

AF Press Clips

WASHINGTON, D.C.

May 16, 1986

XXII No. 18

THE CHRISTIAN SCIENCE MONITOR

MAY 15, 1986

In S. Africa, reform is hard pressed to outpace violence

Despite Botha's efforts, black militants skeptical of reforms

By Ned Temko

Staff writer of The Christian Science Monitor

Johannesburg

A new flash of violence has spotlighted the gap between the South African government's vision of political reform and that of its black critics.

The unrest comes even as the government is quickening the pace of its reforms, and coincides with a visit by a British Commonwealth team to test the climate for compromise. The group's findings will help determine whether Commonwealth nations apply economic sanctions.

The main thrust of the team's efforts, reports from London say, is to try to arrange talks between the South African government and the outlawed African National

Congress — the most prominent black nationalist group fighting to overthrow the white-ruled government. This would presuppose legalization of the ANC and the release of ANC patriarch Nelson Mandela, who was jailed more than 20 years ago for plotting revolution.

The latest violence took place between police and youths in the government-sponsored black "homeland" of KwaNdebele. Tuesday, a clash erupted between police and anti-independence youths burying a man they said was killed in earlier unrest. Ongoing violence in KwaNdebele was reported yesterday.

Packed with thousands of blacks who commute to work in "white" cities such as Pretoria and Johannesburg, KwaNdebele is set this December to become the fifth such tribal area to accept "independence."

Yet this independent status is recognized only by Pretoria and the homelands themselves. Black militants reject the homelands as an artifice designed to deny them a say in the central government.

THE WASHINGTON POST

Continued on Pg. 16

MAY 11, 1986

Sudanese Parties Reach Agreement

Southerners to Be Represented in New Government

Reuter

KHARTOUM, Sudan, May 10—Sudanese Prime Minister Sadiq Mahdi today reached an agreement with southern Sudanese parties on their participation in a broad-based coalition government, his office said.

A statement said the agreement was reached after talks with representatives of six southern parties and senior officials of the Democratic Unionist Party.

Tonight's agreement came four days after 36 deputies from southern parties and the National Sudan Party walked out of Parliament in protest at what they called the unacceptable dominance of the Umma Party, led by Mahdi, and the Unionists.

The accord provides for the full support of the southern parties for

government policies. Southern parties would get a share of the 18 Cabinet portfolios proportionate to the southern population, the statement said. An estimated 6 million of the 23 million people in the Sudan live in the south, which is mainly pagan and Christian and has been wracked by civil war for three years. It said the number of Cabinet posts that would go to southern politicians will be set after voting in the south. Voting in 37 of 68 southern districts has been postponed because of the civil war between rebels and government troops. Results from four districts where voting had taken place have not yet been announced.

The majority Umma and Unionist parties won 99 and 63 seats respec-

tively in last month's elections for a 301-seat constituent assembly which held its first session April 26.

The prime minister's statement said tonight's talks also dealt with preparations for a proposed national constitutional conference expected to be convened here next month.

The conference, which the rebel Ethiopian-backed Sudan People's Liberation Army said it will attend, is aimed at negotiating an end to the civil war in the south.

The rebel army has pledged to continue fighting for the lifting of *sharia* (Islamic laws), introduced by ousted president Jaafar Nimeri in 1983. It has also demanded a greater share of government development funds for the south.

Reinventing South Africa

What does the world want in South Africa? For years the answer for any democrat has been simple: rule by the majority of its people. Since the majority is black and the existing regime is white, any transfer of power from one to the other seemed to promise an improvement. The risks were plain: if the transfer led to a black dictatorship, as in much of the rest of Africa, the majority might be little, if at all, better off. So long as the transfer was a distant dream, however, little thought was given to the form of black rule, nor to how it might be achieved.

