

'KEI 'BLEW' R45-m

SONETAT
OCT. 1 1987



CHIEF Kaiser.

LEGALLY doubtful directives issued by Transkei's former state president and the prime minister resulted in a loss to the state of about R45 million, the report of a commission of inquiry, which was tabled in the National Assembly in Umtata has found.

Tabling the report, the Minister of Finance, Mr G S K Nota, said "these directives emanated mainly from the

SAPA

erstwhile state president, Paramount Chief Kaiser Matanzima and the Prime Minister, Chief George Matanzima. Some cabinet ministers are mentioned briefly.

The R45 million losses totalled up by the commission of inquiry into the conduct of the Department of Commerce, Industry and Tourism were "a colossal amount to a country like Transkei," the minister said.

"The Auditor-General has

always made mention of these directives emanating from 'higher authority' but the powers that be have glossed over these reports which should have arrested the situation from further deterioration."

In his 1984/85 report, the auditor-general had said, "there is a pathetic lack of financial discipline in Transkei ... (it) runs a pathetic lack of financial discipline like a golden thread invariably in most financial transactions."

These were shown by contractual commitments being entered into without taking due cognisance of the limited resources of the state.

How US economy affects SA

FOCUS

SOWETAN

1/10/87

By LYNN PIKHOLZ, an economist

UNLIKE the past, the psychology of markets is making it impossible for the US to continue increasing its budget deficit without consequence.

The mere belief that something in the system must give is causing recessionary jitters even among optimists — the pessimists are already way into the shakes.

The United States seems unable to decrease its federal budget deficit for example, a downward revision of \$225 billion requirement to \$175 billion was revised upward again to \$200 billion in June 1987).

It has also failed to reduce the discrepancy between private sector saving and spending/investment.

Without a reduction in the budget two things can happen to narrow the discrepancy, i.e. faster inflation brought about by a further collapse in the dollar or recession brought about by higher interest rates to attract capital inflows to the United States.

On a fiscal note, President Reagan is against rectifying the situation through any broad based tax increase. The Federal budget deficit constitutes over five percent of gross national product. July saw a staggering trade deficit figure of \$15,7 billion and August's hit a record figure of \$16,7 billion.

The deficit is expected to grow next month due largely to the higher price of imports and oil.

It is hard to believe that as recently as 1984 the US was still a net creditor. Disinflation, however, was borrowed from abroad by pushing the dollar (and interest rates) up.

The past three years have witnessed massive capital inflows on which the interest burden is steadily building up.

The disturbed currency relationship (overvalued dollars and undervalued other currencies) encouraged foreign competition particularly from the new industrialised countries for example Taiwan, South Korea, Hong Kong and Singapore and more recently from Mexico) to the detriment of US manufacturers and exporters.

Imports

This slackening in US productivity gave rise to unemployment which in recent months is beginning to rectify itself.

Although the dollar has fallen from its peak in 1985, the adjustment has not been sufficient to correct the weakness in the US's international competition.

The process was further facilitated by US absorption of imports causing a further outflow of money through the current account.

Under Greenspan, tighter monetary policy is being evidenced. September saw a 0.5% increase in the US discount rate we will

probably witness a further 0.5 increase before the year end.

The cost of raising interest rates at a time when capacity utilisation remains under 80 percent (less than the UK, Germany and Japan), economic growth is expected to be 2.5% and the world economy needs a boost is clear.

Yet, unable to treat the cause (i.e. US overspending and undersaving) the US is being forced to treat the symptoms.

