some cities, such as Toliary on the South-West coast, all trade is controlled by the Indo-Pakistani community. Or rather: it was.

As a matter of fact, in early April the Malagasy population destroyed the whole commercial quarter in the center of the city in 48 hours. According to eye witnesses we met a week after these events, the local authorities as well as the army--although usually corrupted by the Indo-Pakistanis--did not make a move for 2 days and sometimes even participated in the carnage.

Untenable. Everything leads one to believe that the situation was really untenable for the local population. The rice produced by the Malagasy farmers was bought up at a reduced price by the Indo-Pakistanis--who control 100 percent of the local trade. This monopoly then allowed them to sell the rice at a price which suited them and to loan money at high interest rates to the Malagasy who could not make ends meet. This accumulation, combined with a certain arrogance, lit the powder keg.

And yet, about 10 days after the riots, a few Indo-Pakistani families had already returned to the region. According to a hotel keeper in the city, "the Malagasy will not prevent the return of the Indo-Pakistanis, but the riots will start up again."

Official Worry. At the national level, the authorities' worries are great in the face of these acts of violence which worsen the country's economic bankruptcy. Taking advantage of his annual speech on the occasion of the anniversary of the revolution, President Ratsiraka stated his anxiety about the state of trade in the affected regions. He specifically made an appeal for calm and promised aid.

One cannot avoid noting, however, that those riots represent a kind of windfall for Ratsiraka, who is very pleased with this focalizing of the problems on the Indo-Pakistanis. This provides an additional reprieve for his government which is unable to find a solution to the lengthy crisis the country is going through.

SUGAR INDUSTRY UNIONS REJECT WAGE RECOMMENDATIONS

Port Louis LE MAURICIEN in French 27 Jun 87 p 7

[Article; first paragraph is LE MAURICIEN introduction]

[Text] The three unions which are affiliated with the Mauritius Labour Congress and represent sugar industry workers came out strongly against the recommendations of the National Remuneration Board [NRB]. The unions involved are the Plantation Workers Union [PWU], Sugar Industry Overseas Association, and Artisans and General Workers Union, and they did not exclude the possibility that the sugar harvest could be disrupted, in view of the workers' tremendous anger and disappointment.

The Plantation Workers Union, the first to react, rejected the 10-percent wage increase proposed by the NRB, pointing out that the Avramovic report itself acknowledged that workers in this sector had lost 25 percent of their purchasing power between 1977 and 1982. The NRB used as a base the years 1976 to 1986, and arrived at the figure of 20 percent, thereby distorting the calculations, according to C. Bhagirutty, PWU president.

Mr Bhagirutty stressed that the sugar industry is viable since it had 2 good years in 1985 and 1986. Proof of this, according to the PWU president, is that the sugar industry paid 480 million rupees in 1986 and realized net profits of 414 million rupees. Mr Bhagirutty believes that if the export tax had been modified instead of eliminated, the workers would probably have received the 25 percent they are demanding.

The PWU also opposes the decision not to apply the 40-hour work week to this sector. The NRB has decided to refer this question to the Sugar Council. However, as the PWU president pointed out, this Council has not met for 10 months. Like the other union leaders, Mr Bhagirutty has made a point of referring to the statements made by the prime minister and finance minister to the effect that the country's economic situation has substantially improved. It is therefore only fair that the sugar industry workers have an equal share of the pie, especially since the sector they work for brought in 4 billion rupees in revenue for the country, out of which only 1 billion rupees left the country for equipment purchases, whereas in the case of the free zone, which brought in 5 billion rupees, nearly 75 percent of the profits were repatriated. This is proof of the fact that it is the sugar industry workers

who bring in the most foreign exchange and who therefore, according to Mr Bhagirutty, deserve to be compensated for their efforts.

The president of the Artisans and General Workers Union said that artisans were very disappointed by these recommendations. Besides the 10-percent wage increase, which is clearly insufficient, and the refusal to apply a 40-hour week, R. Algoo pointed out contradictions in the NRB recommendations. He questioned the Board's ability to assess the true value of the problems in this sector and solve them.

As for the supervisors' union, SIOA president B. Sookhee is against the 10-percent increase and the decision to reject certain fringe benefits demanded by the union. The SIOA for its part has not discarded the possibility of a strike by its members to obtain satisfaction.

Moreover, it is important to note that the leaders of the three unions have not rejected the idea of joining with the SILU [Sugar Industry Laborers Union], UASI [Union of Artisans of the Sugar Industry] and OAU [Organization of African Unity] to present a common front in their demands for a 25-percent wage increase and a 40-hour work week in the sugar industry.

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LABOR SHORTAGE FOR SUGAR HARVEST

Port Louis LE MAURICIEN in French 29 Jun 87 pp 1, 4

[Article: first paragraph is LE MAURICIEN introduction]

[Excerpt] Last Saturday Agriculture Minister Madun Dulloo expressed his fear regarding a labor shortage for the current sugar harvest. A few days from the official opening of the harvest, the minister indicated that the harvest could be disrupted as a result of the labor shortage. This issue, which was raised a few weeks ago by the sugar industry unions in conversations with the Mauritius Sugar Authority, has, according to the minister, received the attention of the government, which is trying to find a speedy solution.

In a speech to the Young Farmers at the national federation's silver jubilee, the minister attributed this social change to the development of industry, where young people find more jobs. He referred to the opening last Friday of a 200,000-square-foot industrial complex. Despite this development, the minister stressed the need to retain agriculture as the base of the Mauritian economy.

With new technology being introduced into the farm sector, it must be maintained as the base of the economy, and it is important not to make the same mistakes as other Third World countries which turned to other sectors of development to the detriment of agriculture and now find themselves in an extremely difficult economic situation.

While congratulating the young farmers on their efforts to diversify, the minister put his finger on certain trouble spots in the movement, such as the Belle-Mare Center, whose potential needs to be further exploited. The minister also reported on the relatively discouraging situation at the Poudre d'Or sand bar, which comes under the responsibility of the Young Farmers' movement. According to the minister, fish production at this sandbar is currently around 3 tons, whereas the potential is 15 tons a year. Mr Dulloo said that the private sector was interested in taking over this sand bar. He reported on requests he had not accepted but which might be approved if the young farmers do not appear to be up to the task.

Referring to maximum land development, the minister also sounded the alarm regarding an ecological imbalance that could be damaging to the country. The minister also launched an appeal for a cautious use of herbicides and pesticides, so that these products do not pollute our rivers and eventually our lagoons.

OUTLOOK FOR MARKETING SUGAR CROP

Port Louis L'EXPRESS in French 2 Jul 87 p 6

[Article: "Official Inauguration of the Sugar Crop 1987: Harvest Festival Under the Sign of Uncertainty"; first paragraph is L'EXPRESS introduction]

[Text] The 1987 sugar harvest, which looks good from the standpoint of production, was initiated with less promising prospects from a marketing standpoint. In fact, at the Beau Plan harvest festival yesterday morning, both the minister of agriculture and natural resources, speaking on behalf of the government, and the president of the Chamber of Agriculture, speaking on behalf of the sugar industry, referred to the uncertainty currently hanging over producers both in ACP/EEC consultations and with regard to the international sugar agreement.

Agriculture Minister Madun Dulloo also referred to efforts recently made to begin an overall study on the efficiency of the parent industry. "The Sugar Industry Efficiency Study is a first essential step in putting our finger on the real problems of the sugar industry," he said.

He also appealed to sugar industry leaders to improve their relationships with the various partners in the sector and to step up their agricultural diversification efforts.

A Plea to Revise Fiscal Policy

Pierre Dalais, president of the Chamber of Agriculture, who also spoke on behalf of the Sugar Syndicate, argued for a revision of fiscal policy affecting the sugar industry, "which is particularly important since various economic sectors will soon be directly vying for the human, financial and other resources needed for their development."

The chairman of the board at Beau Plan spoke of efforts made by the host property to improve crop yields and efficiency at the plant, as well as to diversify its activities.

"At an Important Crossroad"

"As you can see our sugar industry is at an important crossroad," Mr Dulloo declared after sketching a general picture of ongoing consultations for marketing our sugar and projects envisaged under the action plan.

A Labor Shortage?

Referring first to 1987 crop forecasts, the minister announced that the 244th harvest begun yesterday looks promising, not better than in 1982, when this part of the island had a record cutting. "We therefore want the harvest to take place in the best possible conditions." We are afraid of a labor shortage and so have set up a committee which we hope, with the help of the Sugar Authority and other partners, will overcome this problem."

"Backbone of the Economy for Years to Come"

"We all know that the sugar industry will remain the backbone of our economy for years to come. It accounts for about 40 percent of our exports and employs about 25 percent of our labor. Last year's revenue from the sale of sugar and cane by-products came to over 4 billion rupees. The harvest was very close to setting a record at 706,839 tons. Our 500,000-ton quota sold to the European Economic Community suffered from a price freeze while the price on the world market stayed very low. Fortunately we benefited from the compensatory payment. While this amount was negative or at best 10 pounds a ton from 1979 to 1985, it was over 50 pounds last year. The price for molasses was also very good."

The American Quota

The minister also pointed out, however, that our quota on the American market had been substantially reduced, and that there had even been talk in some circles to the effect that the United States might begin exporting sugar by 1989.

Common Cause

Mr Dulloo added that Mauritius had currently joined with other exporters in asking the United States to increase, or at least not reduce, this quota.

He disclosed that the Mauritian ambassador to Washington had, on behalf of the African group, signed a joint letter with Australia and Brazil to alert American senators and members of Congress. He also said that the Mauritian government had contacted U.S. authorities to claim adequate compensation following cuts in our quota since 1986.

Reduction of EEC Agricultural Spending

Moreover, Mr Dulloo pointed out that the EEC intends to cut back agricultural spending by specifically reducing its support for prices of farm products.

The EEC has proposed a 2 percent reduction in its support prices for farm products, including sugar, this year. A number of member countries of the Community are backing this proposal.

EEC Proposal Rejected

He made it clear that Mauritius and the other ACP countries, whether or not they have signed the Sugar Protocol, are unanimous on this matter. "We categorically reject this EEC proposal and a resolution to this effect was passed at last May's meeting of the ACP Ministerial Council and sent on to the joint ACP/EEC Committee."

The EEC is also proposing that the system of compensatory payments be revised. The immediate effect of a revision of this sort would be a reduction in the price of our sugar. There has not yet been a decision on these two issues. The meeting of agriculture ministers of the Common Market countries was unable to reach a decision and now it is up to the heads of state of the EEC countries to tackle the problem. The heads of state met Monday and Tuesday.

Portugal

The minister also noted that the Community had imposed a levy on molasses imported by the EEC, to our disadvantage. He added that even though the ACP/EEC Council of Ministers had come out in favor of Portugal's membership in the Common Market, the issue of sugar imports by Portugal has not yet been settled.

Protecting Access of our Sugar to the Common Market

He emphasized that the Ministry of Agriculture and the Sugar Authority were currently working in cooperation with sugar industry representatives and our delegates in London and Brussels to protect access of our sugar to the Common Market under the Sugar Protocol and to repress any measures that would discriminate against us. He said that for his part he was maintaining contact with his colleagues from the ACP and members of the Protocol to monitor the situation closely.

"However, we are also working on a strong case to submit to the EEC in the context of the review of the EEC Sugar Regime. May I here invite all concerned parties to help and put up a really solid case."

No Agreement with ISO

The price on the world market remains very low. The International Sugar Organization [ISO] has still not managed to reach an agreement and it is very unfortunate that this agreement will not be forthcoming in the near future.

Consultations in Great Britain

The minister also spoke of the ongoing consultations in Great Britain regarding the future of the British Sugar Corporation. He believes that if the offers by Tate & Lyle or the Italian firm Feruzzi had been accepted, it

would not have been to Mauritius' advantage. The danger is still present, he added, since according to some sources, another British company has expressed an interest in buying the Corporation. The Mauritian Government is very concerned about this matter and our high commissioner in London is monitoring the situation. "We are prepared to defend our rights should anything come up," Mr Dulloo said.

He was delighted, however, that Mauritius had received an additional quota of 1,200 tons from the EEC following a decline in Kenya's output. It is essential, he said, that Mauritius have enough reserves to be able to take advantage of situations of this sort when they arise.

"Task Forces"

Referring next to implementation of the action plan, the minister indicated that the Sugar Industry Efficiency Study [SIES], the initial stage aimed at identifying the true problems of the parent industry, would begin shortly. "We have to set up task forces to work with the team of consultants on the various components and a Steering Committee to monitor closely the whole exercise. I am glad to announce that the task forces are meeting next week. The contract with the team of Consultants has been finalized and is being signed, and they are starting work soon."

The minister said that this study should be as comprehensive as possible. "We all want the SIES to enlighten us without any shadow of subjectivity."

Getting the Most Out of Cane By-Products

Mr Dulloo also spoke of the need for the country to get the most out of cane by-products. He stressed the importance of research and urged the sugar industry to give its full attention to small planters, share-croppers, and laborers.

Parastate Agencies

The minister also indicated that a new legal framework applicable to parastate agencies linked to the sugar industry would soon be established.

Parent Industry and the Free Zone

The president of the Chamber of Agriculture, for his part, stressed the importance of the parent industry and its contributions to the government coffers. Although it is true that in the past 2 years, the value of exports from the free zone has exceeded sugar exports, it is also true that net sugar receipts in foreign currency have largely surpassed the free zone's receipts, as the sugar industry imports relatively few raw materials for its production.

Moreover, Mr Dalais noted that the sugar industry has contributed some 550 million rupees to the government budget in the form of the exit tax, not counting customs tariffs, the milling tax, and the income tax paid by this sector.

The government should more than ever be aware of the vital contribution our industry makes to the national economy and take the necessary steps to allow it to continue to assume these responsibilities," Mr Dalais went on to say before arguing for a revision of fiscal policy as it affects the sugar industry. "With all due reason and fairness, we are looking to the government to revise its fiscal policy regarding the sugar industry so that it may continue to play the role incumbent on it in the national economy."

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OPTIMISTIC OUTLOOK FOR CHISSANO'S ECONOMIC POLICIES

Frankfurt/Main FRANKFURTER RUNDSCHAU in German 26 May 87 p 3

[Article by Silvia Hoener, currently in Maputo: "New President Gives Mozambique New Hope. Joaquim Chissano Changed Economic Course and Anticipated Some Conditions Imposed by Western Creditors"]

[Text] "From my positive estimation of the government of President Joaquim Chissano, they could conclude that a change of command in Mozambique was due," declared a Western observer in Maputo. Ask anyone in Mozambique today about the president who has been in office for a good six months now--following the plane crash which killed Samora Machel--and the reply is always full of praise: "an efficient man," "a master politician," "a realist," "the best possible choice the country could make in this difficult situation."

In fact, Samora Machel's successor has succeeded within in short time in distinguishing himself as an acknowledged head of state both in his own country and most especially in Western nations abroad. Fears that following the death of its charismatic president, who died in a plane crash in South Africa last October under as yet unexplained circumstances, Mozambique would sink into economic chaos and political instability and thus could become easy prey for the Renamo rebels supported by South Africa have not come true. Despite all adverse circumstances, Mozambique's Marxist government today is considered established and trustworthy. "If South Africa was hoping for the country to collapse due to the death of Machel, it has completely miscalculated," said one person with whom we also talked.

At the big May 1 rally in Maputo there was already a trace of the new style and the goals of the government. It was an amazingly colorful and relaxed occasion. No security control points blocked the way to the presidential platform beside which, probably not coincidentally, hung a banner with the words "Long live the economic rehabilitation program," while "Salute to Proletarian Internationalism" had to make do with a discrete place in the bushes. And only at the very end, after leaving the speech on the economic situation to Prime Minister Mario Machungo according to the program, did Chissano begin his address, speaking briefly and unpretentiously for just under 10 minutes and in so doing contrasting himself with his predecessor who was famous for his hours-long inflammatory speeches.

Earlier, it is said in Maputo, every decision no matter how inconsequential had to receive the president's blessing. Today, authority is delegated and decentralized; an apparent collective type of leadership is cultivated with the emphasis on separate responsibility within the individual ministries. Obviously energetically exploiting his position as the new man, Chissano is rapidly pushing forward with course changes already initiated under Machel.

There are already clear indications, particularly in terms of economic policy. Obviously knowing that one cannot get around the International Monetary Fund (IMF), he initiated his own actions. The measures adopted within the scope of the ever present "economic rehabilitation program" correspond in many aspects with the known requirements of the IMF. However, they are not handled as a scourge dictated by the IMF but rather as the policy of the government which frankly admits having made mistakes in the past. By fulfilling IMF requirements even prior to an agreement expected in the near future, the government is also attempting to mitigate the hardships associated with it.

The country's currency has already been devalued once; for one dollar you now get 200 instead of the previous 40 meticaís. This has caused the black market exchange rate to fall from 1500 to between 1000 and 1200 meticaís. At the same time wages in general have risen by 50 percent and in addition a performance-oriented wage system has been introduced. As compensation for the drastically increased prices due to the devaluation, however, subsidies were retained for a number of basic products.

In the future health care will no longer be free and residential rentals will no longer be based on income but rather on the size and quality of the housing. The result of low rents was that the cities visibly went to rack and ruin because no money was available for renovations.

Yet all these measures always also contain special conditions which are intended to mitigate somewhat the most severe hardship cases. The inflated national administration will have to reduce its personnel by about one fifth, and all state-owned enterprises which do not even earn enough to cover their wages will be closed in the future. A new law on investment promotion is intended to foster trade and private enterprise, and with the three to fourfold increase in producers' prices it is hoped that the farmers who were earlier discouraged by low prices can again be motivated. Agriculture, then, is also expected to be the catchbasin for all those who lose their livelihood due to the renunciation of socialist economic policy.