In the past two years, the prospect of political reform in South Africa has become more real. Outsiders are fond of saying that South Africa's whites give ground only when pushed by events. They are now being pushed. A growing number of whites realise they cannot hold the black three-quarters of the population in subjection for ever. Earlier, voluntary, reform is preferable to later, involuntary, upheaval. President Botha's constitutional referendum of 1984 opened fissures in white opinion, even though it did not end apartheid. The church, the Broederbond, the universities, the armed forces, a number of government ministers have come to realise, with varying degrees of reluctance, that 1984 was a prelude to more. The foreign minister, Mr Pik Botha, has said, and meant, that the next president might be black.

Many ministers, soldiers and public officials privately agree with him. Even among the quarter of the population so far enfranchised—whites, mixed-race "coloureds" and Indians—a majority would today probably vote to end apartheid, if the rigged constitution allowed them to. A consensus in favour of step-by-step black enfranchisement is increasingly visible, stretching from the more practical wing of the white Nationalist party through Afrikaner businessmen and English-speaking liberals to those blacks supporting either Chief Mangosuthu Buthelezi's Inkatha movement or Mr Nelson Mandela's African National Congress and its legal wing, the United Democratic Front.

This is a fragile, possibly transient, consensus but one still worth defining and encouraging. It could still, just, lead to a government which reflects the aspirations of a majority of South Africans, and protects the rights of a minority: any minority. The country enjoys many advantages over most African nations. It has huge natural and human resources, a developed infrastructure and average incomes three times higher than those of any black African country. Its often abused civil liberties are not just a fond memory—as in much of Africa—but still a part of political life. Above all, it has an established, strong central government.

All in one state

Breaking South Africa up into constituent tribal or geographical entities, as some reformers have suggested, would jeopardise many of these advantages. The corrupt and harsh governments of the four homeland "states" are warning enough of that. Although it has become the catchphrase of the left, the concept of "one man, one vote in a unitary state" is the only proper interpretation of democratic nationalism and is one to which black South Africans naturally aspire.

Where opinion, even within the consensus, begins to

differ is over the mechanism and speed of change towards this end. To most blacks, and some whites, the transition must be subject to black agreement and ultimately to black control. To most whites, a continuation of law and order under a white-dominated army and police force is the essential safeguard against change collapsing into anarchy. Tell them to hand over the government tomorrow and they will exercise their continuing power to block change. Any reform likely to yield a black government dominated by one tribe or one ideology—or, worse, a nation deeply divided between two or three of them—will play into the hands of the far right, increase the likelihood of a white military coup and dash the hope of relatively peaceful change. Even white South Africa is not monolithic—a blessing for reformers, but one that requires them to carry opinion within the ruling core.

In the next two to three years, the political temperature is bound to rise as hundreds of thousands of blacks are partly freed from the fetters of the pass laws to go to the cities from the impoverished homelands. This will increase the risk of more violence on the fringes of white areas. That might help the pace of reform. It could mean the emergence of black leaders with whom the government could establish more useful contact than it has had with the "system" blacks of the past decade. The loss of control over the townships is already bringing the Africanisation of education. The non-payment of rents is helping the unofficial economy of the townships. Businesses are training more blacks and demanding that the government relax group-area controls to ease the effect of consumer boycotts. The white-dominated political economy is fragmenting.

Whether such changes can be translated into constitutional reform is now the central issue. White South African politics is awash with proposals for fancy franchises, blocking votes and partial devolutions. Whites, and blacks, who look at events to the north of their borders know that such concepts rarely last long as change gathers pace, as new leaders flex their muscles and new political interests gain control of the national exchequer. Yet the history of South Africa suggests that constitutionalism cannot be rejected out of hand as a tool of reform. It ensured the revolution that brought the Afrikaners to power in succession to the British. Now it has a role to play, however temporarily, in calming white fears of black enfranchisement.