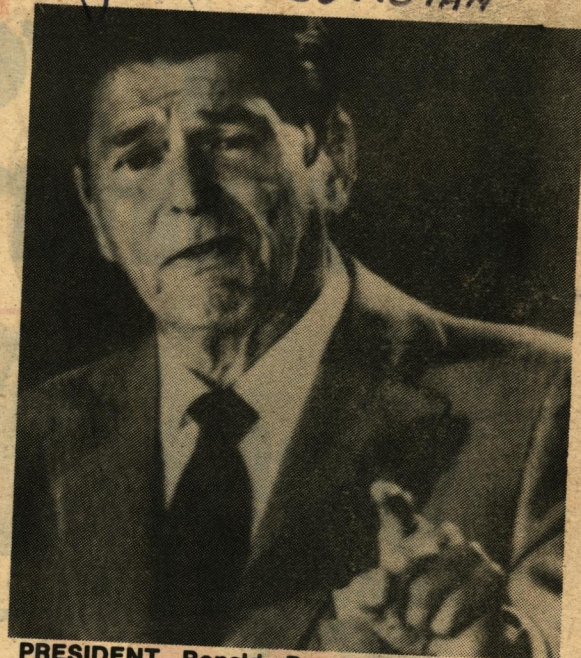
Yet treating the symptoms has major problems as it relies on committed action from third parties and the Third World (e.g. Japan and Germany to stimulate their economies and import from the US and encourage capital inflows to the US due to attractive interest rate differentials).

The rising interest rate is making debt servicing for Third World countries far more difficult.

The fundamentals in the US economy have been pointing to a further decline in the dollar for some time. Yet the world's leading finance ministers have agreed, since February 1986 (Louvre Accord) to promote stability in the currency markets.

Both Japan's and Germany's exports were suffering against a weaker dollar as it made their products far more expensive and less competitive.

The system of promoting stability in currency markets worked well during the first half of 1987. The central banks bought up dollars and occasionally sold dollars



PRESIDENT Ronald Reagan . . . against increasing taxes.

to maintain exchange-rate stability.

In particular the US authorities showed that they were more than willing to allow speculators to take the dollar up on the receipt of positive trade figures.

But on the other hand they indicated firm reluctance to allow dollar depreciation should the figures be unfavourable.

Position

The position now has somewhat changed. Players in markets are concentrating more on the reality of the US economy with its burgeoning trade deficit.

Most economists are predicting a further five to ten percent depreciation of the dollar against other major currencies.

Moreover, some of the \$70 billion or so central banks spent in the first half of 1987 in support of the dollar has impacted in their domestic money markets causing nervousness about money

supply and inflation thus putting upward pressure on rates.

Domestically, there is much talk of a healthier glow in the US economy with the unemployment position improving retail sales, manufacturing and industrial production slightly up and inventories slowly beginning to be stocked.

The confidence indicator on generally higher but this flow is not mirrored on the international front.

We can therefore expect to see a slow decline of the dollar against other major currencies during the fourth quarter of 1987 extending through 1988.

The decline will, to a large extent, be predetermined and controlled by central banks.

For us in South Africa this means a steady dollar/rand exchange rate, at least for the while that the dollar is declining.

When the US dollar steadies and strengthens again, our rand will begin to show its more realistic lower levels.

THE banned African National Congress will abandon its armed struggle in South Africa if the Government opened channels to discuss the future of this country with ANC leaders, Mr Patrick "Terror" Lekota, national publicity secretary of the UDF, said in the Pretoria Supreme Court yesterday. 1/10/87

Mr Lekota said the imprisoned ANC leader Mr Nelson Mandela was "forced" to resort to violence because of the Government's apartheid policies that banned his organisation and prevented him from opposing unjust laws in a peaceful and non-violent manner.

Asked by Mr Justice van Dijkhorst why he (Mr Lekota) did not choose violence to challenge these policies, Mr Lekota told the court that "human beings are not like match sticks".

He explained that there were those who ran out of patience quickly and resorted to violence and others who had patience and hoped that a peaceful and non-violent approach was the best solution.

Mr Lekota said Mr Mandela had stated that he was not a violent man. Asked why he refused a Government offer for conditional freedom, Mr Lekota said Mr Mandela believed that the offer was of no value because the apartheid policies he was opposed to before he was jailed were still in existence in South Africa.

Mr Fick yesterday produced a letter from one of the court exhibits dated August 14 1984 and written by Esther Maliga, secretary of the Federation of South African Women requesting links with the Swapo Women's Group.