In terms of foreign policy, Mozambique emphasizes that it belongs to the group of non-aligned nations. That Chissano's first foreign trip outside of Africa recently took him to see the Pope and to Great Britain is considered, in addition to economic reform, another clear indication of his new pragmatic course. In view of South Africa's policy of destabilization, the extensive collapse of the infrastructure due to the Renamo rebel war, the desolate economic situation and the widespread hunger, prudent Chissano probably also has no choice but to play all his cards.

To date things appear to be going according to plan. The East Bloc is continuing to supply weapons, the West gives credit, the British are willing

to train even more Mozambican officers in the future, and the whole world is sending food. An even the United States is refusing to give any legitimacy to the bands of rebels which pass themselves off as anti-Marxist. In any case Mozambique has become difficult territory for South Africa and the Renamo. Even though not much has changed for now with respect to the country's emergency situation, at least no one believes any longer in the imminent takeover by the Renamo which was loudly proclaimed following the death of Machel.

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CSO: 3420/31

GORONGOSA RECEIVES EMERGENCY AID FROM VARIOUS WORLD SOURCES

34420264c Maputo NOTICIAS in Portuguese 5 Aug 87 p 3

[Text] World Vision of Australia, a nongovernmental organization, recently donated 318 tons of corn to the district of Gorongosa to aid approximately 22,000 victims of the famine and of the barbarous acts of the armed bandits in that region of Sofala Province.

Meanwhile, the Mozambique-Zimbabwe Friendship Association (ZIMOFA) recently made available approximately 33 tons of corn meal to minimize the effects of the famine that afflicts the population lodged in the "Casa Banana."

According to other reports, transportation of the World Vision donation to that region began on 8 July via the Zimbabwe-Nhamantanda-Gorongosa highway.

It should be emphasized that during the first quarter of this year, arrivals at the accommodation centers--whether in the "Casa Banana" or in the Gorongosa district seat--was 150 persons per week but now is 150 per day.

Moreover, from January until the last 2 weeks of June a total of 1,700 persons were retrieved from the armed bandits in that region. It was also learned that more than 465 citizens were freed from the criminals during the last 2 weeks of June in the Banana and Pungue regions and in the outskirts of the town of Gorongosa.

It should be noted that independently of the Australian and ZIMOFA donations, the district of Gorongosa has this year alone received a total of 3,300 tons of food products via an airlift (funded by the Italian Government) linking Beira with Casa Banana. It is estimated, however, that 1,306 tons of food is still needed for that area.

WFP Takes Action

Meanwhile, the World Food Program (WFP) is studying the availability of new funding, with a view to ensuring that food will be supplied by air to the zones hardest hit by the drought and armed bandits in Sofala Province. This information was disclosed recently in Beira by Jeronimo Pita-Gros, an official in charge of logistics for that UN organization.

The WFP official also stated that the \$200,000 (approximately 80,000 contos) of the initial funding made available by the WFP to defray the costs of transporting the emergency aid to the districts of this province had been used up.

He said that the amount donated to pay for the transportation of 400 tons of various products had made it possible for countless flights to be made from Beira to the various districts.

It is known, moreover, that from 8 March to 16 July of this year a total of 611 tons of diverse products and agricultural tools were transported to the populations impacted by the emergency situation in Sofala Province.

In this way--the same source said--as of last 16 July the town and district seat of Inhaminga had received 174 tons of products and agricultural tools; Caia, 136 tons; Chibabava, 135 tons; Sena, 108 tons; and Gorongosa, 39 tons.

10992

NETHERLANDS GOVERNMENT FINANCES BEIRA SANITATION PROJECT

34420264a Maputo NOTICIAS in Portuguese 5 Aug 87 p 3

[Article by Jean Bernardino (Beira bureau): "Restoration Project To Be Completed Next Year"]

[Text] The restoration of the sanitation system of the city of Beira--begun in 1985--will be completed next year (1988) with the rehabilitation of Lifting Station No 4, which had been damaged for more than 5 years. The project is being financed by the Netherlands Government, which will make available a total of 2.5 million florins (approximately 487,000 contos) in the form of a supply of pumps, grinders, and electrical panels for the pumping stations, and also various equipment for the repair of the trunk sewer, waste gates, and lifting stations.

The Beira director of sewer maintenance, Julio Descanso, told our reporter recently that the sanitation system has not been functioning properly for several years because of the corrosion and erosion of the equipment and the lack of any regular maintenance since the late 1970's. He said this had caused all the intervening systems in this process to deteriorate, which in turn caused the central government entities to intervene to solve this problem.

The first stage of implementation of the aforementioned project took place in mid-1975, at which time a comprehensive survey was made of the system, pursuant to which the materials and equipment were acquired to start up the work of rehabilitating the pumping stations by installing pumps, grinders, and electrical panels received from the Netherlands under the terms of the financing granted by that government.

This work constitutes the second stage of the project, which according to Julio Descanso "is currently in jeopardy because we have not yet received the funds from the municipal government that are to be used for the purchase of materials on the domestic market, and to pay those entities that are providing services for which we have contracted."

Present Situation: Very Bad

The current deterioration of the equipment of the sanitation system of the City of Beira, Sofala Province, is characterized by constant overflows of residual

sewage from clogged cesspools into buildings, streets, and other inappropriate places. This constitutes a serious threat to health, when you realize that the exposure of feces and other refuse present in the sewers to the open air contributes to the pollution of the environment and consequently to the infection of the citizenry with parasitoses, dermatitises (skin diseases), and other equally dangerous infections.

According to an authoritative source within the preventive medicine establishment in the city who was contacted recently by our newspaper, the performance of the sanitation system does not correspond to the complex of sanitation measures and requirements that will ensure the normal development of public health in a large city.

The constant clogging that occurs in the indoor plumbing of homes and other buildings and in the streets is caused by the consistent nonperformance of the pumping stations; by the complete paralysis of the aforementioned Lifting Station No 4 (located in the Munhava-Matope zone); and by the damage of various kinds that has occurred in the trunk sewer--damage that ranges from the corrosion of a number of pipes to the malfunction of the discharge valves. This situation is aggravated by the misuse of the system by some of the people who use it, who throw into toilets and sinks solid objects (such as rags, papers, and food scraps) that prevent the normal passage of human excrement.

There are several breaks in the trunk sewer of the city of Beira at the present time, and at some points the sewer has simply disappeared, as is the case with the stretch between Pumping Station No 6 and Lifting Station No 1. Alongside a bypass that has been constructed (in Chipangara), a section more than 150 meters in length has been removed. To make the situation even worse, the residual sewage from the aforementioned pumping station is being diverted into an improvised ditch, from where it empties into the Palmeiras drainage canal.

Director Julio Descanso explained these instances of damage by saying that they were caused "mainly by the lack of maintenance that the system has had to endure. This why our first step is this process of restoration now under way," he added.

According to the same source, however, work has already begun preparatory to initiation of the third and final stage of the project for restoration of the sanitation system of the city of Beira. This stage will include--in addition to the rehabilitation of Lifting Station No 4--improvements to all the waste gates with a view to optimizing their performance.

10992

MNR RAIDS HAMPER NATIONWIDE MINERAL EXPLOITATION

London AFRICA ANALYSIS in English 7 Aug 87 p 8

[Text]

MAPUTO. The spread of MNR raids throughout the interior of Mozambique has set back hopes of starting the exploitation of a wide variety of mineral resources. Instead, there has been a startling decline: an official report on 20 July said that the value of mineral exports has fallen from 200m meticaia in 1981 to only 10m meticaia (\$50,000 at current exchange rates) in 1986. Typically, the country's three cement plants have virtually been put out of action because it has become too dangerous to operate the limestone quarries which have supplied them.

The three plants are at Matola, on the outskirts of Maputo, at Dondo near Beira, and in the north at the port of Nacala. In the late 1970s, the plants were earning hard currency from exports to neighbouring countries. By 1984 the South African-backed insurgency had almost halved cement production; it has since fallen further. Mozambique's former customers are now obliged to buy clinker and cement from South Africa. So is Mozambique itself.

According to prime minister Mário Machungo, in a report on the disarray in Mozambique's economy, cement production has fallen by 70% between 1980 and 1985.

The fall in Mozambique's asbestos production has been even more marked - down 96% from 1424 tons in 1981 to 55 tons in 1985. The mine at Mavita, near Chimoió, was put out of action by an MNR raid in April 1985 which destroyed the plant. The asbestos-cement factory in Beira went out of action after the cement plant was shut.

Similarly, coal production is now at its lowest ebb, since the sabotage of the railway to Beira from the Moatize Basin in Tete. The four underground mines at Moatize have been supervised by experts from East Germany, but a

long-term expansion programme - to export 1.8m tons of coal by last year, and 5m tons by 1995 - has been made entirely academic. Output has now come to a virtual standstill; instead of meeting all its own coal needs, and earning \$50m from exports, Mozambique has had to pay for exports from South Africa.

All East Bloc mining teams have been withdrawn from Mozambique since a number were murdered by MNR gangs. The pegmatite mines in Zambezia province have large resources of tantalum, used in steel alloys, and were being mined by Soviet geologists. The death of four of them at the hands of the rebels has halted production at Morrue. All East Germans withdrew in 1984 after several were killed.

Perhaps the foremost of Mozambique's frustrated development ambitions centres on the Pande natural gas deposit, some 200km south of Beira. A survey carried out by Fluor Corporation and Arthur D. Little has said that the gas could be used to supply an ammonia fertiliser plant producing 1000 tons a day. The study proposed that the plant should be beside the Indian Ocean at Inhassoro.

But the cost of the plant is put at \$200m, and this is unlikely to be forthcoming until security improves. The risk of MNR attacks on gas pipelines and the main plant rule out any investment on this scale, despite support from the World Bank and the African Development Bank.

If the Inhassoro plant could be built, it could supply fertiliser to a number of neighbouring countries. For this reason, the SADCC industrial coordination division has been enthusiastic, and pledges of \$66m have been obtained from western donors.

Everything waits upon the achievement of peace.

/13046

CSO: 3400/0283

MOZAMBIQUE

BRIEFS

MANICA-MACHIPANDA ROAD REPAIR--The sum of 3 million florins (approximately 585,000 contos) has been made available by the Netherlands Government to repair the stretch of EN 6 [National Highway 6] between Manica and Machipanda. According to Arnold Hermans, charge d'affaires of the Netherlands embassy in Mozambique, who supplied this information during his recent stay in Beira, the financing for this project was withdrawn from a package of 30 million florins which that Nordic country is making available annually to fund the various projects for rehabilitation of the port of Beira. He further stated that the work on the aforementioned stretch of highway will be under the supervision of technical experts from Mozambique and Zimbabwe. [Text] [34420264b Maputo NOTICIAS in Portuguese 5 Aug 87 p 3] 10992

FRENCH TO REHABILITATE SHRIMPERS--A team of four French experts is in this city to carry out an inspection--and inventory of the needs--of 11 shrimp boats of the fleet of EMOPESCA [Mozambican Fishing Enterprise] in Beira and Angoche, preparatory to the rehabilitation and maintenance of the boats. According to reports in the capital of Sofala Province, this inventory--which will be conducted in cooperation with the personnel of the ENABE [Beira Shipyards Enterprise]--will be initiated shortly and will be financed by the French Central Fund for Economic Cooperation. These French experts will also be working with entities in the field of artisanal fishery--one of the sectors benefiting from French support. [Text] [34420264d Maputo NOTICIAS in Portuguese 5 Aug 87 p 3] 10992

RSA SAID TO STEP UP TERROR AGAINST CIVILIAN POPULATION

34200037 Bonn INFORMATIONSDIENST SUEDLICHES AFRIKA Jun-Jul 87 pp 26-27

[Article by Hans-Christoph May: "Occupied, Humiliated, Slaughtered...: The Escalation of South African Terror Against the Civilian Population of Namibia"]

[Text] Kleopas Dumeni, senior bishop of the "Evangelical-Luthern Church in Namibia" (ELCIN), the most prominent Namibian Church, already complained in July 1986 of the escalation of repression by the South African Forces. In the first 2 weeks of July, he reported, more people had been killed than in any comparable prior period. This repression was not only directed against SWAPO fighters--though the South Africans always insist on the contrary--but also and increasingly against the civilian population. Willy Amutenya, chairman of the "Committee for Justice and Peace" of the Catholic Church in Namibia, stated that "Namibia has been changed into an enormous South African military camp. The South Africans are not fighting SWAP terrorists, they fight the people." (NAMIBIA COMMUNICATIONS CENTRE, NCC, 27 March 1987)

In July 1986, the trial of four SADF [South African Defense Force] members was to begin, relating to their alleged murder of Frans. Uapata, a civilian. Premier Botha personally intervened and caused the trial to be abandoned. The justification? The soldiers were said to have acted "in good faith" and "within the scope of the prevention and suppression of terrorism in the field of operations." (NCC, 30 July 1986)

In addition to the SADF, its auxiliaries--the Namibian Army and the notorious Koevoet [Police Counterinsurgency Unit/Coin]--are responsible for the acts of terror.

The Latest Examples

1. Koevoet men with two Casspirs (special vehicles) bulldoze a village in northern Namibia and kill three unarmed women aged 65, 67 and 18 respectively. Subsequently the soldiers fire at random and inflict fatal injuries on a 27-year old woman who happens to eat her lunch in a nearby field. (NAMIBIAN, 20 March 1987; 27 March 1987)

2. Immanuel Shifdi, a SWAPO pioneer and for many years a prisoner on Robben Island, is fatally stabbed at a legal public meeting in Katutura. According to eyewitnesses, members of the 101 Battallion arrived, armed with "thorn sticks, bush knives, bows and arrows as well as rifles came" and "opened fire." The security police then arrived and shot tear gas and rubber bullets into the fleeing multitude. (NCC, 5 December 1986)

3. On 14 January 1987, Koewoet members inflict such serious injuries on the worker Paulus Ekandjo that he dies soon after arrival at the hospital. Another five civilians are attacked the same day. (NAMIBIAN, 13 February 1987)

-- Simeon Amukonto, 28, is kidnapped on 3 December 1986 by "persons unknown," riding in a car without license plates. One of the "unknown" persons is identified as a member of the Koevoet base at Onimwandi. In early 1987, the police invites relatives to identify the body of S. Amukoto in the mortuary. (NAMIBIAN, 23 January 1987)

-- 10 April 1987, three members of the 101 Battallion rape two women, following their "interrogation" about SWAPO guerrillas. (NAMIBIAN, 17 April 1987)

-- It is reported at the end of April that a total of 14 schools, 1 clinic and 1 post office were destroyed in northern Namibia in the preceding 2 weeks. Footprints, shell casings and abandoned live ammunition indicate the involvement of the SADF. (NAMIBIAN, 1 May 1987)

-- Two teachers and two students are forcibly abducted from school by SADF members on 20 March 1987. A SADF spokesman refuses comment. (NAMIBIAN, 3 April 1987)

-- For resisting his sexual harassment, Christophina Thoma, 14, is shot and seriously injured by a SADF soldier. (NAMIBIAN, 16 January 1987)

-- In confirmity with the security laws, a 3-months old infant is kept prisoner with its parents without trial. (NAMIBIAN, 27 April 1987)

-- According to a report by Father Andreas Iyambo, children swimming in Okathitu village in north Namibian are forcibly taken to a nearby store, interrogated and "treated" by electric shocks. (NC, 4 November 1985)

-- The police confirm the arrest of 10 persons (including an infant) without a hearing. (NAMIBIAN, 3 April 1987)

-- On 27 February 1987, Koevoet forcibly abducts seriously injured Mr Shinkongo from the Lutheran Hospital. (NAMIBIAN, 3 April 1987)

-- Bishop Dumeni reports that a South African helicopter with human bodies tied to it has overflown church meetings. (NCC, 23 April 1987)

-- The almost 90-year old mother of SWAPO president Nujoma is repeatedly interrogated by SADF members, abused, beaten and threatened with shooting. (NCC, 30 January 1987)

-- At the Okatona Catholic Mission on 13 March 1987, a Koevoet patrol ties bodies to the six spare tires of the armored Casspirs and exhibits them to the people. The population is invited "to look at their SWAPO's." This "custom," practiced by the SADF for many years, has been repeatedly assailed by ecclesiastical and municipal personalities but always denied by the official agencies. In January 1987, the Namibian newspaper NAMIBIAN published a photograph of Casspirs loaded with bodies. The SADF first denied but later admitted the event. (NCC, 13 March 1987) An officer of the security police admits that prisoners were tortured in his presence. (20 February 1987)

-- Student Portas Blasius, 15, has his face virtually burned off when SADF members force his face against the exhaust of an idling army vehicle. (FOCUS, September/October 1986)

-- A member of the armed forces roasts student Titus Paulus, 13, above a fire to get him to inform about SWAPO. (NCC, 7 July 1986; FOCUS, September/October 1986)

-- Many civilians are "legitimately" shot for "offenses against the curfew." According to the evidence given to the court by a policeman (1985), SADF members are under orders in the war region to fire on anything that moves between sundown and sunup." David Elajo, for example, is shot because he is riding his bicycle to the village after sundown. The court holds that the shooting does not represent a punishable offense. (FOCUS, September/October 1986). A few months later, a 10-year old boy is shot while searching for his donkey at night. (NCC, 10 December 1986)

No comprehensive overview is obtainable due to the state of emergency situation and the censorship. Father Iyambo's remarks on the occasion of the torture inflicted on the bathing children may be applied to all reports on the repression in north Namibia: "This is no more than a brief moment from the fate suffered constantly by the people in north Namibia. Normally such events are not even reported, and nobody knows anything about them." (NCC, 4 November 1986) Estimates relative to 1985 note for Odongwa city alone that 500 people died a violent death, ascribed in most instances to "unidentifiable" and "unknown persons." Namibian lawyer Anton Lubowski estimates that only 10-20 percent of all violent attacks on civilians are known to the public. (FOCUS, September/October 1986)

The South African Army tries to pretend that many of its acts of terror are committed by SWAPO. SADF members sometimes disguise themselves as guerrilleros, paint their faces black or simply say that the civilians they have killed are SWAPO members (this latter also increases the bonus they are paid).