Aim for a goal, not for delay

The concept of a unitary state can itself cover all sorts of transitional arrangements. In any large country, a balance between centralism and regionalism is not just a matter of government efficiency. The United States, India, Nigeria, even the Soviet Union show that such a balance is a safety-valve for the rivalries of diversity. Rigorous devolution to the townships after the 1976 Soweto riots might have saved the South African government a deal of trouble today. Properly established, it is still the best way of fostering black leadership and institutions.

Continued on Pg. 15

Swaziland Attempts to Move Out of South Africa's Shadow

MBABANE, Swaziland—All but one of South Africa's neighbors, the tiny Kingdom of Swaziland, support economic sanctions as the surest way to end apartheid.

Recognizing their economic dependence on South Africa, as well as the hardship that would inevitably befall their people, these states proudly assert their willingness to suffer in order to speed the fall of white minority rule. But Africa's rulers have never hesitated to sacrifice their people in the name of one cause or another. Unlike its neighbors, Swaziland has always understood the limits of ideological politics, and this has embroidered its economic policy with a pragmatic pattern.

In a region of growing turmoil, political stability and economic growth go hand in

Africa

by Michael D. Gargano

hand. Although it may appear alien to outsiders, Swaziland's constitutional monarchy has provided political stability to an economic system that is unashamedly free enterprise.

King Sobhuza II, who died in 1982, left a legacy of political tranquillity that is expected to continue in the reign of 18-year-old King Mswati III, who was crowned as Swaziland's new king on April 25. King Sobhuza's approach was simple. He reluctantly acknowledged South Africa's economic and military dominance of the region, and bowed to Pretoria's demands that the African National Congress be denied a base in Swaziland. Despite criticism from other African states, Sobhuza had no choice, Swaziland, bordered on three sides by South Africa, has watched the South Africans invade nations harboring ANC guerrillas on numerous occasions. In 1982, Sobhuza signed a secret nonaggression pact with South Africa. By opting for peace, Sobhuza was able to concentrate on his people's economic upliftment.

Sobhuza also had a firmly entrenched commitment to economic development. He believed the role of government should be supportive, and that it must not interfere with private enterprise, considered the primary engine for economic growth. Thus, regulation over business has been minimal. Licenses are rarely required, and the maximum corporate tax rate stands at 37%. Dividends earned by foreign investors are freely transferable. Government spending has been kept to 18% of gross domestic product, and the government is committed to no growth in that figure. Government funding has been directed at infrastructure and literacy programs. An international airport has been built, as have paved roads to all the nation's major centers. A new railway link into South Africa has just been finished. With the na-

tion's literacy rate at 65%, education has been given priority. Schools have popped up even in the most isolated rural areas.

Swaziland's economy is now one of the healthiest in Africa. Like so many other African nations, the country is well endowed with natural resources, but economic growth has occurred mainly in the modern sector of the economy. Its large and diversified manufacturing sector already contributes 25% of GDP. Swaziland has one of the highest ratios of paid employment to the working-age population in sub-Saharan Africa. Per-capita income stands at about \$955, one of the highest in Africa. Following independence in 1968, the annual per-capita economic growth rate averaged 7%, but with the onset of a devastating drought that swept through southern Africa, GDP fell in 1982 and has remained sluggish ever since.

While Swaziland benefited from its cooperative relationship with South Africa during Sobhuza's era, it now finds itself suffocating. Reduced confidence in South Africa's economy caused its currency, the rand, to plummet in value. Swaziland's currency fell an equivalent amount because of its membership in the Rand Monetary Area (RMA).

Formed in 1974, when Swaziland still lacked the institutional expertise to operate a central bank, the RMA pegged the value of its currency, the lilangeni, directly to the rand's, and placed control of monetary policy for both countries exclusively in South Africa's hands. Any adjustment in the exchange rate of these currencies was a unilateral decision of the South African authorities that did not reflect the particular economic conditions in Swaziland. Swaziland immediately suffered from the rand's precipitous decline. Inflation reached a 66-year high of more than 20%, and the cost of external debt repayments nearly tripled. The government's 1986 budget increases statutory spending by 56% exclusively to repay foreign debt.