Mr Lekota denied any knowledge of the letter which in part read: "We are fighting a common enemy."

(Proceeding)

Why should the state finance universities?

BUSINESS DAY 1/10/89

There would be clear advantages for the State, for students and for universities if students paid for their own higher education. BRIAN DOLLERY of the Rhodes University economics department examines the case for a student loan scheme. This is an extract from an article in the SA Journal of Higher Education.

Why should universities receive any financial support from central government? Such a question need not be construed as entirely hypothetical — financing of universities by the State is a comparatively recent phenomenon.

The private value of education to the individual may be less than its value to society.

The positive externalities of primary and even secondary education are obvious, and it is a simple matter to cite examples — literacy, numeracy, the “good citizen” argument, and so forth. The same cannot be said for (undergraduate) university education.

It is by no means obvious, for instance, that society at large experiences significant externalities from an individual who has graduated with say, a degree in accountancy.

Given the severe limitations in the economic case for government intervention, we can legitimately reject a system of university finance paid entirely by the State out of tax revenue. Moreover a purely private mechanism for financing universities is inappropriate.

Consequently, there is a *prima facie* case for the use of a mixed method of finance based on public and private resources.

South African universities are heavily reliant on government funding in the form of State subsidies, with income drawn from other sources like student fees and interest from investments forming a relatively small proportion of total income.

Students thus bear only a fraction of the full cost of their education under the present mixed system of finance.

The equity of the present South African system can be questioned on at least three counts. Firstly, since the individual student is the primary and overwhelming beneficiary of his own university education, he should bear the cost of that education.

Secondly, given the extensive use of indirect taxation in the revenue-raising activities of the exchequer, the present system effectively transfers income from the poor to the middle income groups.

Thirdly, taking into consideration the existence of a highly skewed distribution of income and wealth in SA together with the difficulties experienced by poor students in obtaining loans from commercial banking institutions, some individual students are unable to

raise sufficient finance to cover student fees.

Thus, the poorest students are denied access to (a highly subsidised) university education, whilst their richer counterparts enjoy the substantial fruits of the financial intervention of the State.

In general, it can be argued that State subsidies lower the opportunity costs of university education, thereby reducing allocative efficiency. Moreover, by altering the value of the subsidy per student bureaucrats change the incentive matrix confronting the consumer of education.

A full-cost loan scheme should be introduced by the relevant educational authority. According to this scheme, the full current and capital costs of tuition, board and lodging, and other appropriate expenses would be calculated on an annual per capita basis for all South African universities. The resultant figure would represent the average cost of an individual studying for one year.

A central education trust would be constituted to lend this sum to individuals accepted as students at the university of their choice. Upon leaving a particular institution (whether as a graduate or not), individuals would be obliged to repay the full cost of their loan over a predetermined period of time, at a certain rate of interest, and indexed to the rate of inflation.

Of course, no individual would be coerced into accepting such a loan should they desire to pay their

fees using alternative methods of finance. Moreover, after an initial additional burden on the fiscus, the educational trust fund would become self-financing with repayments covering loans in much the same manner as a pension fund.

Clearly, however, should the nature of a particular research project be such as to benefit a specific party, then that firm, organisation or individual must bear the cost.

A method of university finance

conducted within this framework would appear to possess a number of distinct advantages.

Firstly, no individual will be excluded from attending university on financial grounds — a desire to pursue higher education and academic merit will be the only criteria. Secondly, distributive equity will be maintained so that individuals will pay in accordance with perceived benefit. Thirdly, since the value of a loan will be the same regardless of the specific institution attended by a student, this will encourage price and quality competition between universities.

Fourthly, because research funds are allocated from a central source and must necessarily be limited, academics will be obliged to compete against each other, which ought to induce efficiency gains.

The scheme outlined above is open to several objections.

It may be argued that the introduction of a loan scheme will reduce the demand for university education by increasing the opportunity cost of education. This may well occur. However, in terms of the efficient allocation of resources of society such an outcome would not be detrimental since consumers of education would be making decisions based more closely on the “real” costs involved.