The following case, for example, is reported from Oniipa: On Thursday, 25 November, Pastor Amupolo was called from his kraal by an armed man at around 2000 hours...Pastor Amupolo went out to talk to the caller and his companions, but did not return. The next day he was found; he had been shot. Bicycle tracks and South African shell cases were found near his body. The police were called and confirmed the identification of the shells but did not conduct any further investigations. A few hours later, the government controlled radio reported that the death had been caused by SWAPO. (NCC, 3 December 1986)

Bishop Kleopas Dumeni (ELCIN) summarizes the temper of the Namibian population in these words: "The Namibians are sick of the cruel and barbaric treatment meted out to them by the South African Armed Forces." (NCC, 7 July 1986)

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PLANNING MINISTRY OUTLINES ECONOMIC STRATEGIES, GOALS

Niamey SAHEL DIMANCHE in French 31 May 87 p 3

[Article by the Planning Ministry; first paragraph is SAHEL DIMANCHE introduction]

[Text] How should we respond to identified and foreseeable consumer needs while making the best use of our production potential and available financial resources? The Planning Ministry has attempted to answer this question by first reviewing the growth of consumption and production alongside that of the population. The current survey of household dietary habits should bring adequate information to bear on these various questions.

Niger is one of the countries of the Sahel that began long ago to project and implement policies aimed at national self-sufficiency in food production. Given our economic circumstances and within the framework of the current 5-year plan, that objective is further away than ever.

However, taking into account our demographic growth (total and urban), changing and growing consumption, the necessity to assure the whole population a balanced and nutritious diet, and the parallel growth in farm production and food imports, we need to expand our thinking and our studies to address the question: "How should we respond to identified and foreseeable consumer needs while making the best use of our production potential and available financial resources?"

First, consumption and production trends must be reviewed alongside population growth. Grains tell the story since they still play a major role in the caloric intake of the average consumer, even though their share has diminished steadily (from between 78 and 80 percent at the beginning of the 1960's to between 68 and 70 percent today): Within 25 years the country's total population has nearly doubled and the urban population has increased 8-fold; raw national production of grains has grown from 1.1 million metric tons to approximately 1.85 million metric tons, an increase of some 70 percent; human consumption, however, has swelled from 670,000 metric tons in 1961 to 1.44 million metric tons, about 120 percent.

On top of this trend revealing the imbalance between consumption and population growth is added another complication tied to diversification in grain consumption and the growing dietary share of certain grains over the same period.

Wheat intake and rice consumption, for example, have multiplied by factors of 15 and 6, respectively. Wheat production has remained nearly stationary, while rice production has grown at the same rate as consumption (without, however, making up for an initial shortfall of some 20,000 metric tons). The growth in both wheat and rice consumption correlates strongly with the growth of the urban population.

Demands unmet by national production (deficits) are on the order of 20,000 to 25,000 metric tons of rice and 45,000 to 50,000 metric tons of wheat, plus 15,000 to 20,000 metric tons of maize annually, all of which is made up by donations (food aid, PAM [World Food Program]) or by purchases by the private sector.

The same holds true in other areas, such as oils (with an average deficit of 5,000 to 6,000 metric tons) and dairy products (falling short by an estimated 25,000 metric tons), not to mention fruits.

Major Modifications

The impacts of present consumption on the national economy, the trade balance, and the balance of payments must be assessed also.

For example, the cost of importing 20,000 metric tons of rice, based on 1985 world prices and including transport costs, amounts to approximately 2.6 billion CFA francs for a product delivered to Niger CIF [Cost-Insurance-Freight].

What then are the likely contours of the 1991-92 horizon in this area, taking into account that consumption trends and habits will not undergo any major changes before 1991-92 except perhaps that the relative share of urban consumption will grow; the average caloric intake will remain at its present level; there will be no marked shifts in demographic growth in this period; and, projecting present trends, the growth in production of certain products cannot keep up with growing consumer demand.

From projecting such a scenario, production deficits appear that will have to be covered by imports of the following magnitudes (estimated minimums and maximums):

Grains: wheat: 48,000 to 60,000 metric tons; rice: 5,000 to 26,000 metric tons; maize: 23,000 to 26,000 metric tons; oils: peanut oil: 10,000 to 29,000 metric tons; palm oil: 6,000 to 7,000 metric tons; dairy products: milk: 27,000-44,000 metric tons.

This scenario clearly would imply a considerable increase in the quantity of imports.

In addition, even if the the prices of certain products (grains, oils, sugar, meat) are depressed because of the phenomenon of global overproduction, this situation is only temporary. Experts today admit that an equilibrium could come about between now and 1990, boosting the prices of these items. What would it mean for our economy, and what would these imports cost if we accept this sort of hypothesis?

Given our present economic policy, our country is faced all at once with having to assure the conservation of its resources, continue its production efforts, and protect certain products, while at the same time guaranteeing producers a fair return and consumers a better price.

Conservation of Resources

The directions defined by the government (unified national progress, social justice, and participatory democracy) take these exigencies into account. The next plan will meet the challenge posed by the need to promote national production and satisfy the needs and demands of consumers and producers alike, given the economic constraints facing the country.

Considering that between now and the 1991-92 horizon, the average caloric intake of every Nigerien will have to remain no lower than, if not above, that of 1986, the following strategies and policies are set forth to allow maximum mobilization of production potential to satisfy these demands.

Particular attention will have to be given to strategies favoring the emergence of "surplus" agriculture; maintenance of production potential; and greater responsibility on the part of farm people for their participation and role in the development process.

Carrying out these overall objectives will mean increasing farm and farm worker productivity while assuring conservation of resources; assuring diversification of products and production, as well as processing, and the introduction or reintroduction of certain products; guaranteeing producers a fair price for their products (seeking in particular a stable price by product and consistent pricing from product to product); and protecting national production with respect to the requirements of the national economy concerning imports of finished and semi-finished products (cost of possible opening of subsidiaries).

Along with these, strategies for satisfying consumer needs will be needed that assure a balanced diet for the population; assure diversity and stability in the makeup of the average caloric intake; and optimize the utilization of the nation's produce, either raw materials or finished or semi-finished goods.

Finally, along with the proposed production policies, policies will be needed which guarantee consumers a fair product price; relieve disadvantaged groups within the population; develop and promote, beginning with local production, finished or semi-finished goods that can be substituted for imports or satisfy national consumer tastes and demands; and strengthen and protect domestic markets so as to bolster national production.

NIGER

ECONOMIC PROBLEMS CAUSED BY URANIUM PRICE DROP, DROUGHT

Niamey SAHEL DIMANCHE in French 29 Mar 87 pp 8, 10

[Article by Idimama Kotoudi and Boubacar Sidi Ahmed: The Great Handicaps"]

[Excerpts] The economy of Niger is in the image of that of many other developing countries: vulnerable, subject to the convulsions of the world, and yet wanting to free itself from them. Unfortunately, it did not get the opportunity to do so during the time it should have.

And yet, the assets do exist: they are a mobilized people, have considerable natural riches, and have a policy which observers consider adequately enlightened. But all of that would have been effective only if there had not been the influence of exogenous factors (primarily, fluctuations in the world uranium market) and the cyclical droughts which, in some years, reduced to nil the efforts of the population which is 80 percent rural.

But the most significant asset during this period (1975-1980) was undoubtedly, and this was true until the early eighties, the substantial income Niger was able to derive from the operation of the uranium mines of Arlit, and later of Akouta.

Thanks to this income, the country is showing signs of a growth period, which the international press has not failed to note through big headlines like "Niger, a Country Visited by Hope" (JEUNE AFRIQUE), "A Country Being Transformed" (EUROPE-OUTREMER), or even "The Discreet Charm of the Military" (JEUNE AFRIQUE).

In fact, this great upheaval was visible in the across the board investments favoring the mining manna. More than two-thirds of them being financed by domestic savings, by 1980 these investments reached 28 percent of the gross domestic product. This gross domestic product itself was multiplied by five between 1974 and 1980, while the national investment fund went from 2.2 billion CFA francs in 1974 to 20 billion in 1980. It must be noted that between 1974 and 1980, the production of uranium nearly quadrupled from 1,114 tons per year to 4,300 tons. At the same time, the price per kilogram of uranium metal on the world market jumped from 5,000 CFA francs to nearly 25,000 francs.

The social sectors were the major beneficiaries of this gold mine. In terms of achievements one could name the following examples: significant social infrastructures (hospitals, schools, universities...), infrastructures for roads and telecommunications, the improvement of living conditions in the country's big cities, the putting into service of more than 6,000 hectares of hydro-agricultural developments.

Progress Compromised

Since the early eighties, however, everything was put into question again. President Kountche often recalls that "in the Sahel, nothing is ever definitively won." As a matter of fact, the country would soon make friends again with the shortage of rainfall.

As of 1981, farmers and cattle raisers were once again faced with the lack of available food and the loss of livestock.

At another level, as of 1980 uranium, which was the driving force behind the development of Niger both in terms of the recovery of investments and of government spending, became the main vector on which the crisis was transmitted. As a matter of fact, because of the drop in the price of this product combined with its poor sales on the international market, its contributions to the budget have suddenly slowed down. Hence the very noticeable reduction of activities recorded for several years now and a foreign debt estimated in 1982 at approximately 333.3 billion CFA francs, half of which is payable in dollars which at the time were strong. But at the same time, the gross domestic product dropped by 0.8 percent in real terms for the same year.

Reduction of Mining Activities

This reverse situation was felt very drastically because the drop in state receipts coincided with the deadline for payment of the first debts incurred within the framework of the 1979-1983 5-Year Plan.

In the program of public investments, this reduction of mining activities was translated by a substantial slowing of construction activities and of work in the modern sector. "Our momentum was broken," admitted the head of state. "The inhabitants of Niger also felt it... purchasing power has also gone down considerably; as far as the state is concerned, the uranium which brought in foreign currency has been replaced by austerity which makes it possible to save foreign currency."

"That is the rule in all the countries which have been hit by the crisis, and especially the developing ones."

The second constraint is the drought with, as its corrolary, desertification. As a matter of fact, the harvests were not particularly good during the same period of time: that is to say 1982-1983; in 1984 the rainfall was worse and 60 percent of the livestock was decimated. This natural constraint obviously had a serious impact on the gross domestic product. In the agricultural area, the drop in productivity or at least the limitation of its increase is due not

only to water shortages but also to the impoverishment of the soil and the recultivation of marginal land. Cultivation extends into pastoral areas where productivity is mediocre.

The third constraint is the fact that the country is composed of economic enclaves. That fact is permanent especially because of the size of the territory. Indeed, in spite of remarkable efforts to open up the country through the construction of roads and airports, certain regions of Niger are still enclosed. That fact compromises in various ways the situation and evolution of all the sectors of the economy at once. The worst hit sectors are industry and the mines.

It would seem that industry, where the cost of products is made prohibitive due to transportation and transit, has been penalized the most.

For those different reasons, the opening up of Niger constitutes a priority. Thus major efforts have been made over the last few years to improve the road network connecting Niger with the sea.

Those figures include the Tahoua-Arlit (center of uranium production) section of which 642 kilometers were developed between 1978 and 1981, and the construction, operation and maintenance of which were the object of a concession.

Process of Opening Up

As for air transportation, it consists of:

1. two international civilian airports, included in the OACI aerial navigation plan (Niamey and Agadez);
2. four national airports open to the commercial traffic of Niger (Maradi, Zinder, Tahoua, Diffa) and operated by the Air-Niger company. The latter enterprise had to close down its activities in 1984 because of the difficulties encountered by air transportation;
3. 12 secondary airports;
4. several private airports, the most important of which is the one at Arlit.

These efforts have generally been extended in the area of telecommunications. The significance of telecommunications in the process of opening up is due to three vital factors: long distance transactions in the business world; diplomatic activities; and the need for information, this being a prerequisite for any political, economic and social development.

Without being the priority among priorities, in recent years the infrastructure of telecommunications has been at the front of public investments. Thus, in 1982 the Postal and Telecommunications Office was provided with a network which is said to be the most modern in Western Africa. It cost more than 25 billion CFA francs and includes, among other things, a large size earth station connected with the INTELSTAT system in the Indian

Ocean, four average size earth stations to cover the territory, a 275 kilometer complementary directional radio link, telephone exchanges in several cities.

Aside from services rendered to information media such as television, these exchanges make it possible to connect the cities within the country with foreign capitals. Today, this network, together with the other means of communication, forms the "nervous system" of the economy.

All these constraints, combined with the closing of the border with Nigeria 2 years ago, have led the government to rethink its development strategy in order to definitively build a solid economy. That is why as early as 1982 urgent measures were taken to achieve financial recovery and adjustment. They are cutbacks in public spending, a lowering of the style of living of the state, and an adjustment of the national investment fund. The latter, which during some years reached the 20 billion CFA franc mark, was cut back to 10 billion in 1983, then to 6 billion in 1984. A second set of measures were taken in 1983, and were a prelude to the development of an interim consolidation program (1984-1985) which in a way adjusted the objectives of the 1979-1983 5-Year Plan, in order to make them conform to the level of the state's resources. At the same time, financial recovery and structural adjustment programs were signed with the International Monetary Fund, aid was requested from the World Bank, and new payment schedules for Niger's foreign debt were negotiated with the Paris and London clubs.

8463

CSO: 3419/250

ENTENTE COUNCIL FUNDS 2,000 NEW WELLS

Niamey LE SAHEL in French 3 Jun 87 p 3

[Text] The 59th session of the board of the Mutual Aid and Loan Guarantee Fund of the Entente Council met yesterday under the chairmanship of the secretary general of the Finance Ministry, Mr Amadou Seydou. During the session, participants (board members, member country delegates and the administrative secretary of the Entente Council) examined the 1986 budget report, the activity report, and the fund's investments.

Out of its resources, the fund has given 33 billion CFA francs in support, which, according to the secretary general of the Finance Ministry, has allowed member nations to carry out investments of approximately 175 billion in a wide variety of areas. In addition, the fund contributes substantially to numerous development projects, either by direct participation or by comprehensive grants to its members. In this category, nearly 4 billion have been allotted, derived essentially from investment income.

Another aspect, no less important, stressed Mr Amadou Seydou, is an examination of fund financing for its members, particularly in this time of generalized economic crisis when, faced with unprecedented demands, the members' financing resources are more and more limited. For this reason, the fund will have to focus on lowering interest rates, the only means of allowing member states to enter the market.

The second stage of the village water program is a good example, according to the secretary general of the Finance Ministry. Thanks to nearly 10 billion CFA francs in financing, 2,000 new wells will be dug throughout the member states.

13220

CSO: 3419/288

BRIEFS

ISLAMIC UNIVERSITY RECEIVES \$100,000--Education minister Mr Illa Maikassoua and Nigerian businessman Alhassane Dantata visited the Islamic University of Say yesterday morning. The delegation was welcomed by the sub-prefect of Say, Mr Abara Zika, and officials of the university and heard a report on the various problems facing the institution. Impressed with the quality of progress to date, Mr Dantata decided to lend his modest support to the overall effort of the Islamic community, making a spontaneous gift of \$100,000. He also promised \$25,000 over the next 5 years. The minister, Illa Maikassoua, thanked Mr Dantata in the name of the chief of state and the Nigerien people and assured him his endowment would be put to good use. [Text] [Niamey LE SAHEL in French 4 Jun 87 p 3] 13220

CSO: 3419/288

SAO TOME AND PRINCIPE

PINTO DA COSTA AGAINST ANGOLAN TROOP WITHDRAWAL

Lisbon AFRICA CONFIDENCIAL in Portuguese 19 Jul 87 p 4

[Text] The Sao Tomean president, Pinto da Costa is in no way agreeable to the idea of withdrawal of Angolan troops stationed in his country, even though, at times, the opposite seems true when he holds conversations with Western personalities.

The Angolan troops, presently composed of 700 men, have been in Sao Tome and Principe since 1977. The justification for their presence was part of a "bluff," boisterously announced and based on a fictitious threat of invasion by foreign troops (Gabon).

But the real truth, based on accounts of witnesses who were on the scene at the time, was that the Angolan troops, (initially 1,300 men plus close to 100 Guinea-Bissauans), were on a mission to defend the regime from its own internal opposition, due to the lack of credibility of the country's own armed forces.

A close associate of Pinto da Costa said recently in a private interview that the Angolan troops (including Soviet and Cuban advisers) were used to defend the regime against the "ambitions" of important individuals within the country, especially in the armed forces.

During the recent Lusophone Summit in Maputo, Pinto da Costa stressed the necessity of the Angolan troop presence in the country by pointing out the "South African threat" and the support it gives to "Sao Tomean counterrevolutionaires."

The opposition to Pinto da Costa regime is dispersed abroad but it is, in proportion to other African states, the most numerous and best qualified opposition in Africa. The regime is also extremely unpopular internally.