In April Swaziland withdrew from the RMA in a move calculated to stem its dependence on South Africa's apartheid economy. Swaziland will at last be able to set its own interest rates, which have been maintained at artificially high levels. The interest rate, now averaging 18%, should fall to a level more appropriate for a developing nation of Swaziland's status, and hopefully stimulate business activity. Small businesses and entrepreneurs, in particular, have been unable to afford such high interest rates. If the rates are made affordable, Swaziland does have the domestic savings necessary to finance economic growth without having to resort to outside borrowing. In fact, banks are currently flooded with unused reserves worth the equivalent of about \$80 million, an extraordinary amount for a nation of 700,000 people.

King Mswati faces a more challenging environment than did Sobhuza. Power is

South Africa

Their eminences' breakthrough?

FROM OUR SOUTH AFRICA CORRESPONDENT

A rum assortment of seven people from the Commonwealth, known grandly as the "eminent persons group", may have more chance of banging South African heads together than anybody had guessed. Set up after a conference of Commonwealth leaders last year in the Bahamas, where a list of limited sanctions against South Africa was agreed upon (most reluctantly by Britain), the group was told to visit South Africa, persuade President Botha's government to mend its apartheid ways, and report back. The expectation was that Mr Botha might give their eminences a curt interview, probably with cotton wool in his ears, and bid them good riddance. In fact, he seems to be taking them more seriously than that.

The group, which is led by a Nigerian ex-president and an Australian ex-prime minister, now hopes to secure the release of Mr Nelson Mandela, the long-imprisoned leader of the African National Congress. Mr Mandela is unlikely to accept release, however, unless the ANC is made

Continued on Pg. 4

divided among the king, the king's council of advisers, and the cabinet ministers and civil servants of the central government. Rule is based on consensus, meaning that opposing views are thrashed out away from the public eye before a decision is made. Sobhuza designed the system to concentrate power in the monarchy, outlawing political parties and reducing Parliament to nothing more than a communication forum. Although the royal family remains popular, even among the young, tensions are likely to arise. The growing segment of the population that is educated will begin to demand a meaningful role in government, particularly if unemployment remains high. At present, 25% of school graduates cannot find work. If King Mswati is to ensure long-term stability, he will have to accommodate these people in the structures of government, perhaps by reconstituting Parliament as a law-making body.

If Swaziland continues to flourish, it can serve as an example of the benefits of both free markets and racial tolerance. Many South African firms are already diversifying into Swaziland, hoping to avoid their nation's international isolation. Besides, a nonracial system of government, Swaziland offers investors additional advantages. It has preferential access to European markets, as well as to the rest of Africa. And the labor strife now endemic in South Africa is practically nonexistent in Swaziland. Surprisingly, only one U.S. company has a presence in Swaziland. But with Pretoria the target of increasing world attention, others may seek Swaziland as an alternative to locating in South Africa.

Mr. Gargano is an American lawyer working in southern Africa.

MAY 14, 1986

Abandoning apartheid

HOW fast is fast enough? The question persists as the South African government makes reforms it insists are major. The hope on all sides is to avert a civil war.

But nothing less than the actual sharing of power between blacks and whites is at issue. Apartheid must be abandoned rather than merely reformed. The longer the government waits to negotiate with black leaders, the more likely the rise of militancy on the part of young blacks and the more difficult to find leaders willing to compromise.

Pretoria is clearly feeling the stepped-up pressure. Its April decision to scrap pass laws that restrict freedom of movement among blacks, the most distasteful aspect of apartheid to many blacks, was in part timed to offset a campaign to burn passes which was expected to be launched by black leaders.

So, too, the South Africa government's often-changing conditions for the release of Nelson Mandela, the one-time leader of the African National Congress, who has been jailed since 1964, and for possible legalization of that exiled group appear to be coming in direct response to increasing pressure from the Commonwealth's "Eminent persons' group."