Some opponents of a loan scheme are likely to raise the issue of emigration as an objection. In the present South African milieu this objection is not trivial.

The underlying arguments here are twofold; in the first instance, heightened political uncertainty has already induced a substantial “brain drain” and, no less importantly, in order to avoid repayment of their loans graduates might have an additional incentive to leave.

Students could be required to purchase insurance covering the full value of their loans as a safeguard against default caused by emigration, death and so forth.

Students could be required to purchase insurance covering the full value of their loans as a safeguard against default caused by emigration, death and so forth.

A more Draconian approach rather antagonistic to the (neoclassical) philosophical spirit implicit in loan schemes, is simply to restrict the right of the individual

graduate to travel across international boundaries unless a satisfactory repayment agreement has been reached.

Despite the shortcomings of these suggestions, those who base

their opposition to a loan scheme on the issue of emigration should reflect that under the present system of university finance the problem is not even addressed.

A third objection aimed at a student loan scheme revolves around the question of finance. To some extent, the institutional arrangements necessary for a loan scheme were outlined in the proposed new framework presented above. Perhaps the simplest method has already been suggested by Peacock and Wiseman (1964): the State borrows funds from the public by means of a bond issue and then creates an educational trust which administers the loan scheme.

Finally, there is what the literature on student loans terms the "negative dowry" argument. It is argued that a woman graduate encumbered by a loan might be less attractive to a potential spouse as a consequence of her loan, since, should she bear children the burden of repayment would fall on the spouse during her absence from work. Various means of circumventing this problem have been put forward.

Peacock and Wiseman (1964), for instance, argue that the child-bearing mother be exempt from repayment obligations until her offspring have reached a given age, payment being met from the exchequer. On equity grounds, however, arrangements for the subsidisation of women graduates do not appear legitimate. After all, as Maynard (1975) remarks, "why female graduates should be financed by taxes paid by less affluent women is a question of policy rarely formulated, let alone answered satisfactorily".

The strengths and weaknesses of the loan scheme outlined above should be compared with the current method of university finance in SA, and not some abstract ideal.

Distributive equity is undoubtedly the cornerstone of a loan scheme. In addition, the implementation of such a scheme would free public resources for a multitude of alternative uses.

Moreover, insofar as loans induce price and quality competition between universities, scarce educational resources may be more efficiently employed.

Finally, by substantially reducing the value of monies received in direct grants from the State, a loans scheme will help to secure the independence of universities.

Let the wind blow

COMMENT

THIS NEWSPAPER dissociates itself from the laments about free competition in the newspaper industry which were offered in Cape Town this week, ostensibly on behalf of the newspapers, by Nasionale Pers MD Ton Vosloo.

Vosloo wailed: "How do we (in the Newspaper Press Union) maintain competition when the steadily rising costs of raw materials, over which we have little control, have in the past decade led progressively to the closure of more and more newspapers and to the harmful concentration of ownership and spheres of influence?"

He complained in particular that a ban on imports of newsprint had locked the newspaper industry into an unfavourable contract, and also of the cost of ink and lithographic plates.

Before we all burst into tears, it might be as well to record some random facts: the past decade has seen the launching and successful expansion of a very large number of community newspapers, many of them filling gaps left by the complacent metropolitan papers. It has seen the launching of *Finansies en Tegniek*, of the *Weekly Mail*, of a score of smaller publications which government detests — like *South and New Nation* — and of *Business Day*. The *Sunday Star*, backed by the enormous resources of *Argus*, knocked the *Sunday Express* out of the market (and is doing no better in that market) while *The Citizen*, admittedly a little more than 10 years old and tainted with "illegitimate

birth" (whatever that might mean), has displaced the *Rand Daily Mail*. *Beeld* has displaced *Die Transvaler*, and the newspaper market in Pretoria has been wholly reorganised. Sadly, but not surprisingly, *The Friend* went to the wall.