/9274

CSO: 3442/0268

DETAILS ON GOVERNMENT'S SEED POLICY, ITS PROBLEMS

Distribution Slow

Dakar LE SOLEIL in French 12 Jun 87 p 12

[Article by Papa Mor Sylla; first paragraph is LE SOLEIL introduction]

[Text] Three days before the official closing date (15 June), seed distribution is running behind. The delay is the fault of farmers who took their time applying for seed loans at the National Agricultural Credit Fund [NACF] not to mention purchasing grain at SONACOS [National Oil Products Marketing Company of Senegal].

Farmers prefer seed on credit, a system far more advantageous for them than cash purchase. Right now, farmers are swarming to the NACF, whose seed credit accounts have swelled remarkably in the last week.

From 42,233,000 CFA francs last week, farmers' down payments, fixed at 35 percent of credit requests, this week rose to 96,917,000 CFA francs. That is the equivalent of 2,320 metric tons of peanuts, against a quota of 4,000 metric tons, evaluated at 169 million CFA francs, which the NACF decided to allocate this year to clients in the region. NACF gives its client a voucher which the farmer takes to SONACOS to exchange for seeds.

But if farmers' down payments are clearly on the upturn at NACF, seed issues at SONACOS are another story. Its regional chief says the vouchers that have been honored amount to only 600 metric tons of seed.

Seed sales by SONACOS are still down. On 7 June, only 7.237 metric tons had been dispersed, out of 1,000 metric tons of grain stored in (seccos). Yet SONACOS has just put up 32,800 metric tons of seed for reserves.

Overall, preparation for the agricultural campaign is running behind. The sky is more and more overcast, and it even rained 9 June in some areas of the department of Tivaouane. With personal seed reserves estimated at 600 metric tons, questions are surfacing about the ability of farmers to carry out the planting. The governor of the region asked SONACOS to base its preparations

on the NACF's accounts. For the moment, worries are focused on the delay, still short, in distributing the seeds. Consequently, the follow-up committee for the agricultural campaign has decided to move its weekly meeting ahead to get a better grasp of the situation.

As for fertilizer, sales are always unpredictable. The two depositories of ICS [Chemical Industries of Senegal]-SENCIM have sold nothing at all, because, according to the president of the Regional Cooperatives Union, farmers prefer to obtain it via the NACF, where they put down 10 percent. The plant disease control program, though, is in preparation, and, according to the head of Plant Disease Protection, supplies and equipment will be available in 2 weeks.

Shortage Noted

Dakar LE SOLEIL in French 23 Jun 87 p 16

[Article by Mamadou Traore; first paragraph is LE SOLEIL introduction]

[Text] Out of theoretical seed reserves estimated at 92,000 metric tons, technicians attribute 12,855 metric tons to the farmers' personal reserves, while the farmers talk about an obvious overestimate.

"There is no doubt about it. It is possible the farmers have set aside 12,835 metric tons of seed. The surveys were carried out scientifically," according to the head of the regional administration. He continued, "Remember my economic tour. Everywhere I went, I insisted on personal reserves. If the numbers need revision, they should go up, because farmers always report less than they have, hoping the state will reverse itself." These words should have been reassuring to many. Unfortunately, for anyone who even just barely understands the realities of the region, the pill seems too hard to swallow. Many members of the CRD [Regional Development Commission] have not swallowed it, and understandably.

In spite of the region's suitability for peanut growing, which is reconfirmed year after year, many people are asking themselves how the region's farmers can put aside nearly 15,281.373 kg. This weight, in addition to the anticipated personal reserves, includes Cooperatives Union figures of 2,066 metric tons, seed bank totals of 355.936 metric tons, cash sales planned for 21.487 metric tons, and contributions of 2.95 metric tons.

Two tours in the department of Kolda confirmed our fears: the region has a seed problem. That being the case, we could not help ask, "Where are the 12,000 metric tons?" There is a good chance this a great to-do about nothing. The paradox is that the farmers keep on buying seed from SONACOS, which brings us back to asking why.

Seed Policy Blamed

Dakar LE POLITICIEN in French 26 Jun 87 p 5

[Article by Khadre Fall; first six paragraphs are LE POLITICIEN introduction]

[Text] The rainy season is here, and farmers still have no seed. The state insists on making them cough up, which seems to us inhuman or at least senseless.

How can a farmer, who harvests on the average between two and 35 metric tons a year, manage to furnish his own seed or put down cash (according to the new formula) for 25 percent of his needs?

The arithmetic is the only thing throwing light on the farmers' case: With two metric tons of peanuts, at 90 CFA francs per kg, a farmer earns 180,000 CFA francs per year, hardly equal to a salary of 15,000 CFA francs, therefore below the SMIG [guaranteed minimum wage] of 495 CFA francs per day, to eat, drink, dress, and combat cholera and typhoid.

Today, he is also expected, on this meager wage, to participate in the seed bank, as if he does not have the problems of survival of most urban workers. They, on the other hand, have multiple opportunities for credit.

After all, the government itself lives by credit, and there are few people who do not.

In any case, if our farmers are to be more productive, confidence must reign.

The riddle of the day in the countryside is the problem of seed: The state is disengaging itself under the pretext that if "credit is dead," it is because "bad borrowers killed it," and is delegating authority to SONACOS, the Cooperation, and a newly created bank, the National Agricultural Credit Fund [NACF].

So now the government sells. It sells seed for cash. But the farmers have no cash. The 15 June date set for closing seed sales passed ages ago, and the seed stockpiles still are nearly untouched.

All over Senegal, farmers and even some marabouts are anxious, fearing to see the skies open on bare earth.

The extraordinary methods our disengagement experts have come up with for duping 70 percent of our population must be seen from the perspective of this growing discomfort.

On 15 June (deadline for seed sales), less than a quarter of farmers had seed. But since the 19 June rain, some showed a certain willingness to provision themselves before the rainy season set in, especially dreading to see seed stored in the open go to ruin.

In the end, the state changed its tactics. Now it sells on a partial basis.

For the time being, the new plan consists not of selling for cash but of giving partial credit under the direct responsibility of a local official who would be prosecuted in case of default.

In plain terms, the current system consists of imposing a deposit on the farmer of 25 percent of the value (in cash CFA francs) of the weight of the seed he needs. Consequently, a village section (a group of 12 villages) can obtain 5 metric tons of seed for a deposit of 150,000 CFA francs. If a farmer wants 100 kg of seed, he puts down 3,000 CFA francs and owes 10,000 CFA francs plus 13 percent (calculated on 100 kg at 130 CFA francs per kg--initially bought at 90 CFA francs), giving a total cost of 14,690 CFA francs.

How generous.

Now it is clear why the Rural Development Ministry was criticized by a grower for being entrusted to a banker.

All the same, the fish seems to have risen to the bait. Right now, the countryside is in pandemonium: Everyone is doing all he can to get seed, no holds barred.

For example, in the peanut capital recently, a meeting was held at the regional government offices with all the presidents of the Kaolack region's village sections (nearly 600, according to our information). At first, according to our investigations, the farmers banded together under a slogan of "No dough" to push their creditors to soften their stand. By the meeting's end, the Kaffrinois (from the most productive department) lost no time making contacts to ease "their" situation by paying the required deposits. Thus warned, all the farmers with the wherewithal decided to accept the conditions of the new "masters."

By an irony of fate, Monday 22 June, when the farmers returned to the NACF to pay the deposit, they heard that their credit limit could not exceed approximately 200 village sections (out of the region's 600).

We do not know if there is a solution. The possibilities are unknown until Dakar is brought in: That is what is called organization and method.

Right now it is a waiting game, just when the rains can begin any day, not to mention the distress of more than 60 percent of the population.

However, most farmers involved in the much vaunted NPA (New Agriculture Policy) are not yet concerned. Some of them are right now doing handstands to persuade their marabouts to furnish their deposits, sign securities, or at least intervene for them with the authorities to obtain their sympathy. More realistic farmers, at the same time, have simply turned their backs on peanut growing and are looking to maize, both less fatiguing and more profitable, instead. In other words, even with a good rainy season, the national peanut harvest could be so insignificant that SONACOS would be in danger of closing down at least one peanut oil processing plant.

Such a closing would inflict unemployment on a good number of heads of households.

JAMA BARRE ON RELATIONS WITH ETHIOPIA, ARAB STATES

34040006b Tunis AL-SABAH in Arabic 27 Jun 87 p 5

[Interview with Dr 'Abd-al-Rahman Jama Barre, Somali foreign minister:
"Somalia is Unquestionably Arab; Dialogue with Ethiopia is Ongoing"; date and
place not specified]

[Text] In recent days, Somali foreign minister Dr 'Abd-al-Rahman Jama Barre gave an extremely important and worrisome interview to the well-known Arab publication AL-TADAMUN, in which he shed light on and offered substantiating information about the reality, the struggle, the goals, and the aspirations of this Arab nation long known for its Arabism, struggle, and lofty stands against anti-Arab and anti-Islamic forces in the heart of the African continent, spurred in many instances by foreign hands, crusade machinations, and strategic ambitions. Following are the highlights of the interview:

[Question] The gauge of relations between you and Ethiopia goes up and down. It went up following the meeting between Presidents Muhammad Siad Barre and Mengistu Haile-Mariam, during which they agreed to form a joint committee chaired by the foreign ministers of the two nations to discuss pending problems. After 3 meetings held by this committee, there were no signs on the horizon of any solution to the problems between the two nations. Do you think that a solution is possible? And why has the joint committee suspended its activities?

[Answer] Actually, the activities of the Somali-Ethiopian committee have not been suspended. As was stated in the question, it has held 3 meetings since its creation last year: the first, in February 1986 in Addis Ababa; the second, in August 1986 in Mogadishu; and the third, in April 1987 in Addis Ababa. In these 3 meetings, the committee discussed all the topics and problems shared by the two nations, problems related not only to political issues, but also to the state of war and its impact and to ways and means of reaching a lasting peaceful solution. In these meetings, we presented 4 points which we proposed as an agenda, but the Ethiopian delegation presented 7 points of its own, 6 of which proved to be in agreement with the 4 points we had proposed. These points were:

- To improve relations between the two nations.
- To pull back troops on both sides to a distance of 15 km from the borders.
- To restore diplomatic relations severed by Ethiopia in 1977 because of the war to liberate western Somalia.
- To exchange prisoners of war.

Our view was that these 4 points, if debated and implemented, could lead to better relations between the two nations. As for the other basic problems, we decided to delay their discussion to a later date in the negotiations. We told the Ethiopians that it was impossible to take up basic issues such as border demarcation before paving the way for such a move by removing the traces of war. This point, however, emerged as a subject of disagreement because Ethiopia insisted that it be incorporated into the discussions while we were of the opinion that we ought to eliminate all pending problems and improve existing relations between the two nations. Animosity between Somalia and Ethiopia has existed from time immemorial, going back to wars that started in the 15th century. Therefore, the elimination of these problems first requires efforts to improve the situation between the two nations, to be followed by endeavors to find a lasting peaceful solution to these problems.

Differences of opinion notwithstanding, the joint committee has not suspended its activities; in fact it has decided to hold its fourth session in Mogadishu at a later date. We hope to be able to make some progress in this session. We did not expect to resolve our difficult problems with Ethiopia in just three sessions. Rather we were of the opinion that the matter required several sessions and discussions as well as forbearance. On our part, we will vigorously seek a lasting peaceful solution, but solutions cannot be one-sided. They require cooperation and agreement from both sides to work for a solution to their pending problems.

[Question] Besides disagreement on the border issue, were there other points of conflict between you and the Ethiopians?

[Answer] No, there were no other points of conflict. We do not reject the principle of dialogue and discussion of this point, but we feel that this matter must be addressed at a later date and that we must concentrate now on removing the sensitivities that exist between the two sides and on creating climates of confidence and trust to pave the way for a dialogue on basic issues. It must be pointed out here that Somalia's position on the border issue was represented in its support of the right of the people of the region to self-determination, while the Ethiopian position refused to acknowledge this right. So what borders can we discuss at this point? The borders that Ethiopia wants or those that respect the right of self-determination? And what are the rights of the people in western Somalia? And what is the status of the territory Ethiopia has usurped from Somalia with the help of certain European imperialist forces?

The UN charter, the NAM, and the OAU all support the right to self-determination. We, by endorsing this right of the people of the region, are

not inventing anything new. However, Ethiopia has rejected this right, insisting on pushing this matter to the negotiating table in the meetings of the bilateral committee. We believe that discussion of this thorny problem requires that we pave the way first and remove doubts and hostilities, hence our objection to discussing this point at the outset and our insistence that it be taken up later on in the negotiations.

[Question] Do you see a possibility for achieving peace in the Horn of Africa in the foreseeable future?

[Answer] On our part, we are fully ready and perfectly willing to achieve peace, and we hope that the other side feels as we do. Because we want it to be a just and lasting peace, I cannot say with certainty whether this can be accomplished in 1 or 4 or 10 years. We do not want just any peace, but one that is fair and that guarantees the rights of all people in the region, including the Ethiopian people.

[Question] Problems in the region are closely intertwined for you and Ethiopia, and between Sudan and Ethiopia, in addition to domestic problems in Ethiopia that affect its relations with its neighbors. From this premise, are you in contact with other nations in the region to find a formula for solving these problems and instituting peace?

[Answer] We are engaged in ongoing consultations with Sudan, and we expect the Sudanese foreign minister to visit Somalia soon. Such consultations ought to be held between all neighboring nations in good faith.

[Question] Does this mean that you have held consultations with Sudan regarding Sudanese Prime Minister al-Sadiq al-Mahdi's peace plan for the Horn of Africa?

[Answer] Actually, this is the first time I have heard about such a plan. During the Islamic summit conference in Kuwait, I met with the chairman of the Sudanese Sovereignty Council, Mr Ahmad al-Mirghani, and the former Sudanese foreign minister, al-Sharif Zayn al-'Abidin al-Hindi. We discussed bilateral relations and the situation in the region, but did not go into any Sudanese initiative to achieve a comprehensive peace in the Horn of Africa.

[Question] What is your assessment of the work and future of both the Arab League and the OAU?

[Answer] The Arabs and the Africans are bound by many common interests and bonds. They cooperate in the fields of politics and economics and agree on several principles, particularly those related to support of liberation movements. There is no doubt that consultations and coordination between Africa and the Arab world do exist in numerous fields, and that the Arab League and the OAU on their part support such coordination and stimulate cooperation between the Arab and African peoples. Somalia, as a member of both organizations, realizes that there is no disagreement over principles or the importance of Arab-African cooperation, and we hope that this cooperation will grow and prosper both politically and economically.

[Question] Arab-African relations have been suffering from vacillation for quite some time. As an Arab-African nation, how do you perceive support for Arab-African cooperation?

[Answer] Undoubtedly, the Arab nations have offered massive economic aid to the African world, but some African nations consider this aid to be inadequate. The move by some African nations to restore diplomatic relations with Israel has shaken the trust between several Arab nations and some African ones. Nonetheless, the Arab nations have not stopped their support of Africa and must in fact seek to augment this support to safeguard their African relations.

[Question] How do you assess relations between Somalia and other Arab nations?

[Answer] Somalia is part of the Arab world, and its relations with the rest of the Arab nations are good. Somalia on occasion has had a difference of opinion with some other Arab nations, but we consider this situation to be a normal one. Generally speaking, our relations with most Arab nations are good and firm.

[Question] There is no doubt that Somalia maintains special relations with certain nations. With what Arab nations do you maintain special relations?

[Answer] We are grateful to some Arab nations that have offered aid to the Somali people. I make special mention of the brothers in the Gulf, specifically Saudi Arabia, the UAE, and Qatar, that have offered economic aid to Somalia. Moreover, certain Arab institutions such as the Arab Fund and the Kuwaiti Fund have offered us economic aid as well.

[Question] Somalia joined the Arab League about 13 years ago. What is your assessment of the time you have spent as an Arab League member?

[Answer] When we became a member of the Arab League, we offered the same contributions made by other members. I mean that we offered support, aid, and ideas. As for the League, it offered us assistance and political backing. I do not claim that the League has given us everything and that we have given everything to the League. I would like to say that our membership in the League was a positive step and that our relations within the League are good.

[Question] Was Somalia's decision to join the Arab League one of destiny or was it a tactical political decision?

[Answer] No, our decision to join the League was not political, for the Somali people consider themselves an integral part of the Arab world and the pure Arab race. If we examine Somalia's ancient history, we find that it has been ethnically, culturally, and socially linked to the Arab world. Therefore, our decision to join the Arab League was not a political or tactical one aimed at garnering support or help, but was truly one of destiny for our people, who do not question their Arab affiliation.

[Question] Some Somalis feel that they are not accorded enough Arab care and understanding. Do you perceive any shortcomings in your relations with other Arab nations or in your position within the Arab League?

[Answer] I personally feel that the problem lies in the failure of the Arab media to pay enough attention to Somalia's problems and to show enough concern for our economic, social, cultural, and other concerns and conditions. We may be responsible for part of this shortcoming due to failure to explain our problems to the Arab press. At any rate, the biggest responsibility falls on the Arab press, which should pay as much attention to our affairs and situation as to the other Arab nations.

Somalia is an Arab nation and the Arab press has a role to play in it. I urge Arab journalists to visit Somalia to get to know its people and its intelligentsia. It is preposterous that hundreds of foreign journalists visit Somalia every year, but not one Arab journalist has come here.