That group is to report to a special meeting of the 49-member Commonwealth in June and could well urge limited mandatory sanctions such as the

United States adopted last year. Mr. Mandela refuses to renounce violence explicitly as a condition of his release, contending that the police and government have not renounced violence, either.

But he recently told Helen Suzman, a member of the white liberal opposition in Parliament, that the ANC would declare a truce and enter negotiations if he were freed and it were legalized.

Also, President Pieter W. Botha has promised blacks a voice at the "highest levels" of government when the National Party Congress convenes in August. It is expected to result in more of a consultative role for blacks and the possible naming of minorities — probably Indians or Coloreds already serving in Parliament — to a Cabinet post or two.

But there is still a long way to go before actual deeds match the promises and rhetoric. President Botha insists he is moving as fast as he can without incurring a backlash from more conservative whites in his own government. He wants a public pat on the back for progress made, but he did not get it at the Tokyo summit, as he had hoped.

An intricate network of laws supporting apartheid exists to offset virtually every reform effort: segregated housing, schools, and hospitals; for instance. Repeal of the pass laws will hardly lead to any more-racially mixed living patterns. Blacks, who had to

US military transports arrive for Chad Air Force

N'Djamena, Chad

The US delivered two Hercules C-130 military transport planes yesterday to the Chadian Air Force.

They are part of a \$10 million emergency aid package granted by Washington in March after a series of attacks by Libyan-backed rebels against the government split Chad into a rebel-held north and a government-controlled south in the summer of 1983.

produce the green cards on demand, may be less harassed.

The pressure is sure to continue. One sign, which came only one week after the pass-law announcement, was the huge May Day strike, in which 2.5 million black workers stayed off their jobs for a mix of reasons. It was the largest strike in South Africa's history and was intended as a test run for a three-day strike planned for June 16.

The price in human lives for the South African government's slowness keeps escalating. Some 1,600 residents, mostly black, have been killed in violence related to apartheid over the last 20 months.

What Pretoria represents as speed in reform is far from fast enough.

THEIR EMINENCES' BREAKTHROUGH? (Continued)

legal and the hundreds of other political prisoners come out too. He would probably also insist on a convention attended by all the main white and black parties. The Commonwealth group has seen Mr. Mandela in privacy (the two co-chairmen, Mr. Olusegun Obasanjo and Mr. Malcolm Fraser, have seen him twice), and hopes to visit him again this month.

What could be in it for Mr. Botha? First, he may think that releasing Mr. Mandela could take some of the international heat off South Africa. He has been trying to get the Commonwealth to promise not to impose more economic sanctions—as the members threatened to do in the Bahamas meeting if Mr. Botha made no concessions—in return for Mr. Mandela's freedom. He is also looking for some way of ensuring that a released Mr. Mandela would not become the focus of an uncontrollable mass demonstration of blacks who might march, with Mr. Mandela at their head, into the centre of white South African cities.

Second, the South African president may think he has a chance of dividing the ANC. He has begun to drop hints that he may be prepared to talk to that movement's "nationalists" but not to its "communists". Before, he has always lumped

them together as out-and-out Russian stooges. If his offer of talks depends on the ANC formally splitting itself, he will almost certainly be rebuffed. But the mere suggestion that he is considering talks with anybody from the organisation suggests that he no longer sees it as untouchable.

The third thing at work on Mr. Botha could be the simple fact that he is stuck. He has been trying to crush the rebellion of the urban blacks while at the same time doggedly pushing ahead with his reforms. But, on the first count, he is almost certainly failing. Since January people have been dying at a rate of 130 a month, compared with 70 a month last year. Instead of cowing blacks, as it used to do, more force seems to be producing more anger. And Mr. Botha's reforms—such as last month's scrapping of the pass laws—are failing to win much black gratitude.