These are not the symptoms of stagnation, but of vigorous and successful adaptation. *Nasionale Pers* itself has expanded into the black market, into English markets, and into the traditional territory of its Afrikaans rivals. It has, indeed, begun to show the monopolistic tendencies which were once the characteristic of the English newspaper publishing houses. Vosloo, like the English publishers in their heyday, seems now to think competition is fine so long as it doesn't threaten established market leaders.

The problem, in fact, is not that the market is too free; it is not free enough. The best check on local price rises is to open the

The imperialists

THE well-meaning and decent American Secretary of State, George Shultz, has spelled out a vision of South Africa which would make this country a splendid clone of the United States.

By doing so, he has laid down in advance of negotiation a set of criteria for international acceptability, and he has thus narrowed the range of options available to local negotiators. The effect is to make a peaceful settlement harder, not easier, to achieve.

It is true that Shultz was trying to avert even greater folly but, sadly, it is also true that any American foreign policy has a half-life of about five years, and today's demands might well be tossed overboard tomorrow.

The best favour Shultz could do this country is to remind his countrymen of the outcome of their imperial interventions in Vietnam, Laos, Cambodia, Iran and Nicaragua, and urge them to mind their own business.

BUSINESS DAY 1/10/87



Phumangena residents at the roof-wetting and christening ceremony perform tribal dancing.

Hotelier unveils Zulu kraal near Jo'burg

A UNIQUE 45-hut Zulu kraal was unveiled at Muldersdrift yesterday.

It will be a "living" kraal which will accommodate a settlement of 37 Zulus from KwaZulu as well as overnight guests.

The name of the R250 000-kraal, Phumangena, means "go, but come back".

Phumangena's residents, who include two sangomas, two blacksmiths, 12 serving maidens and 15 warriors, will support themselves by selling beadwork, pottery, spears and shields to visitors.

For owner Frans Richter it is a dream come true.

"It will be a self-supporting village with a heavy emphasis on education. Foreign tourists as well as South Africans will be able to see traditional tribal life near Johannesburg," he said yesterday.

"I believe that Phumangena will become as important and as popular as Gold Reef City.

"As it is situated between my two luxury hotels, it will be possible for visitors to break away for a night. They can then enjoy traditional food, taste sorghum beer and enjoy tribal dancing before retiring to a typical Zulu hut," he said.

Dhlomo warns of 'homeland' danger to S Africa

A POST-apartheid South Africa would face dissident attacks far more serious than in Angola, Mozambique and Zimbabwe unless the present "so-called independent homelands" were re-incorporated, Dr Oscar Dhlomo warned in

White Plains, New York, yesterday.

The Inkatha secretary-general and KwaZulu Minister of Education and Culture was addressing the International

Conference on South Africa in Transition.

If the policy of apartheid could claim any success it would be in the way it had abused ethnicity among Blacks and harnessed it to fragment the once unitary state of South Africa into "ethnic mini-states" which had become sovereign, with their own armies and air forces, he said.

To claim that the TBVC countries were not recognised by the world did not remove the fact that they existed as separate geo-political entities within what used to be the Union of South Africa.

"It would therefore appear that there is a double-pronged struggle that awaits future South African liberators," Dr Dhlomo said.

"The first level of this struggle will be aimed at dismantling apartheid and the second level will be aimed at the re-unification of South Africa in order to bring together what used to belong together.

"Any liberatory strategy that attempts to ignore this second level of the struggle will not achieve a total liberation of South Africa and will expose a liberated South Africa to dissident military attacks that would be far more serious than those we see in Angola, Mozambique and Zimbabwe."

It was Inkatha's grasp of this potential danger posed by ethnic fragmentation that had prompted it under Chief Mangosuthu Buthelezi's leadership to reject homeland independence and look for alternative solutions.

Its stand had been so unwavering that the SA Government had now conceded that there were areas like KwaZulu that would never accept homeland independence.

Dr Dhlomo outlined the background of the KwaZulu/Natal Indaba and said it aimed to "re-unite and democratise" one region of the country which had been fragmented by the apartheid policy.