12502

LAUNCH OF SPECIAL CONSTABLES DETAINED

Pretoria SERVAMUS in English Jun 87 pp 10-11

[Article by W. Off. Kevin Webb]

[Text]

"Special" can mean many things in the Force. If you come back to work after retirement, you are termed as such. "Special" does again have a negative connotation. It means working on your off-days when you could be relaxing. Recently, a new form of "special" made its appearance in the South African Police and lends a new dimension to the term. This time it is used to refer to a new breed of policeman. The breed and the concept is so new and special that the term has been adopted to describe them. Special Constables

They wear the same star that you or I wear. They have the same powers that you and I have and are subject to the same Police Act that you and I are. The main difference is that these "Special" Constables are in fact "specialists" in foot patrols. They are on their feet on the beat. Their task is to maintain a visibility in our townships and to restore law and order. The principle is working particularly well and numerous incidents of heroism and good policing are coming to light.

The Special Constables are taken from all walks of life, from bus drivers to petrol attendants. Some of them do not have too much formal education, but, according to Maj. J.B. Smith, the commanding officer of the Koeberg Training Centre, this is not a major problem. Everything they learn is drummed into them and they are fully competent to carry out their tasks once they leave the centre.

The Koeberg Training Centre was started on September 1, 1986. Six members of the South African Police, headed by Maj. Smith, arrived at Koeberg on August 24, in order to get the place ready by September, 1. The complex belonged to Escom and was only officially handed over at midnight on the last day of August. On September, 1, the trucks started arriving one after the other and all the equipment was off-loaded. On the afternoon of the same day, the first meal was served in the mess!

Up until the last passing-out parade, 2 250 special constables had undergone their training at Koeberg. The course is six weeks in duration

and they are trained practically in aspects of crime prevention, riot-control, weapon safety and handling, legal aspects of arrest and when to use weapons and footdrill. It must be stressed that these special constables are only trained to fulfill a specific task in the townships and are sent out in groups, accompanied by an experienced member.

As far as the staff is concerned, at present there are 115 members of which 33 are permanently stationed at Koeberg. The others are temporary. The temporary members do a three month TIN camp at Koeberg and, during this time, train two intakes. The morale amongst the staff members is particularly high and a few of them display particular talent for this type of instruction. Many of them are fluent in one or more Black languages. This helps a great deal as many of the trainees are not too fluent in English or Afrikaans.

The staff members are faced with a particularly challenging task. The students under their care are mostly undisciplined and unfamiliar with a military-type setup. Whereas the other training colleges are dealing with matriculants, this training centre is for anyone. A number of the students are illiterate and thus all information that is given, has to be of an oral nature. Repetition is the key word. Each student is tested very thoroughly in all aspects of the work, but, obviously the tests are all oral. Each platoon is given two instructors who cover the entire syllabus with that platoon. This too, is a very challenging concept and does a great deal to

expand even the instructor's knowledge. Besides the instructional purpose that you serve, you also have an educational purpose as well. You are faced with the task of introducing a responsibility and a form of education to the student. You have to teach him to work together with others.

Koeberg recently saw yet another passing-out parade for 657 Special Constables. It was held on April 15 on the grounds of this immaculate base. The parade was attended by the Minister of Law and Order, Mr Adriaan Vlok, Lt.-Gen. H.G. de Witt, Maj.-Gen. A.J. Wandrag and many other dignitaries from far and wide.

The day was by far the best seen in weeks at Koeberg. The sun shone and the wind died down. Many of the staff members whispered short prayers of thanks. (The last passing-out parade was apparently washed out.) Many special finishing touches were made in expectation of the Ministerial visit, including a duck-pond, erected by Lieut. Van Eeden and his personnel. The delighted ducks were shown to the water before the parade and did what the personnel are not allowed to do . . . ducking and diving.

At the head of this meticulous parade was Capt. R.M. Harrauld, formally of the South African Police College. He is also the present "2IC" at Koeberg. The parade marched on and the General Salute was taken by Minister Vlok. Col. (Rev.) A.P.S. Coetzee, the chaplain for the WP-division read the scriptures after which the students sang a hymn. Col. Coetzee then prayed

in three languages, an experience appreciated by all the spectators.

The welcome and acknowledgements were expressed by Maj. Smith after which the parade was inspected by Minister Vlok. This was followed by one of the most precise drill displays seen in a long time. It was so good in fact, that the Minister came down from the dais to congratulate the choreographer and coach, Sergt. P.M. Nkuna. *Servamus* was particularly impressed with the high standard of this display, especially when considering the short time the students had to perfect the display. The entire display was performed to the sounds of their own harmonious voices.

A number of awards were made to the Best Student, the Best Platoon and the Best Shotlist. The H.G. de Witt Floating Trophy for the best student went to Special Constable P.M. Hlophe and the A.J. Wandrag Award for the best Shotlist went to Special Constable P. Radebe. Platoon 19 received the Brig. J. van der Merwe Trophy as the best platoon of the course. It was handed over to Special Constable S.M. Lamola. All the awards were presented by Minister Adriaan Vlok.

A march past followed with each of the new Special Constables peering anxiously into the vast sea of faces, trying to recognise a family member or a friend. They had finished the course. The Koeberg staff had done their job. With the atomic power station outlined against the horizon, one thing was evident. As atomic power is of the future, even so the Special Constable is perhaps also of the near future. It is a concept that could well change the course of history in South African policing. A new line of defence and a great way to build an image. ★

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CSO: 3400/0281

COMMENTARY EXAMINES ZIMBABWE TRADE RESTRICTIONS

MB071235 Johannesburg International Service in English 1100 GMT 7 Aug 87

[Station commentary: "Trade With Zimbabwe"]

[Text] Last week the Zimbabwean Government gave up a plan to ban imports from South Africa. Businessmen had warned it that Zimbabwe would suffer much harm economically, and it was also feared that South Africa might take the same kind of action against Zimbabwe. There is still a preferential trade agreement between the two countries and Zimbabwe benefits greatly from it, because its exports to South Africa are not taxed, as are the goods from other countries.

This week the Zimbabwean Government started a new scheme. Without any announcement it quietly informed businessmen that in the future they would not easily receive import permits for South African goods. Apparently in this way it hopes to achieve the same aim as it had originally, but without South Africa taking any action against it. It seems to think that the South African Government does not know what it is doing.

But the real point is that the Zimbabwean Government has not yet realized that its whole sanctions campaign is a waste of time. Its leaders, like the leaders of some other countries, have been claiming for the last few years that sanctions against South Africa would cause economic difficulties and force the South African Government to change its policies. It was because they believed this that the parliament of some European countries and the United States passed various kinds of sanctions against South Africa last year. As has been shown, the South African Government has not been forced to change its policies.

In fact, a former ambassador who is now director of the South African Foundation, Mr Kurt von Schirnding, says a lot of people in the West are beginning to realize that what they did was a dangerous mistake. If their sanctions had any effect at all, it was to hurt those they were supposed to help.

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CSO: 34000247

CAPE TOWN'S GROWTH RATE SEEN AS 'POOR'

Cape Town THE ARGUS in English 6 Aug 87 p 7

[Text]

METROPOLITAN Cape Town's share of South Africa's Gross Geographic Product (GGP) is declining and its overall growth rate, relative to other major areas, has been "poor".

This is the finding of a working paper produced by the economic planning section of the council's city planner's department, considered by the town planning committee this week.

Chairman Mr Clive Keegan said the paper formed part of research which would be used to compile an overall economic development plan for the city.

"And it is another indication that the economic position of the Western Cape is deteriorating," he warned.

TREND CONTINUES

In 1978 Cape Town's contribution to the GGP was 10,6 percent — the second largest after the

41,2 percent of the Pretoria-Witwatersrand-Vereeniging complex. Durban contributed 9,6 percent and Port Elizabeth 3,4 percent.

However, Cape Town's share was down from 12,2 percent in 1968, "and by all accounts this trend continues", the report said.

The city had a negative growth rate between 1975 and 1980, which was attributed largely to a shift away from the secondary sector. Manufacturing, the most important part of Cape Town's GGP, declined from 32,5 percent in 1960 to 23,5 percent in 1983, causing an overall decline in GGP for the city.

In 1978 the sectors contributing towards Cape Town's GGP were manufacturing (23 percent), commerce (17 percent), finance (16 percent), government (15 percent) and transport (13 percent).

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CSO: 3400/0246

GROWING STRENGTH OF BLACK PURCHASING POWER NOTED

Johannesburg BUSINESS DAY in English 5 Aug 87 p 2

[Article by Gerald Reilly]

[Text]

PRETORIA — The growing strength of black buying power will have a major impact on economic growth from now to the end of the century, economists say.

Their view is supported by figures provided by the Bureau for Market Research at Unisa. These show total disposable income will rise 120% and black buying power 216% in the 15 years from 1985, if the 1970-75 tempo of growth is maintained.

An amount of about R50bn will be added to black purchasing power — 25% more than total white buying power in 1985.

However, based on the slower tempo of growth for the five years to 1985, disposable incomes will rise by only 25% over the next 15 years. There will be a 50% increase in black's disposable income, but a drop of 1,5% for whites.

If it is accepted the growth rate of the 15 years to 1985 will be maintained, an increase of 50% in total personal disposable income can be expected. The

purchasing power of blacks will double and that of whites will rise 20%.

About R40bn will be added to total purchasing power, with black purchasing power accounting for 55% and white purchasing power only 20% of this. White purchasing power will amount to R48bn against the R46bn commanded by blacks.

In 1985, black consumers commanded an average 435% more purchasing power than in 1970. Whites, however, had an average of 54,1% less.

The gap between the disposable incomes per person of whites and blacks narrowed from R7 962 to R7 353 in 1985.

In 1970, whites had 12 times as much, and in 1985 8,5 times as much, purchasing power as Blacks.

The steadily increasing share of blacks and the decreasing share of whites in the country's total disposable income is clear, according to Bureau for Market Research director M Loubser.

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CSO: 3400/0245

IMPORTANCE OF UNDERGROUND ECONOMY NOTED

Johannesburg FINANCIAL MAIL in English 7 Aug 87 p 33

[Text]

The underground economy is creating unprecedented interest, mostly in association with the tendency of a high tax burden to drive (or keep) people out of the formal sector. But nobody knows what size it is, nor what it could be contributing to GNP.

Reserve Bank Governor Gerhard de Kock, for one, believes the importance of the underground economy is under-rated.

Studies in Italy a couple of years ago suggested that as much as 10% of economic activity could pass unnoticed by statisticians and tax collectors. And if — as many suspect — the informal sector expands during recessions, the whole concept of analysing cyclical trends and applying counter-cyclical policies becomes dubious.

Traditional economic tools and methodology necessarily concentrate on things that can be measured, including: inflation, money supply, output, registered unemployment. The logistics of the underground (or informal, unrecorded, unmeasured) sector do not allow such easy quantification.

Nevertheless, some estimate of the size of the underground economy would help everyone involved in planning. It may also help explain the inconsistent economic indicators the *FM* has explored over the past two weeks.

So far, the nearest attempt to official estimates is a committee set up between Central Statistical Service (CSS), the Reserve Bank, and Central Economic Advisory Services.

Economists such as George Huysamer's Louis Geldenhuys agree that the under-

ground economy is "important, perhaps crucial, and viable." But he cautions that the apparent importance given it in recent times should be seen with circumspection.

The underground economy is parasitic, or at least, closely linked with the formal economy. Its importance, as CSS's Treurnicht Du Toit stresses, is the value it adds to the economy.

The size of the informal sector is expressed as a percentage of formal GDP. To incorporate it statistically would mean revising all previous GDP and growth figures.

Empirical problems include particularly the services sector; barter; and "backyard" activities. Some believe methods of calculating, for example, retail sales, also do not accord with modern reality.

Debate about the size of the underground economy will continue. Current feelings are that it's worth at least 5% of formal GDP, or say R8,5 billion. This could be conservative; but possibly more important is how fast it's growing, and what muscle it could add to this year's 2%-3% growth in formal GDP.

A good grasp of how more accurate account could be made of the underground economy was given by US economist Edgar Feige in 1984: "Systematic biases, unwittingly introduced into official data bases, distort perceptions of economic realities."

To Feige, the underground economy comprises: "All economic activity which, because of accounting conventions, non-reporting or under-reporting, escapes the social measurement apparatus, most notably the GNP system of accounts." ■

RAND MINES ANNOUNCES INITIATION OF NEW GOLD MINE

Johannesburg BUSINESS DAY in English 4 Aug 87 pp 1, 2

[Article by Peter Stacey]

[Text]

RAND Mines has announced that a R95m new gold mine is to be developed east of Barberton.

The Barbrook gold mine, a joint venture with Anglo American Corporation, has been given the go-ahead and a JSE listing for the new mine is planned "in about November", according to Clive Knobbs, gold division chairman of Rand Mines.

Although details are not yet available, Knobbs says the public will be invited to invest in the venture. The two mining groups are equal partners in Barbrook Mining and Exploration and this relationship will be maintained.

Barbrook, which has been extensively prospected and already has 15km of tunnel developed, is expected to have a 35-year life and a full production output of 25 000 tons a month, at a recovery grade of 4,5g/t.

Initial mining will be by adits into the mountainside, and first production is scheduled for January 1990.

An exhaustive prospecting evaluation and a two-year feasibility study have been carried out, with special attention paid to the metallurgical processing of the arsenopyrite hydro-thermal ores typical of the Barberton area.

Knobbs says a careful weighing of the project indicates the approach of the large mining groups which "don't like a high risk on the length of life of a mine". The 35-year life could well be extended, and Knobbs cites as an example the

nearby Sheba mine, which has been in production since the 1880s.

Barbrook lies in a mountainous area 25km west of Barberton and near the Swaziland border, with the Louw's Creek valley across the centre. A large portion of the mineral rights are in KaNgwane. The area was first mined in the latter part of the 19th century by operators concentrating on the near-surface oxidised zones of the steeply dipping reefs.

Newer metallurgical techniques have meant the deeper sulphide gold-bearing ores can be mined economically.

Mining claims in the area held by Anglo and Rand Mines were combined to form Barbrook in the late 70s. Rand Mines, who initiated the joint venture and contributed the greater share of mining title, consequently took on the management contract for the operation.

Potential total reserves, including development of a western section not included in the feasibility study, amount to 14,9-million tons, or 104t of gold over a possible 50-year mining life.

Profits for the first year of production, 1990, are projected at R11m, rising to about R20m a year by 1996. The Rand Mines forecasts are on a 68% gold recovery from an average *in situ* grade of 7g/t. This may also be conservative, and project leader Gerry Emere is confident a higher recovery can be attained.

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CSO: 3400/0244

RESERVE BANK REPORTS INCREASE IN GOLD HOLDINGS

MB051614 Johannesburg SAPA in English 1351 GMT 5 Aug 87

[Text] Pretoria, 5 Aug (SAPA)--The South African Reserve Bank's gold and foreign currency reserves increased by R596 million during July to R7102 million on 31 July, the bank said in its monthly statement today. Of this increase, R225 million stemmed from gold valuation adjustments, the president of the bank, Dr Gerhard de Kock, said in a statement in Pretoria. Gold reserves were valued at R851.59 per fine ounce at the end of July compared with R818.00 at the end of June.

The increase was recorded despite the repayment of U.S. \$300 million (more than R600 million) in foreign debt "inside the net" in terms of the second interim debt standstill arrangement reached in March this year.

South Africa's total gold and foreign exchange reserves, including foreign currency held by the rest of the banking system and the government, increased from \$3.9 billion (U.S. \$1.9 billion) at the end of April last year to about R8 billion (U.S. \$3.9 billion), Dr de Kock said.

He added that the Reserve Bank had increased its physical gold holdings from a low of 3.7 million fine ounces at the end of July 1987. "This partially reflects a gradual elimination of existing gold exchange agreements, that is to say buying back by the Reserve Bank of gold it previously sold in terms of exchange agreements," Dr de Kock said.

According to the bank's statement, gold holdings totaled R5.3 billion at the end of July, up from R4.95 billion at the end of June.

Foreign investments increased by R3 million to R114 million, while other foreign assets totaled R1.69 billion, up from R1.45 billion.

Notes in circulation increased to R5.23 billion from R5.04 billion.

Government deposits stood at R2.9 billion at the end of July, up from R2.4 billion at end-June.

Provincial administration deposits increased to R282 million from R237 million, while deposits by banks decreased to R526 million from R548 million.

The ratio of gold reserves to liabilities to the public less foreign assets stood at 73 percent compared with 70.7 percent at the end of June.

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CSO: 34000247

MINISTER SEES GOOD FUTURE FOR PLATINUM GROUP METALS

Johannesburg BUSINESS DAY in English 4 Aug 87 p 3

[Article by Gerald Reilly]

[Text]

PRETORIA — Platinum group metals could soon oust coal as SA's second-largest earner of foreign exchange, provided new developments are realised on schedule.

Mineral and Energy Affairs Minister Danie Steyn made this comment in Brits yesterday at the opening of the Lefkochrysos platinum mine.

It was highly probable, he said, that the demand for platinum from the motor industry in the US and Japan would increase.

It would improve, too, in Western Europe because of stronger anti-pollution measures.

Steyn said the free-enterprise system was necessary for the continued growth of SA's mineral industry, as was co-operation between the private sector and government.

Government acknowledged that its involvement in the industry should be only of a complementary nature. This should include providing a legal and fiscal environment conducive to continued growth.

Referring to developments in the industry, Steyn said a new company, PGM Chemicals, had been formed in conjunction with Western Platinum Refinery to produce chemicals and other compounds.