There is evidence that the authorities are now arming conservative black vigilantes to attack black activists. The activists, for their part, are turning from protest demonstrations to armed insurrection. More hand grenades and Russian-made AK-47 rifles are trickling into the townships. The lives of black policemen, about 800 of whom have had their

homes burned down, are increasingly at risk as the township rebels begin to shoot back. The ANC is becoming more daring. On May 4th, armed men shot their way into a hospital and freed a wounded ANC guerrilla from an intensive-care unit.

Businessmen and other white critics of Mr. Botha, looking for a way out of the impasse, are turning to the Zulu leader, Chief Mangosuthu Buthelezi. He has a large following. But he remains a strictly regional leader whose support is confined to the Zulus of Natal province; and the Zulus, though they are South Africa's biggest tribe, account for less than a quarter of all South African blacks. Most opinion polls suggest that not more than half of them support Mr. Buthelezi. A deal between him and Mr. Botha would probably fail to end South Africa's urban rebellion: the Zulu chief does not control the rebels.

On May Day he pulled in a crowd of 60,000 to launch a new anti-ANC trade union in Durban. But its main rival, the Congress of South African Trade Unions (COSATU), persuaded something like 1.5m blacks to stay away from work. It was by far the biggest strike that South Africa has ever seen. And most of COSATU's people are against Mr. Buthelezi and behind Mr. Mandela.

Two whites ask: after apartheid, what?

Ex-parliamentarians try to act as catalyst for black-white talks

By Ned Temko

Staff writer of The Christian Science Monitor

Johannesburg

"What kind of South Africa do we want after apartheid?"

Two prominent whites are threading their way through a political mine field in a bid to get South Africans of all races to resolve, or at least to seek common ground on, that question.

The men, Frederik Van Zyl Slabbert and Alex Boraine, quit Parliament early this year, saying it was incapable of resolving the country's crisis. They rejected President Pieter W. Botha's moves to "reform" race policies and said that only a wholesale scrapping of the apartheid system of race segregation could allow the beginnings of reconciliation.

The men acknowledge that in seeking "extraparliamentary" machinery for compromise amid unlagging political violence, they have their work cut out for them.

But, said Mr. Boraine in a phone

interview before he joined Mr. Slabbert on a trip to the US Saturday, "We've been extremely encouraged by the initial response. I've been staggered by its warmth."

He said he and Slabbert, who was leader of the white liberal opposition in Parliament before resigning, were determined to avoid haste in going public with a plan of action. This is in spite of an approach by Cape Town officials, the Monitor has learned, with a request to help explore the possibility of "nonracial city government." Boraine declined comment on the reported request.

As opposition leader, Slabbert was central in an effort last year to form a "National Convention" of blacks and whites to chart a new political course for the country. The initiative failed, falling victim to rifts and rivalries among opponents of apartheid.

"We learned a great deal from the abortive launch of the convention,"

Boraine says. He and Slabbert are not presenting themselves as conveners or brokers. Instead, the aim is to "try to help facilitate" others' communication and proposals. The men have avoided allying themselves with any one anti-apartheid leader or group.

The initial vehicle for their campaign is a new Institute for Democratic Alternatives.

"If the title sounds vague, so much the better," Boraine explains. He and Slabbert want to avoid "anything that smacks of white saviors galloping in on horses, or of a political initiative starting with a small group at the top with the aim of imposing it on others."

"Our aim is to discuss, consult, to ask people on all levels throughout the country for their help, advice, and thoughts." Since leaving Parliament, the two men have been meeting political, church, and community leaders. Boraine says one encouraging sign is that many

Continued on Pg. 15

THE NEW YORK TIMES

New Tactics on South Africa

MAY 10, 1986

Special to The New York Times

WASHINGTON, May 9 — For more than a year they paced the sidewalks outside the South African Embassy, denouncing that country's racial laws day and night, in rain, snow and broiling sun, holding high their placards, waiting for the police to come.