It was hypocritical to claim, as some critics did, that it was the Indaba that was fragmenting the liberation struggle.

In fact it was the blind pursuit of ideological purity and the failure to communicate and co-operate among groups that pursued alternative strategies that were fragmenting the struggle.

It was not the Indaba but these factors, and the inability to perceive the struggle as a multi-dimensional one, that had bedevilled South Africa's politics long before the Indaba was even conceived.

Not a little US

IT is interesting that Mr George Shultz, the American Secretary of State, wants South Africa to be ruled in a manner that is American, but does not require other African States to follow the same principles.

He suggests universal franchise for all adult citizens (in other words one man, one vote), personal freedoms similar to those protected by the US constitution (such freedoms do not exist in most of Black Africa), and protection for South Africa's deeply rooted cultural and regional traditions (fair enough, it is something we all want).

He favours a democratic electoral system with multi-party participation (whereas Zambia, Zimbabwe, Angola and Mozambique are one-party states, but nobody bothers, Mr Shultz included, to question why this is so).

Mr Shultz suggests the rule of law, safeguarded by an independent judiciary with the power to enforce constitutionally guaranteed rights (we have no argument against that. We have questioned breaches of the rule of law in South Africa while accepting that in a national state of emergency the government may take such powers as will breach the rule of law).

He also stresses the need for an economic system that guarantees economic freedom for all, allocates government and social economic services fairly, and enables all to realise the fruits of their labour, acquire and own property and attain a decent standard of living (these are objectives which the government itself shares).

The trouble, of course, is that Mr Shultz wants to recreate South Africa in the image of the US.

This is not possible, since South Africa sits with complex racial problems that have to be addressed by South Africans in their own way.

Consequently, we will have to devise a constitutional system that is not based on the American system but on South Africa's own requirements.

Fortunately, South Africa's government does not want that system to be a peculiarly African one, for if we had to follow the example of most of Black Africa, we would have one-party dictatorships.

There are dozens of models which South Africa can and will consider, but whatever is decided will have to ensure the protection of minorities (the government's oft-stated concept).

There can, we believe, be no solution that the Whites of South Africa will not accept, for if a system was to be imposed that made them second-class citizens in their country of birth, there would be bloodshed that would make the recent unrest a picnic by comparison.

On the other hand, the Whites cannot ignore the political aspirations of the Blacks, who form the vast majority of the population and who can no longer be kept in second or third-class citizenship either.

They will have to have political rights in a new dispensation — and if that dispensation does not measure up to American-style rule, so be it.

Mr Shultz says the US will not walk away as South Africans struggle to decide their destiny.

But we are afraid that the US is doing just that by disinvestment and sanctions, and particularly by the withdrawal of American businesses.

Furthermore, the US has put up the backs of most South Africans by leaning so heavily on South Africa in an attempt to force the kind of changes that the Americans desire.

No doubt Mr Shultz's speech was finely honed to appeal to the US Congress ahead of the President's report dealing with the effect of sanctions and the question whether further sanctions should be applied.

But what the US should do is to stop trying to see South Africa in terms of the US experience and see it, instead, in terms of the complex situation in South Africa that has to be resolved by South Africans in a way that will be uniquely our own.

We are not a little US — nor can we become one.

Mandela film is a political

document

THE CITIZEN 1/10/87

I DO not intend to discuss artistic merit, because the TV film, Mandela, recently shown in Australia, is a political document.

What is the conclusion I draw from all this? There may be differences of opinion, quite honest differences, upon the emphasis and the facts, and it is in regard of these differences that I write.

One thing that has struck me as very strange, and that is the resurgence of the anti-White South African propaganda, working on the same media policy that an interchange of opinion in public from time to time is most undesirable.

When can we expect to receive favourable tidings concerning the other side from our much vaunted "free" news and entertainment media?

I would like to endorse the argument that the news and entertainment media are making strident efforts to mobilise public opinion in a one way direction.