A new R250m refinery would be constructed at Rustenburg Platinum Mines in Bophuthatswana, he said.

Western Platinum had commissioned surface and underground facilities to raise production of UG2 ore by 240 000 tons a year, added the minister.

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CSO: 3400/244

FIRST PHASE IN PLATINUM MINE JOINT VENTURE BEGINS

Johannesburg BUSINESS DAY in English 11 Aug 87 pp 1, 2

[Article by Peter Stacey]

[Text]

RHODIUM Reefs, the Vansa/Rand Mines platinum joint venture has been given the green light and a first-phase R527m mine and metallurgical plant has been planned.

A JSE listing for the new platinum producer is planned "towards the end of the year", according to Rand Mines gold division chairman Clive Knobbs.

The platinum group metals (PGM) deposit underlies Vansa's Kennedy's Vale and adjacent properties on the eastern lobe of the Bushveld Igneous Complex (BIC), in the Steelpoort valley, north of Lydenburg.

The UG2 seam extends from 700m to 1 400m below surface and reserves total 84-million tons at an average in situ grade of 5,3g/t. Grades for the Merensky Reef average about 3g/t and are not at present an attractive mining proposition.

Rhodium Reefs will have a phase-one labour force of 5 000 and a 35-year life. Development is to begin almost immediately.

Contrary to the pessimistic prophesies of a future platinum glut recently made by major producer JCI (who shortly thereafter announced an increase in their own output), Rand Mines predicts a strong market, and indeed a greater market shortfall in 1992, when the new mine is on stream.

As with Loucas Pouroulis's Lefkochrysos mine, the target is the UG2 Reef, the deeper of the two platinum-bearing horizons of the BIC. In the past, with the exception of Lonhro's Western Platinum Mines, which blends Merensky Reef and UG2, the more metallurgically complex UG2 ore has been largely neglected.

Rand Mines is confident of successfully treating the UG2 Reef and rates the

metallurgical process as "low risk" and the projected 82,5% plant extraction efficiency is considered conservative.

Full production of the first phase is 150 000oz of PGM's, scheduled for 1992. According to Rand Mines project leader, Gerry Emere, this is a modest 5% of SA's market. "We don't want to tackle JCI head-on," he said.

A second phase, planned for the year 2001, will boost output by 50% and lift capital expenditure — in current money terms — to R838m.

The joint project, was initiated in September last year, after Vansa had drilled six exploration boreholes on the property. Rand Mines has drilled a further six holes and carried out an exhaustive metallurgical testing programme and feasibility study.

Rand Mines will fund an additional R52m of development and in terms of their agreement with Vansa, increase their stake in Rhodium Reefs to 60%. This, coupled with their Vansa holding, gives the group a 77% effective holding in the mine.

In situ grade, for the three major PGMs (platinum, palladium and rhodium) as well as gold, averages 5,3g/t. The total area, straddling the Steelpoort valley, over which mining rights or options are held, is 2 400ha, and includes the vanadium-bearing magnetite deposit already being developed by Vansa.

A recovery rate of 69,5%, including waste dilution and other underground losses, as well as extraction plant efficiency, gives an overall recovery grade of 3,68g/t for the main PGMs and gold. Addition of the balance of the PGMs enhances this figure by about 15%.

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CSO: 3400/0244

COAL EXPORTS' FIRST SERIOUS DECLINE DUE TO SANCTIONS, WORLD DEMAND

Johannesburg FINANCIAL MAIL (Energy Supplement) in English 24 Jul 87
pp 9-10, 13, 14

[Text]

*Sanctions and declining world demand have caused
the first serious decline in coal exports since the large-
scale export programme began*

South African coal exports are expected to decline by 12%-16% in volume this year, the most serious reverse since the large-scale export programme began in the mid-Seventies.

A notable factor in this drop has been the loss, due to economic sanctions, of three export markets which in 1985 together absorbed about 10 Mt of South African coal — some 22% of total exports.

The decline is taking place against a background of severely depressed prices, a stronger rand-dollar exchange rate and higher domestic rail rates, so that the coal industry's rand earnings from exports this year could be a staggering 40% lower than in 1986.

Anglo American Coal Corporation (Am-coal) chairman Graham Boustred estimates that price reductions, the stronger rand and increased rail rates will cost the country's coal producers R1,3 billion a year.

"The price reduction of some US\$8 a ton will reduce income by R650m, the strengthening of the rand from \$0,42 to \$0,49 will reduce income by R350m, and the increase in railage will cost some R300m," he predicted in his annual review.

Spot prices for steam coal fob Richards Bay are now in the range of \$19-\$21/t for lower-quality coal. At these levels, says Les Weiss, managing director of the Transvaal Coal Owner's Association (TCOA), which accounts for roughly 25% of all coal export permits, some collieries are not making a profit.

"Many exporters are simply not prepared to make offers at these prices," he says. "Producers are not prepared to be pushed any further. They are saying, either pay us a decent price, or we won't sell. There are situations where South African producers would rather walk away from long-term contracts than sell at these prices.

This view is endorsed by Allen Sealey, head of the coal and base metals division of Rand Mines, the country's third-biggest coal exporter: "With the rand worth US\$0,50, not many producers will be covering their full costs and earnings at return on capital employed," he says. "Some will cover their costs, some will have a little over to service debt and allow for a small contribution to profits — it depends on the working costs of the mine.

"My guess is that we need a price of at least \$24/t before our producers can feel comfortable."

Weiss points out that foreign customers used the political lever to argue that they could not justify buying from SA unless its prices were significantly lower than those of its competitors.

They also used the low rand/dollar exchange rate as a bargaining point because this increased the rand value of SA's export sales which meant producers could afford to accept lower dollar prices.

"This year, however, the rand has recovered somewhat, and we simply cannot afford

any further price cuts," says Weiss. "Nobody is willing to sell at a loss.

"SA is obviously trying to retain market share and as a result prices have been driven down," agrees Sealey. "Coupled with the so-called political discount, this has made it very difficult to move coal at anything above \$21."

Trans-Natal MD Graham Thompson feels, however, that some producers have accepted prices that are unnecessarily low. "Somebody recently sold coal to Europe at \$19/t," he said. "This is at least \$2.50 below what is necessary. Prices under \$20 were valid for Europe in the last few months, but we believe you won't see substantial tonnage moving at these prices any more."

While sanctions pressure may have helped push prices down, market over-supply is what is now keeping them down. The over-supply situation can be traced back to the 1979 oil crisis, which encouraged a switch to alternative sources of power and seduced coal producers into making over-optimistic predictions about growth.

In 1980-1981, coal prices went through the roof. Meanwhile, money was being poured into new coal projects in SA, Australia, Canada and Columbia, and as these facilities came on stream after 1982, prices began to move sharply downwards.

Since then, new coal mines and export facilities have come on stream at an even greater rate, while worldwide electricity demand growth has slowed.

"My perception is that the world has learned to live with less energy than before," says Weiss. "Electricity demand growth has fallen way behind forecasts. While this demand may eventually begin to catch up with supply, steel production is also in the doldrums and may never regain former rates of growth."

The average price at which South African coal is being sold at present is, of course, higher than the spot price range because of long-term contracts entered into at higher levels before spot prices fell.

Just what these contract prices are, no one is telling, but European contracts are thought to be two or three dollars higher than the spot price. However, probably only about 40% of South African export trade is currently contract business. In a falling market, spot prices are usually lower than contract prices.

Moreover, contracts are not as favourable as they used to be. "As prices fall, customers tend to opt for spot purchases rather than renew contracts," says Sealey.

"Even some of the contract business provides for annual price reviews, so it is not exactly long-term business."

Japanese prices are perhaps \$2 higher than European prices for equivalent coal. "They are responsible purchasers, keen to maintain diversified sourcing, and more concerned with the availability of supply over a period of time," says Thompson.

Coal exports are expected to total 38 Mt-40 Mt this year (35 Mt-36 Mt through Richards Bay and 2.5 Mt-3 Mt through Durban), compared with 45.5 Mt last year and 44.9 Mt in 1985. The fact that the anticipated decline is about 5 Mt-7 Mt, while the lost export markets of France, Denmark and the US previously bought 10 Mt from SA, suggests that the industry has had some success in finding alternative markets.

This may be misleading, however. "With a world market oversupply of 25%-30%, we could hardly have expected to maintain last year's volumes," says Weiss, adding that exports to France were already showing a sharp decline before the French imposed their boycott, mainly because of the growing supply of nuclear power in France.

According to energy analysts NUS, nuclear generation has risen from 8% of French production in 1973 to 39% in 1983 and 69% in 1986. It is expected to be 73% by 1990. It is probable that most of the French losses were made up by increased sales to other customers before sanctions were enforced. Moreover, French customers, whose ban applies only to new contracts, are still buying some coal in terms of existing contracts.

The only possible response to sanctions is to find alternative markets willing to buy from SA. Sanctions-busting is not a realistic choice for the coal industry because the chemical composition of coal "fingerprints" it accurately as to source.

"Coal is also bulky and expensive to handle, so fancy ideas of taking it to some way-out port facility and loading it on to small vehicles in the dead of night are not realistic," says Weiss.

But prospects of finding or developing new markets are slim. Japan, the world's biggest coal importer, has frozen its purchases from this country at current levels of around 9 Mt a year. Elsewhere in the Far East, Taiwan is increasing its consumption, though because of a hefty trade surplus with the US it feels compelled to buy a significant percentage of its coal there. Currently Taiwan buys close to 2 Mt of coal annually from SA, compared with 3 Mt from the US and 5 Mt from Australia.

South American consumption is growing, but those markets are not available to South African producers. In any event, the big expansion of export capacity in Columbia is likely to accommodate most of the requirements of its continental neighbours.

European communist nations may offer some potential for increased sales because of the Soviet Union's inability to meet Comecon energy needs and Poland's failure to increase output.

Says one analyst: "Some of the South African coal that ostensibly went into Europe last year probably ended up behind the Iron Curtain — though I can't say how much. Unfortunately, we can't sell to them direct, so the coal has to go through various conduits, which is both costly and inefficient."

SA's international competitors in the coal business have discovered that sanctions can be a two-edged sword. There have been reports of concern in Australia over aggressive South African competition in Far East markets. With a vast investment in export facilities, and supported by a currency which has lost 65% of its value against the dollar (the currency in which virtually all coal contracts are done) in the last five years, South African exporters have been able to undercut their rivals in any market in the world. According to one report, a South African supplier recently signed a contract with a Japanese power utility to supply coal at R15/t below the price quoted by its Australian competitors.

Local coal men are sceptical, however. Thompson estimates South African producers are probably undercutting the Australians by no more than R5/t on average.

"And the price per unit of heat is virtually identical," he says. "But some South African suppliers have been irresponsible in selling at prices which were unnecessarily low."

The outlook for prices now that the loss of France, Denmark and the US has been absorbed is much more stable.

International cost comparisons put SA in a favourable light — except in comparison with Columbia. South African production costs on a fob basis range, according to various estimates, from \$18/t-\$24/t, which compares with Australian costs of \$22/t-\$30/t, US costs of around \$41, and Colombian costs of \$20.

The South African advantage over its Australian com-

petitors in European markets is further widened by the freight costs. South African coal can be landed at Rotterdam for \$28/t-\$30/t, compared with a range of \$34/t-\$43/t for Australian coal.

The fact that South African producers can undercut their competitors is, of course, a small consolation. Most of them would far rather not have to.

Employment

Employment levels in the industry have been hit by the decline in exports, which last year accounted for about 25%-30% of the total output of the industry. Some 3 000 people, mainly blacks, out of a total workforce of 110 000, have been laid off.

"We have laid people off in Amcoal, but we are trying to transfer them to newer mines as they are commissioned rather than putting people out of work," says Boustred. "We have commissioned two mines tied to new power stations, but they are not labour intensive like the older collieries, so they cannot provide as much employment as some of the mines the workers were previously employed on."

There has also been some stockpiling of coal. About 3 Mt are piled up at Richards Bay, mainly as a result of producers taking the opportunity to move coal before rail rates went up in March.

Stockpiling, however, is not a realistic possibility.

Boustred points out that there is limited space at Richards Bay, and a danger of combustion in stockpiled coal.

There is little doubt that if prices and volumes stick at present levels, the coal industry is in for a bloodletting.

But in the slightly longer term, producers are hopeful. "The feeling is that by the early Nineties the accumulated growth in demand for coal will have gone some way towards mopping up the excess supply available from Columbia and which may become available from China," says Sealey. "We expect there will be more of a balance between supply and demand."

"Also in this interim period the weak will have fallen by the way and that will remove a certain quantity from the market. Those factors lead us to believe that in the early Nineties the market could pick up."

Thompson does not believe sanctions pressure will intensify. "In the Far East there is no talk of sanctions. The US would have to put a lot of pressure on Japan for them to apply sanctions. But they are not increasing their demand from SA, and we have noticed that our customers have not

exercised optional tonnages which were part of earlier negotiations.

"The problem is that if any South Africans want to increase penetration in Japan it will have to be at the expense of other South African producers."

China is an enormous enigma which could upset a lot of calculations. Exports are climbing from 7 Mt-8 Mt last year to 13 Mt-14 Mt this year, and prices are not market related. "They simply set prices a dollar below anybody else," said one industry executive. "With total production of 900 Mt a year, their export capacity is enormous."

Just what share of the future world market SA gets will at least partially depend on what happens politically. But if it remains one of the world's lowest coal producers, it is difficult to believe it won't be able to sell its coal. ■

[Box, p 13]

[Text] Little Joy on the Local Scene

While exports are declining, local coal sales offer little hope of compensatory increases in revenue in the short term.

Last year, local sales rose less than 2% in tonnage to 127 Mt, and 14% in value to R2,2 billion. Prospects are not much better this year, and while a colder winter may provide something of a boost, Eskom is burning less coal per unit of electricity sent out.

The reason for this is that the spare capacity in Eskom allows it to maximise the use of its newer and more efficient power stations.

"But if the economy picks up and Eskom grows by 5% as it has projected for the long term, there will be an increase in coal market growth," says Amcoal chairman Graham Boustred. "The only strongish hope is the gradual commissioning of new Eskom collieries.

"As the collieries are commissioned, our earnings over a lengthy period will start to pick up. If you go reasonably far

ahead, our domestic earnings should improve in monetary terms to offset our loss on export earnings."

Power generation accounted for 52% of total coal consumption within the country last year, compared with about 65% in previous years. Even though it was down, it remains the biggest coal consumer and provides the main growth prospect.

Industry, including production of syn-fuels, gas, chemicals and consumption by the cement and agriculture sectors, accounted for 37%. Metallurgical use took 6,3%, while merchants and the domestic market took 3,25%. That left less than 2% used by the transport and mining sectors.

Even at the present depressed world prices, export revenues per ton of coal mined (at current exchange rates) are substantially higher than from local sales. Higher railage costs are seriously eroding profitability on exports, however, whereas sales to power stations are mostly from tied collieries at the power station site.

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CSO: 3400/0282

BRIEFS

JOB LOSS STATISTICS REVEALED--Pretoria--The massive job loss resulting from three years of recession is clear from employment statistics for six major areas of the economy released by Central Statistical Services yesterday. They show that in mining, construction, manufacturing, electricity, transport and the Post Office, the number of workers declined by nearly 200 000 to 2 738 036 between June 1984 and April this year. Hardest-hit was the construction industry, where the number fell by 117 400 to 299 000 between June 1984 and June this year. Next was manufacturing, where 75 800 lost their jobs, leaving a total of 1 323 400 in June this year. In the period Escom workers were pared by 6 750 to 56 850. Sats' drastic staff-cutting campaign resulted in their numbers decreasing by 40 000 to 198 980 by June this year. The Post Office was the only one of the six to show staff growth. PO workers increased by 2 331 to 97 020. And between April 1984 and June this year, worker numbers in the mining industry dropped by 42 710 to 717 009. Total number of whites in the six employment areas fell by 50 889 to 584 649 in the three years; coloured workers dropped by 27 140 to 321 876; Asian workers by 3 051 to 98 340; and black workers by 110 423 to 1 733 171. Economists say the figures support the claim that SA's unemployed and under-employed probably exceed 2-million. [Text] [Johannesburg BUSINESS DAY in English 12 Aug 87 p 1] /13046

MINERS' AVERAGE MONTHLY WAGES--In the article on the mine wage dispute on page 6 of yesterday's edition of BUSINESS DAY, the average monthly wage figures of R431 and R413 provided by the Chamber of Mines for underground and surface black miners respectively were those in effect in 1986. The same applies to the R306 average wage of category 1 employees. The current average for black underground miners is R571. [Text] [Johannesburg BUSINESS DAY in English 13 Aug 87 p 2] /13046

STATE AGRICULTURAL CONTRIBUTION DECLINING--State budget contributions to agriculture have dropped by almost one-third so far this decade, compared with the fifties. The minister of agriculture, Mr Greyling Wentzel, said during question time in the House of Assembly that during 1951 to 1960, 9.36 percent of the budget had been spent on agriculture. From 1961 to 1970 the contribution had dropped to 6.87 percent, and between 1981 and 1986 to 3.25 percent. [Text] [Johannesburg Domestic Service in English 0500 GMT 13 Aug 87 MB] /9738

FINNISH SANCTIONS HELP PAPER INDUSTRY--Though Finland recently formally imposed sanctions against SA, the effect on the market for coated and uncoated paper is unlikely to be drastic. Sappi Fine Papers MD Ken Lechmere-Oertel says as little as a year ago Finnish paper suppliers were very dominant in the South African magazine market. But the combination of a very weak rand and political protests by Finnish trade unions led South African users of these types of paper to look elsewhere. As far as local suppliers are concerned, Lechmere-Oertel says Sappi has never really been in the market for supplying magazine-type paper. Mondi, however, has played a significant role in paper import substitution. Moreover, a Mondi spokesman adds, a lot of coated and uncoated paper is now imported from West Germany and Holland--often in cross-supply deals. While a fairly substantial amount of Finnish paper is still entering SA, the consensus is its loss will not impact greatly on the market. "The slack will be easily taken up by other less sensitive European countries and local suppliers," he says. Times Media Limited (TML) deputy MD Roy Paulson says Finnish sanctions will prove a boon to local paper mills--especially to Mondi. The magazine industry currently absorbs about 60 000 t of paper a year, so the market is substantial. "At the moment TML does not use any Finnish paper, though Finland has been a possible source of supply for the FM. We have since switched to Austrian paper," he says. [Text] [Johannesburg FINANCIAL MAIL in English 7 Aug 87 p 69] /13046

CSO: 3400/0246

CHANGES IN DETAINEE STATUS, REGULATIONS EXAMINED

Johannesburg THE WEEKLY MAIL in English 7-13 Aug 87 p 10

[Article by Jo-Ann Bekker]

[Text]

DETAINEES Murphy Morobe and Mohammed Valli, both key UDF leaders, last week became the first Emergency detainees known to be refused access to lawyers.