I should think it would be a pretty safe thing to say that the TV company responsible for showing the film, Mandela, in Australia, has helped to make this particular piece of Communist propagan-

da an almost irresistible appeal for the release of the ANC terrorist leader.

Was that their intention? If so, this is, indeed, a stupid, an unreasonable and unnatural thing to do, especially when the question arises, where do the distributors of this film imagine they would fit in under a Communist tyranny?

If I were a communist or another kind of world federalist, no doubt I would be writing this letter to extend my heartfelt congratulations, but as I am not bound or troubled on the basis of party loyalty to disreputable men, I say quite frankly, I deplore their evident lack of good judgment.

They may be obliged tomorrow to make good the injury they help cause today. In the course of this war, (they surely cannot believe that we are at

peace?), some unexpected development may cause a complete reversal of present media policy of one-sided communication.

Hard to believe? Wait and see.

It will not be long before we shall have big changes in Australia. Whether there be a radical take-over by the Right, or there be a radical displacement of the present system of society by the Left, (this present social and political condition cannot last much longer), our rights and liberties, our leaders promise to respect, will be taken away from us.

At this moment, we are being deceived and defrauded by them.

TED SMITH

Cnr Production Avenue
& Warradale Road,
Warragamba
NSW 2752
Australia

SA 'anticipated' ANC position on Winnie Mandela

By TONY STIRLING

THE distancing of itself by the ANC leadership from Mrs Winnie Mandela — wife of the imprisoned ANC leader, Nelson Mandela — was expected by South African security intelligence.

The ANC in London has now publicly stated that Mrs Mandela's remarks concerning "necklacing" were unfortunate.

Mrs Mandela has never held any position on the

ANC hierarchy and the only recognition she has enjoyed by the organisation is that of the wife of Nelson Mandela.

However, internationally Mrs Mandela has often been given such prominence on matters relating to the ANC that she has assumed an aura of being a leadership figure.

Intelligence sources said yesterday that recent

developments in regard to the ANC's strategy on South Africa were understood to have caused disquiet about the role Mrs Mandela had been playing in South Africa and her close identification with the ANC.

In particular the ANC's recent international efforts have been directly aimed at gaining recognition from Western powers as a government in exile.

During his diplomatic sorties in the West, the ANC president, Mr Oliver Tambo, was on several occasions embarrassed by references to the ANC's endorsement and use of the necklacing method of execution.

Although ANC leaders, including Mr Tambo, endorsed the necklace as a method of dealing with collaborators and others seen as agents of the government, it was Mrs Mandela in a speech on April 13 last year who made the ANC's first public reference to the method, by stating "we will liberate South Africa with our matches and our necklaces".

Because the damage done to the ANC's diplomatic efforts by the linking of the ANC to necklacing, Mr Tambo has now indicated that the ANC wishes to dissociate itself from this method of execution, according to the sources.

They said that because the ANC's plan to make the country ungovernable and create a people's war had been thwarted, the main thrust of the organisation's efforts were at present political and diplomatic.

To achieve its objects in this regard the ANC had to appear to be a reasonable organisation, and the prominence given to Mrs Mandela's statements that violence was the only way to liberate South Africa and more recently that the war should be carried into the White suburbs of Pretoria was liable to be an embarrassment.

Such statements, generally given little publicity and intended for internal consumption in South Africa, formed part of rhetoric preserved for broadcast and publication by organs such as Radio Freedom, and were carefully divorced from the statements the ANC made for international consumption.

A report from London published in the Afrikaans morning newspaper, Beeld, said that

the ANC had cut off further funding to Mrs Mandela, who has recently had a "mansion" built in Soweto.

The Citizen's sources said they were not aware of any funding of Mrs Mandela by the ANC, and that any funds that might be reaching her would be coming via church and other organisations which have set up specific funds for the dependents of detainees and political prisoners.

The ANC would thus not be directly in a position to cut off any funds to Mrs Mandela but could undoubtedly exercise an influence on the matter.