The refusal followed a recent Appeal Court ruling which placed legal access in the hands of divisional commissioners of police.

The judgement was in direct conflict with recent Emergency detention regulations which purport to give detainees awaiting trial status. Awaiting trial prisoners have automatic access to their lawyers.

Valli and Morobe, like the 3 000 people the Detainees' Parents Support Committee estimates are still in detention, are being held under new Emergency detention conditions imposed on June 26 — the day the state had to reply to a court application challenging the punitive aspect of Emergency detention conditions.

"It is impossible to avoid drawing the conclusion that the reason for this was that the state feared the existing rules, under which detainees had been held for over a year, would be found invalid," said Geoff Budlender, national director of the Legal Resources Centre.

While acknowledging the new regulations represent "marginal improvements" to detention conditions, human rights lawyers believe they are still punitive and still open to legal attack.

The new regulations set out to accord detainees the same status as awaiting trial prisoners, but introduce several significant exceptions.

On the positive side, detainees will be able to receive letters and books. But, as is the case with awaiting trial prisoners, this will be subject to prison censorship.

A major gain is that detainees will now be able to study through correspondence, although the police may impose limitations. Previously the onus was on detainees to obtain prison and police approval. Awaiting trial prisoners, however, have no restrictions on studying.

Lawyers have also welcomed the fact that Emergency prisoners can no longer be kept in police cells or lock-ups for more than 14 days without the consent of the commissioner of police. "As our experience has been that abuse of detainees is more likely to take place in police cells than in prisons, it is possible that the early transfer of detainees to prisons may provide some protection," Budlender said.

A further improvement is that detainees prosecuted for a contravention of the prison regulations will be entitled to legal representation.

On the negative side, detainees' rights to exercise have actually been scaled down. Under the old Emergency detention regulations, detainees were entitled to at least an hour's exercise a day in the open air in good weather. Now the minimum period allowed is half an hour a day. Exercise need not be in the open air, but can be in another "suitable place" outside the cell.

"The change seems minor," Budlender said, "yet detainees frequently

report how important it has been to them, to be outdoors for at least an hour each day."

Detainees do not get the same access to family, friends, lawyers and priests enjoyed by awaiting trial prisoners. All visits must be approved by the minister of law and order or his designate.

"There are certain grey areas where the results of the new regulations are not clear," Budlender said. "What is clear, however, is that detainees are not being held in the same conditions as awaiting trial prisoners. They are significantly worse off in a number of respects. These include visits, buying newspapers, receiving food from outside prison, exercise and studying."

The intrinsic difference between detainees and awaiting trial prisoners is that detainees have no trial, and finite limits are not set on the period of their imprisonment.

"Psychologists do not always agree on the effects of detention," says Johannesburg attorney Nicholas Haysom. "But they do agree that one of the most dangerous aspects of detention — no matter for how long — is what is called the 'uncertainty syndrome'. It is impossible for detainees to adjust or get a grip on the future or the past."

Many of the detainees were re-detained when the Emergency was renewed in June and have been in prison for 14 months or longer.

"Whatever the regime of detention, it is now long-term imprisonment," Haysom said. "Detainees we see have the same domestic and family trauma and disruption of employment as long-term prisoners. One would hope they would get more than awaiting trial status."

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CSO: 3400/0250

ROLE OF RSC'S EXAMINED

Johannesburg FINANCIAL MAIL in English 7 Aug 87 p 60

[Text]

The whole question of land use planning, until now the function of local authorities acting within a central government framework, could be thrown into confusion by the actions of regional services councils (RSCs).

Experts say an important test of the RSCs' meaningfulness and workability will be the planning and co-ordination of land use and transport planning in their areas. However, their possible involvement as a fourth-tier planning authority is creating confusion for other planners and the status of their current projects.

For example, the area demarcated under the control of the Central Witwatersrand (Wits) RSC does not coincide either with the Johannesburg Metropolitan (Jomet) planning area or with the Central Witwatersrand region identified in government's Draft Guide Plan of 1986.

The Wits RSC area includes Johannesburg, Sandton, Randburg, Roodepoort, Soweto, Alexandra, Ennerdale, Eldorado Park and Lenasia.

The Jomet area also includes Tembisa, Kempton Park, Edenvale, Bedfordview, Germiston, Alberton, Katlehong and Tokoza, all of which now fall into the ambit of the East Rand RSC, which also has responsibility for Benoni, Boksburg, Brakpan, Daveyton, Vosloorus, Duduza and Nigel.

The Draft Guide Plan included large areas to the north-west of Randburg which now fall under the West Rand RSC.

The real problem, though, is that no one knows which way the RSCs are likely to jump on the issue, or even whether land use planning, central to the policy of urbanisation while maintaining the provisions of the Group Areas Act, will become a regional function.

Present government policy requires all government bodies to implement an urbanisation strategy as expressed in the White

Paper on Urbanisation. Will it be prepared for a devolution of this power to representatives of local authorities?

While Schedule II of the enabling Act provides for 22 services to be co-ordinated by each RSC, many will initially only undertake two or three infrastructural functions. In the case of the Wits RSC, these will be the provision of water, electricity and sewage disposal.

However, R1m has been allocated in the council's first budget for investigations into other areas of possible responsibility, including land use and transportation planning.

If it does decide to take on these functions, it seems likely that this council, at least, will try to toe the government line. Council chairman Gerrit Bornman identifies one of the most important aspects of urban planning as being: "The formulation of an effective urban land policy for the timely selection, acquisition and supply of land for urban development ..."

But he may find himself on a thorny wicket if black, coloured and Indian members of the council decide to express their opposition to the Group Areas Act by blocking votes on planning issues.

On the other hand, township developers are concerned that moves by the RSC to take over land use planning would invalidate the new Township Planning Ordinance, hard won during months of negotiations between the private sector and provincial authorities.

Promulgated in July, its merits have not had a chance to be proved, but developers do feel it offers the best chance for the rapid proclamation of land, particularly for residential purposes. This, they say, is essential if the housing backlog is ever to be properly confronted.

Meanwhile, what will happen to the transport planning now being undertaken by the local authorities represented on the Jomet

Technical Advisory Committee and the metropolitan planning department of the "core city," Johannesburg? Metropolitan planner Bernard Carlsson says the issue is "undecided."

Options could include allowing Jomet planning to continue and making the committee an agent of both the Wits and East Rand RSCs, or narrowing the scope of Jomet planners and handing over the "extra" area to Ormet, the East Rand equivalent of Jomet.

The issue is already critical. The Wits RSC cannot let its investigation into its responsibilities in this field take too long. Any delay would only compound the already interminable planning process and create uncertainty over the relevance of current planning.

With so many authorities already involved in planning, we would urge that RSCs stick to their core business — rather than support a burgeoning bureaucracy with timeless and obfuscatory objectives. ■

/13046

CSO: 3400/0250

POLARIZATION OF WHITE WORKING CLASS NOTED

Johannesburg FRONTLINE in English Jun 87 pp 33-35

[Article by Andrew Kenny]

[Text]

THE revolution is coming but everybody is looking the wrong way. The starkest fact from the white election on May 6th is that white South Africa is now divided politically not by language, not by region, not as between town and country — but by class. All white opposition to Apartheid comes from the middle class side of the divide; the working class is rock solid in favour of Apartheid. There is a growing prospect of an outright white class war which will make 1922 look like a minor scuffle.

The clearest way to see the political class divisions of white SA is to superimpose a map of the parliamentary constituencies over an economic/geological map of SA. The first thing you will see is that support for the Conservative Party follows the coal seams. Where there is coal, there is heavy industry and a white industrial proletariat, which has voted CP. The map shows that the most enthusiastic support for hardline Apartheid comes from the industrialised areas rather than the farmlands. It shows, too, that support for the PFP is now reduced to the rich middle class parts of the big cities.

Throughout industry the divide is the same: the boardrooms and reception areas are open to all races; the factory floors have separate lavatories for the "White Men" and "Non-White Men". The white managers might vote PFP; the white workers used to vote NP and are now changing to the CP.

This class difference towards race is a world wide phenomenon. There is nothing unusual about the racial

behaviour of SA's white working class. I have worked at factories in England and am now working at a power station in the Transvaal highveld, and I find that in their attitudes towards race, and indeed nearly everything else, the white worker from Lancashire and the white worker from the Eastern Transvaal are as alike as two peas in a pod. Of course, the working class is no more innately racist than the middle class; it is just that because of the circumstances of their class their racism takes different forms. Given the present political climate in SA the white middle class sees its interests best served by the ending of Apartheid, the working class by its continuation.

In Europe, where race is a minor issue, the problem is dealt with very coyly by both socialist and conservative governments. When an Enoch Powell or a Le Pen fans working class fears about black immigrants, there is an embarrassed silence from the government and then yet another racist immigration law is passed discreetly through parliament to make sure that the tiny black population doesn't grow any larger. In SA, where race is the dominant issue and where no such neat and cowardly solution exists, the rift between the white middle class and the white working class over race is growing ominously wider and it is urgently necessary for political leaders and opinion formers to face up to it.

Unfortunately there is no sign of their doing so. Before the election liberal newspapers were still trying to delude themselves that support for the "extreme right" lay only in "the Northern Transvaal" or some such primitive

badland of the editor's imagination or that it had already reached its maximum possible extent of about "20% of the electorate" and should be ignored. Well, it has now reached 30% and shows every sign of increasing. The results on May 6th may well be the first rockfall in a coming landslide. The CP, backed by the AWB, are poised to sweep through every factory, mine and industry in the land.

The present mood of the white working class seems surly and unsettled. White management is rightly introducing racial reform into industry but wrongly imposing it on the white workers who suffer it with silent ill will. The workers feel that they are being sacrificed on the altar of middle class morality but there is no one in the establishment they can turn to to voice their resentment. Coming from British industry, I am amazed at the weakness and docility of the white unions here, which are far less effective than the black ones. No doubt in the past the white workers felt that their interests were being looked after by the NP. They feel that no longer. In short there is a dangerous political vacuum in the white working class and the AWB and CP are rushing in eagerly to fill it.

The relationship between the CP and the open, working class AWB seems roughly analogous to that between the NP and the secret, middle class Broederbond — the hardline Afrikaner organisation working behind the more acceptable front of the party which welcomes English speakers. For this reason it was more logical for the AWB to ally itself with the CP rather than the Afrikaans-only HNP. The extent and nature of AWB influence are badly misunderstood by the liberal opposition. Forget about the AWB rallies with flaxen-haired little girls gazing up at three-legged swastikas and Terre'Blanche pounding on the big Boerevolk drum. The real work of the AWB is far less dramatic and far more effective: hundreds of house meetings in the townships of heavy industry and the worried platteland of the small farmer; thousands of informal meetings in the pits and factories; an advancing tide of persuasion by word of mouth from AWB members among white working men.

The class overtones of the CP/HNP/AWB election campaign were sharper than anything I'd heard before in white SA politics. Again and again they hammered away at the fact that SA industry was monopolised by a few big

companies who were not paying their fair share of taxes, that enormous economic power was concentrated in the hands of "n klein klompie mense" and that the honest white working man was being bled dry by the fatcat businessmen of Johannesburg. A recurrent theme was the newly popular conspiracy theory about international capitalism working hand in glove with the ANC. When the election results came in I heard some of the men at our power station muttering about the fact that the CP majority in Middelburg had not been as large as they would have liked. The feeling was that the lads in the coal mines, steelworks and power stations had done their duty but the Middelburg gentry had let the side down. "Daardie ryk mense weet nie wat aangaan nie", one of the operators explained.

The crucial mistake of so many politicians and observers is to think that white working class racism inevitably implies support for Apartheid. This is far from the truth. I do hear workers at the power station speaking of P.W. Botha as a "kaffirboetie" and there are a few white power fanatics. But only a few. Having come up to the Eastern Transvaal from Cape Town, I have been forced to shed all of my preconceptions about the racial prejudices of the white people here. In conversation after conversation I find that they have no illusions about SA's problems and are every bit as open to change as Capetonians — and certainly far more open than the rich Marxist bigots of UCT. They will not accept social integration, such as mixed schools, but I have no doubt that they could be persuaded to accept power sharing. When the election results were declared, I asked one of our operators what he thought of them. He said he was very disappointed that the CP had not won enough seats to form a government. He explained that he had got nothing against reform but was sickened by the NP's caving in to overseas opinion. I asked him about the future. He said he was very worried and told me that "the blacks will never be satisfied until they have one-man-one-vote". (Perfectly true of course). I asked him his solution. He was thoughtful and then said, "How about something like the Swiss Canton system?" This CP voter, who is probably a member of the AWB, is open to the possibility of a democratic future. The trouble is that there is no one about to suggest it to him.

The great fear among people in these parts is that a deal is being done about their future without their consent. They see the NP as a party careerists who are busy making arrangements with politicians abroad, international financiers and black leaders, arrangements in which their interests are being ignored or betrayed. The sense, expressed by this operator, that SA leaders are surrendering to the whims of foreigners is very strongly felt.

The AWB and the CP are winning by default. There is no great enthusiasm for the ideology of the AWB, a good deal of derision about the idea of the Boerestraat, and ironic remarks about Terre'blanche and his "lekker bek". But the CP and the AWB are prepared to talk to, listen to and consult with the white working man and it seems that nobody else is, in particular nobody of liberal persuasion. The English press doesn't seem to realise that there are people living outside the rich suburbs of the cities; the PFP, with a few honourable exceptions such as Dr King in Delmas, didn't even bother to put up candidates in the working class constituencies; the English universities are retreating into a precious little dreamworld of academic boycotts and suchlike self-indulgent irrelevance; industrialists are obsessed with overseas opinion and, more understandably, black unions but they don't seem to notice the growing unease of their white workers.

Why does liberal opinion shun the white working man? In large part the answer is pure snobbery. Liberals and socialists seem to belong to an exclusive

club at which rank-and-file need not apply. The worst snobs of course are the Marxists and it sometimes appears that the only thing which unites Marxists the world over is a deep loathing for the working classes. Whatever else he may be, Eugene Terre-blanche is no snob, and if liberal politicians and industrial leaders are too superior to speak to white men in hard hats he is not.

This is all a practical argument rather than a moral one. White workers may be badly off compared with business managers or university lecturers but they are well off compared with black workers. However, unlike black workers, they have the potential for commanding massive political and physical power. If the majority of the white electorate could be persuaded to accept the dismantling of Apartheid and the establishment of some form of democracy, what good would that be if every pit and workshop and turbine hall were controlled by white workers loyal to the AWB, prepared to resist change with force and backed by at least the lower ranks of the police and the armed forces?

When I climb onto the roof of our power station, I can see at least four others in the distance. Over the horizon lie the other power stations of the Transvaal and the oil-from-coal plants. Political control of this region, which produces over 80% of SA's electricity and all of her oil from coal, now lies in the hands of the CP and AWB. Unless the political debate in SA changes, this control will spread throughout the country. It is a prospect filled with menace. ●

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CSO: 3400/0251

NEW MULTIRACIAL ELITE SUBURB IN EAST RAND OPENED

Johannesburg SOWETAN in English 31 Jul 87 p 15

[Article by Sy Makaringe]

[Text]

A NEW multiracial elite suburb — the first of its kind to be developed by a black local authority — has been established on the East Rand.

Spruit View, a 250 hectare suburb a stone's throw away from the white residential area of Leondale and a few paces from the black township of Katlehong, will have a total of 1800 stands, ranging in size from a roomy 400 square metres to almost 1000 square metres.

The plan to go ahead with the development of the up-market township came amid widespread resistance from the residents of Leondale.

Stands

The Katlehong Town Council has set aside R1,8-million for the development of the suburb.

From this weekend on, members of the public can purchase stands and arrange building contracts, following publication of a proclamation

in the *Transvaal Provincial Gazette* on July 8 this year.

All stands will be serviced.

Addressing guests at the official launch of the new suburb, mayor of Katlehong, Mr Thami Siluma, said doors were wide open for whites to live in Spruit View as his council did not legislate the Group Areas Act.

He said the first of eight phases would be completely serviced by August 15. The balance of the stands would have been serviced by the end of the year.

Mr Joel Melamed, a Johannesburg lawyer who developed the project, said Spruit View had been designed and priced for the family which wanted something different, something up-market.