Blame the rogues, says Inkatha's Nkehli

by Jabulani Sikhakhane

AN Inkatha leader and community councillor in the strife-torn Natal township of Mpumalanga near Hammarsdale has strongly denied allegations that vigilantes were responsible for the spate of murders, rapes, abductions and acts of arson in the township.

During a two-hour interview, Mr Zakhele Nkehli said: "Vagabonds and rogues are responsible for raping women and burning 102-year-old grannies."

Mpumalanga, a quiet township by day and the "killing fields at night", has since February been the scene of an intense campaign of terror against members and supporters of the UDF-affiliated Hammarsdale Youth Congress (Hayco).

At least 20 people are reported to have been killed and more than 30 families have left Mpumalanga to seek refuge in neighbouring areas over the past three months.

"Inkatha took the initiative in forming vigilante groups to fight crime in Mpumalanga. Like vigilantes in other areas, they have been very responsible people. Mr Mandla Shabalala of Lindelani and Mr Wington Sabelo of Umlazi are both well-known and very responsible vigilantes. Vigilantes will always fight things that are against the law.

"But a person who is against the South African government's laws is not a criminal and would not be attacked by vigilantes. It is rogues and vagabonds who are to be blamed for the spate of killings in Mpumalanga," Mr Nkehli said.

Mr Nkehli, who works as a consultant on almost anything from insurance to housing, said things were running smooth between Inkatha, UDF supporters and Azapo members in the township through "the Black Youth Forum" which was set in 1984 to deal with "non-political issues".

Trouble started when UDF supporters questioned their leaders as to who had arranged for them to share a platform with Inkatha. Then the youth in Mpumalanga started involving itself in UDF sympathy strikes.

"I have heard allegations that Inkatha Youth Brigade members were bashing Hayco supporters," said Mr Nkehli.

"I must admit that as an effective youth leader,

Inkatha Youth Brigade members would be very reluctant to tell me all the shameful things that they do. With all honesty I would not like to see any person being attacked. I don't deny that Inkatha Youth Brigade members are attacking UDF supporters. I have told members of Inkatha that there are allegations that they are attacking UDF supporters.

"It's untrue that Inkatha Youth are receiving military training at Emandleni or any other Inkatha youth camp. At Emandleni/Matleng our youth get training in cultural activities and agriculture. Most of them are now working as field workers for Inkatha branches.

"I have called on the community and the youth to help me resolve the problem. A family that has been attacked must come forward and tell the truth and we will deal with the vagabonds and rogues responsible."

He said it was pointless of the leaders of both UDF and Inkatha to expect "us down here to meet and resolve the problems when they haven't met. The leaders must show the way."

Nkehli, a stocky man in his early 30s, admitted organising a two-week long roadblock at the township's entrance in 1985.

"I had information that intruders were coming into Mpumalanga to kill community councillors because the community of Mpumalanga was sitting on its asses."

He strongly denied allegations that a man named Mkhambi, from Umbumbulu, had been hired by vigilantes.

"We don't need to hire mercenaries. We are self-sufficient. We have men who can come out and arm themselves with sticks and knobkerries and fight. The UDF has a very unique opportunity here in Mpumalanga to exist where Inkatha rules. In places where the UDF rules, Inkatha will not live.

"I am like an Inkatha flag. I feel very noble about all the allegations against me. If I die because of all these allegations I will die a happy man. A good man will always be liked by some people and hated by others.

"If everybody likes you, there is something wrong. You are not genuine", the man UDF supporters fear most in Mpumalanga, said from his swivel chair as he was wagging his finger at me.

"I am a well-known public figure, even in UDF circles. UDF leaders seem not to have a say about what is happening in their organisation. Mr Archie Gumede must come to the Kwa-Zulu Government and I will strongly recommend him for the minister of Youth Portfolio."

Mr Nkehli later said other political organisations were allowed to operate in Mpumalanga. He said Inkatha believed in a multi-strategy approach. Azapo's and UDF's way need not be the way."

Nkehli blamed Marxism for all the problems in the township. "Marxism does not want authority. A Marxist does not want you to ask for permission from the authorities."