"It has been designed for the family which chooses to live in a private suburb rather than in an extension to an existing township," Mr Melamed said.

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NEW URBAN COMPLEX PLANNED SOUTH OF JOHANNESBURG

Johannesburg THE STAR in English 4 Aug 87 p 3

[Article by David Braun]

[Text]

CAPE TOWN — An R8,5 million new urban development for coloured people would be created south of Johannesburg, Mr David Curry, Minister of Local Government in the House of Representatives, announced last night.

The development at Ennerdale, south-west of Johannesburg and south of Lenasia, covers an area of 7 000 sq m, of which close on 3 000 sq m is to be taken by a supermarket group.

The balance of the area will be occupied by national chain stores and other line shops.

A further seven parcels of land for residential development are to be made available for pri-

vate development in the business centre with a potential of more than 1 000 dwelling units.

The total development at Ennerdale will entail more than 4 000 additional dwelling units over the next two years.

Mr Curry said the developers had to ensure optimal use was made of local labour.

He said in a Press release issued by his office in Cape Town last night: "This project is unique as it will be the first of this nature undertaken by the private sector in a 'new' town. It is trusted it will serve as a guideline for the development of future town centres."

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TOGO

BRIEFS

ELECTION RIGGING CLAIMED--President Eyadema of Togo has been ruling his land with an iron hand for 20 years now. In January of this year, at considerable expense, he had his people celebrate him as "Our Father Eyadema." The aged statesman proudly announced that his people had elected him for an additional 7 years. However, it is said that all was not quite aboveboard in these "democratic" elections. A Togolese who lives in Nigeria and wanted to cast his ballot at his country's embassy there has given one such report of strange methods: An embassy employee distributed sealed envelopes among the voters and directed them to drop them into the ballot-box unopened. On the next morning it was announced in Togo that Eyadema had won the election by a towering majority: 99.5 percent of the population was said to have voted for him. This, however, it was added, was unfortunately 0.02 percent less than in the last elections in 1979. ["Togo: Strange Voting Methods"] [Text]
[Bonn VORWAERTS in German 21 Mar 87 p 33] 13295/9604

CSO: 3420/27

GOVERNMENT PRICE, WAGE FREEZE FAILS TO WIN LOCAL SUPPORT

London AFRICA ANALYSIS in English 10 Jul 87 p 11

[Text]

HARARE. Government will be the only clear winner from the wage and price freeze announced late last month. The 13-17% rises needed to compensate for the past year's inflation would have cost Zimbabwe about Z\$200m.

The freeze was finance minister Bernard Chidzero's response to a fiscal crisis caused by drought, declining export prices and Zimbabwe's balance of payments. A Z\$84m drought relief programme for peasants whose crops failed this year will, however, absorb much of the savings. Without the freeze, Chidzero would have no hope for deficit reductions demanded by the World Bank in exchange for unfreezing of an urgently needed Export Revolving Fund.

Nonetheless, the plan is unpopular across Zimbabwe's economic spectrum. In the private sector, commercial farm owners with their armies of low-wage labourers are the biggest winners, though even they are not entirely pleased.

Oddly enough, mining and manufacturing multinationals are among the most disappointed. They hoped government would move, as promised by labour minister Frederick Shava in March, toward industry-by-industry collective bargaining. Business dislikes the current system of administered wage rates in which government annually decrees the standard increments for all workers.

Firms such as Anglo American and Lonrho believe they could dominate Zimbabwe's relatively weak trade unions in free collective bargaining. They had also hoped to spur productivity with higher wages for key workers and successful enterprises, while forcing those in troubled enterprises (Anglo's Bindura Nickel, for example) to share the burden.

Big business also complains that the current system, which bars employers from offering selective pay boosts to productive personnel, encourages skilled technicians and

managers to jump from company to company. But business does not complain too loudly. Many firms assume price controls can be selectively evaded, while they rigidly enforce the wage freeze.

The big losers are the 'struggling masses' of workers in this nominally 'Marxist-Leninist' state. The rank-and-file were uniformly scathing, even in a person-on-the-street poll by Harare's semi-official daily paper, The Herald. One interviewee complained that workers were not consulted and angrily asked 'whether our government is ever ashamed and concerned with the lives of the common people, who are always victims of economic depressions.'

The Zimbabwe Congress of Trade Unions (ZCTU), which knows its bargaining weakness and therefore traditionally seeks higher wages by decree, had been lobbying for a 75% minimum wage increase to Z\$277 a month. That figure represents the unofficial poverty datum line, calculated by ZCTU by adjusting for inflation from the level set by the post-independence Riddell Commission. It has been ignored ever since by government. ZCTU accurately said the price part of the freeze showed government was trying to bolt the stable door when in fact the horse had gone.

Price rises in recent months for many key consumer goods, including some government-controlled basic foods, anticipated the usual mid-year economy-wide increment. In May alone, the cost of living for low income consumers increased 2.9%, spurred by rises in the price of beef and vegetable oil. Living costs rose 16.5% for 'lower income urban' families in the past year, 13.1% for the white-dominated upper income group.

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CSO: 3400/0248

CZI ANNUAL CONGRESS DEBATES FUTURE ECONOMIC TRENDS

Johannesburg BUSINESS DAY in English 29 Jul 87 p 6

[Article by Michael Hartnack]

[Text]

FOR South Africans of any political hue, and of any economic persuasion, this year's Confederation of Zimbabwean Industries' (CZI) annual congress at Victoria Falls provided a fascinating glimpse into the future — of what sanctions and unyielding state control can do to a nation's wealth-earning capacity.

Some 400 delegates, economists, foreign diplomats and observers gathered in a marquee in the grounds of the stately Victoria Falls Hotel, which offered a distant prospect of Knife Edge, the Falls Bridge, the Boiling Pot and the Third Gorge.

The 120m chasm is not as deep as the political and economic abyss into which Zimbabwe is likely to fall if it cannot find jobs for the 330 000 secondary school-leavers who will be coming on to the labour market each year after 1990.

This year there will be — if we are lucky — 8 000 extra jobs to share among 156 000 youngsters with Cambridge ordinary or advanced level certificates.

Inflation is running at 14% a year despite rigid centralised controls on wages and prices and the maintenance of the Zimbabwe dollar at a comparatively high rate (approximately Z\$0.75 to the rand).

Minister of Industry and Technology Dr Callistus Ndlovu told CZI members that Zimbabwe had to grow out of the "siege economy" it had inherited from sanctions-bound Rhodesia.

But cynics remained sceptical about the ability of Robert Mugabe's government to effect a "quantum leap" from the present impasse, in which shortage of foreign currency prevents development of secondary industries (enhancing the export value of Zimbabwe's raw primary products), while lack of export earnings prevents accumulation of investment reserves.

Net foreign exchange allocations to industry are 30% of what they were in 1980 and are believed to be about half, in real terms, what Rhodesian industrialists received 10 years ago at the height of sanctions and the ruinous bush war.

A central figure at the congress was an invited speaker: the 46-year-old head of the Department of Business Studies at the University of Zimbabwe, Professor Tony Hawkins.

The tall, affable former professional journalist stung politicians, public servants and industrialists with a provocative paper on the roots of Zimbabwe's economic malaise, then massacred his critics in some of the most candid public debate this country has witnessed in 25 years.

Hawkins urged Zimbabweans to stop blaming all their economic woes on external factors: depressed world prices for primary products, South African "destabilisation" and recurrent droughts.

He attacked the "compulsive belief" in saving foreign currency, with preserving "backyard" import substitution industries set up after sanctions were imposed on Rhodesia in 1965 and with trying to create more import substitution, although most of the opportunities for doing this cost-effectively were now exhausted.

"Look outward and see how you can earn some more foreign currency — just for a change," Hawkins taunted his audience.

He pointed to the trend of decentralisation, even in communist countries.

The obvious and preferable alternative to borrowing a rising standard of living is earning it," protested Hawkins, referring to Zimbabwe's massive budget deficits and mountainous foreign debt.

And attacking continued over-reliance on foreign currency earnings from primary products, such as tobacco, he said: "When agriculture sneezes, the rest of the economy contracts pneumonia."

"To use the dirty words used by the World Bank, we should 'try and get our prices right' so that people in agriculture or mining, import substitution or exports can make decisions on the basis of prices which reflect the scarcity of goods and services," said Hawkins.

He promptly faced a fierce counter-attack from socialist-leaning black economic theorists and conservative white businessmen, who claimed he was urging "de-industrialisation" and the collapse of import substitution.

Anthing but," he retorted, somewhat wearily. "It is a question of moving up-market into more sophisticated, more skills-intensive and more capital-intensive markets, thereby creating an opportunity for other people (in the less developed states of the African Preferential Trade Area) to move in lower down."

Even if turnover was down due to falling allocations for the imported content of their products,

Zimbabwean businessmen remained complacent about their domestic market.

"A few days ago an industrialist told me he didn't really need a marketing department as he could sell everything he made without any difficulty at all; nor was there any competitive pressure on him to invest in research and development," reported Hawkins.

Zimbabwean businessmen expended their managerial energies fighting government red tape instead of being innovative and braving the rigors of the export market.

Industry Minister Ndlovu repeatedly challenged Hawkins's views, on the grounds that they took no account of the commitment of Mugabe's "people's government" to institute black advancement and redress the "structural inequities" it had inherited.

"I am fascinated by the Minister's determination to look backwards rather than forwards," said Hawkins. "My basic argument is liberalisation as a way of speeding the growth of employment and income improvement within a politically acceptable pattern of wealth and income distribution."

"Already we are seeing some of the students we are turning out at the University of Zimbabwe finding it extremely difficult to find jobs."

"I can think of no greater structural inequity than to have six years at secondary school and be told you have no job."

Some observers feared the root of the disagreement lies in the economic ideological convictions of Zimbabwe's new rulers, who steeped themselves in 19th Century socialist theory during their years fighting white rule.

Deputy Prime Minister Simon Muzenda told industrialists that government had no objection to profits providing they were used to provide better conditions for workers, to invest in new plant and buy more raw materials.

His words seemed to confirm the existence of the deeply-held socialist tenet that profits are "what is left over when all other costs of

production have been met" rather than the ~~modern~~ Western definition: "A reward for bearing non-actuarial risks."

A visiting Zambian speaker, David Fisher, warned that there was a belief among some African policy-makers that the investor and the exporter were "getting away with something" and this stultified growth.

An invited West German industrialist warned that foreign investors judged affairs "only with the capitalist measure of profit," and if not assured an even chance of making one, by normal business analysis methods, they would not risk their capital in Africa.

Western diplomats from major aid donor countries were privately appalled when the Permanent Secretary to Zimbabwe's Ministry of Finance, Dr Elisha Mushayakarara, said he thought that Zimbabweans were perfectly capable of establishing high technology industries without calling in "foreigners".

"I can only imagine, possibly, that if we decided to make atom bombs that is where we might fail," said Mushayakarara.

Commented Hawkins, in a mood of despair: "We have been told on dozens of occasions over the past few days: 'Zimbabwean industry is unique'. It is unique for one reason — it doesn't need foreign investment.

"Wherever else you go in the world they all want foreign investment. It is the most effective way of transferring technology that we know of."

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STEEL PROJECTS TO EMBRACE VARIOUS AFRICAN NATIONS

London AFRICA ANALYSIS in English 7 Aug 87 p 8

[Text]

LUSAKA. An expansion in regional trade in steel products is planned by the Preferential Trade Area (PTA) organisation, which embraces 15 nations in east and southern Africa. The cornerstones of the programme will be the parastatal Zimbabwe Iron and Steel Company (Zisco).

The PTA hopes that Zimbabwean steel will be used by rolling mills as far north as Kenya and Ethiopia. Although Zisco is the only integrated steel works in black Africa, and has a capacity of 1m tons a year, it has proved an expensively mismanaged element in Zimbabwe's economy, needing constant government subsidies.

The latest scheme calls for modernisation costing almost \$600m. In recent years the Zimbabwe government has spent more than US\$50m on restoring furnaces and coke ovens worn out during the pre-independence UDI years. In the past the Zimbabwean plant was able to export four-fifths of its output to Arab oil-producers and the Far East. This has been made largely unprofitable because of transport problems, and demand from the Middle East has fallen with the slump caused by lower oil prices.

Now Zisco is looking increasingly to markets inside black Africa. But the score of rolling mills in the PTA countries are in bad shape and also need costly rescue operations. They lack skilled manpower, and shortages of hard currency have limited imports to serve the mills. Steel imports into the region are running at 200,000 tons a year - which theoretically could all be supplied by Zisco.

Voest-Alpine Industrial Services of Austria have been giving technical advice to Zisco for the past five years. It is now proposed that Voest, in cooperation with British Steel, should run courses at the Redcliffe plant in Zimbabwe for rolling mill staff from various African countries.

However, the PTA secretariat faces a daunting problem: the raising of the massive finance needed to rationalise steel production and use over a vast region of Africa. International agencies have merely supplied the funds for preliminary studies. At a meeting in Addis Ababa last month, PTA finance ministers agreed in principle to remove all tariff barriers throughout the region by the year 2000.

DROUGHT DRIVES DOWN TOBACCO REVENUE

London AFRICA ANALYSIS in English 10 Jul 87 p 9

[Text]

HARARE. Zimbabwe's tobacco farmers stand to lose over \$35m due to the sudden and totally unexpected drought that hit the country's growing areas only days before the main harvest of the crop. According to Zimbabwe Tobacco Association (ZTA) president, Jeremy Webb-Martin, just over a third of this year's crop has already been sold at prices some 48% less than in 1986. Of the country's 1,535 tobacco growers, over 200 had received under Z\$1 a kilo, against direct production costs of Z\$2.25 and costs plus overheads of more than Z\$3 a kilo, he added.

It remains to be seen whether prices will continue at this disastrously low level or, as some traders here have privately suggested, the worst-quality tobacco has now been sold and that to come is of the usual quality.

'We still expect a record crop of around 130m kilos,' said one trader. 'The drought has not affected output, only quality. Tobacco from the worst-drought areas - mainly the south east - was badly hit. But most of that has already been sold.'

The remaining 77m kilos will come mostly from the north. Judging by the loads we have so far received from there, the crop has not been so badly damaged in that part of Zimbabwe. Prices should recover.'

The price on the auction floor on 7 July reached Z\$2.86. As long as the good orange tobacco keeps on coming in, then prices should continue to improve.

Nevertheless traders admit that total income this year is likely to be down by as much as 20%.

In the seven years since independence, Zimbabwe has managed consistently to increase production and quality of its tobacco, making this by far the country's most important agricultural export. Tobacco accounts for some 24% of all foreign exchange earnings, and employs almost 10% of the workforce. Domestic consumption accounts for no more than 3% of the total crop.

Possibly the catastrophe predicted three weeks ago will be averted through a steady recovery in prices. It is interesting to note that the situation would have been a good deal worse had it not been for the decision by the ZTA to increase the growing area and curing facilities this season following two wet seasons in 1986 and 1985, which had resulted in underproduction.

The ZTA also hopes to expand output over the next few years to around 150m kilos, depending on the transport situation and on export demand.

But recognising that tobacco expansion may now have its limits, some Zimbabwean farmers are turning to horticulture. Airfreighting of exotic fruit and vegetables to Europe, in competition with Kenya, is on the increase. The Netherlands is making Z\$10m available for horticultural development. Zimbabwean progress in this area has been slower through a lack of proper marketing support.

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CSO: 3400/0248

ZIMBABWE

BRIEFS

'LAUNDERING' LONRHO--Harare. With a bit of fiscal sleight-of-hand, PR-conscious Lonrho has cleansed its Zimbabwe gold mines of South African taint. In late June, Lonrho-Zimbabwe proudly announced that the South Africa-based Coronation Syndicate had sold its Zimbabwe gold mines, operated as Corsyn Consolidated Mines, to British-based Willoughby's Consolidated. As Corsyn will be paid for with Willoughby's shares to be issued to Coronation shareholders, the total South African stake in Lonrho operations will not change. [Text] [London AFRICA ANALYSIS in English 10 Jul 87 p 8] /13046

AGREEMENT SIGNED WITH ARO--The Government of Zimbabwe has signed an agreement with the Swedish organization "African Groups of Sweden" (ARO). Under the agreement this organization will recruit volunteers to work in Zimbabwe. The terms of the agreement stipulate that the volunteers will be recruited to work for a period of two years in government and private institutions. The Zimbabwean Government is to pay them a minimum subsidy of 150 Zimbabwean dollars, according to the Zimbabwean Public Works Secretary, Samuel Agere. ARO is to provide vehicles to help the volunteers. An ARO source revealed that there are close to 20 non-governmental organizations in Sweden engaged in solidarity activities with Zimbabwe. [Summary] [Maputo NOTICIAS in Portuguese 4 Aug 87 p 1] /9274

WHITES START FARM MILITIA--Harare--Zimbabwe's white farmers have begun to develop farm militias in sensitive areas of the Midlands province following a spate of murders by dissidents. President of the Commercial Farmers' Union Mr Bob Rutherford said here the system of farm militias, already introduced in Zimbabwe's two Matabeleland provinces, was now being expanded into parts of the Midlands. In May, five white farmers in the Midlands died as a result of attacks mounted by heavily armed dissidents. Addressing the annual congress of the Commercial Farmers Union, Mr Rutherford thanked the Zimbabwe government for assistance with the formation and financing of these militias. More and more farmers were coming forward to join the police reserve or form protection units, he said. [Text] [Johannesburg THE STAR in English 7 Aug 87 p 7] /13046

CSO: 3400/0248

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