But now the sidewalks are mostly empty. After 3,046 arrests and countless appearances on evening news programs and as many notices in the morning papers, the demonstrators have shifted their attack from the embassy sidewalks to Capitol Hill offices, to headquarters of corporations that do business in South Africa and to universities and other institutions that hold stock in companies doing business in South Africa.

The time has come, they say, to move on to a less public, more advanced campaign of lobbying and consumer boycotts.

Still Deeply Involved

The three demonstrators whose arrests at the Massachusetts Avenue embassy on Thanksgiving Eve in 1984 started what became known as the Free South Africa movement are all still deeply involved: Randall Robinson, director of TransAfrica, a Washington group that lobbies for black African causes; Mary Frances Berry, a member of the United States Civil Rights Commission, and Walter E. Fauntroy, the District of Columbia's delegate to Congress.

Mr. Robinson and Mr. Fauntroy are co-chairmen of Free South Af-

rica, and all three are members of the steering committee of the organization, which has grown into a loose national coalition of groups and individuals opposed to race laws.

As they see it, a year's worth of arrests accomplished what they intended: gaining national prominence for the movement. In fact, they say their sidewalk demonstrations will not entirely end; one is scheduled this weekend. But for the most part, the thrust of the attack has changed.

Cecile Counts, coordinator of the Free South Africa movement, which

'People haven't lost interest; we've gained people.'

Catherine Hargrove, Free South Africa organizer

began under the TransAfrica lobby's umbrella, declined to describe actions planned against specific companies. But, she said, "I don't think any tactics we've used before can be eliminated."

Those tactics, in Washington, included a sit-in last January at the Connecticut Avenue office of the Shell Oil Company to protest investments of the Royal Dutch Shell group, and one earlier at an office of Deak-Per-

era, a concern trading in foreign currency. Typically in such sit-ins, four or five protestors have entered an office, taking food and portable toilets, and stayed until the police came for them. The currency exchange sit-in lasted about 48 hours, the Shell demonstration overnight.

Congress as well as corporations will continue to feel the pressure, Miss Counts said. For instance, movement lobbyists are pushing for a law similar to an amendment in 1976 that cut off United States aid to rebels fighting to overthrow the Marxist Government of Angola.

"To us, aid to Savimbi equals aid to apartheid," Miss Counts said, referring to the rebel leader Jonas Savimbi, whom Pretoria supports. Since the amendment's repeal last year, the Reagan Administration has sought an estimated \$15 million in covert aid for the Angolan rebels.

Miss Counts said the campaign against Royal Dutch Shell, which includes a call for a boycott and the picketing of Shell gas stations, has spread to cities from Birmingham, Ala., to Los Angeles.

At colleges and universities, she said, the Atlanta-based Coca-Cola Company "has probably been the first popular victim" of the boycott campaign.

"There are a lot of Coke machines on campuses," she added. "Not everyone buys Shell gas."

From its start the movement has attracted broad backing from such diverse groups as the A.F.L.-C.I.O., National Organization for Women,

and National Association for the Advancement of Colored People. Perhaps more important, Miss Counts said, is the continuing support of "middle America."

Catherine Hargrove, a Free South Africa organizer, cited recent campaigns in Fort-Wayne, Ind., and New Bedford, Mass., and said, "In cities we're not normally big in, people have been calling in for information and starting their own boycotts."

'Larger Lessons to Be Learned'

"People haven't lost interest — we've gained people," she continued. "There are larger lessons to be learned. There is broad-based concern, given the kinds of struggle going on in South Africa."

According to the Washington-based Investor Responsibility Research Center, five American companies, including General Electric and the VF Corporation, which makes Lee blue-jeans, have pulled out of South Africa since January. Last year 38 American companies stopped doing business there; in 1984 the number was 6.

A spokesman for the center said 267 were continuing operations in South Africa. At the end of 1984, the last year for which figures are available, American companies had \$1.8 billion tied up in South African interests, the spokesman said, adding that the figure has dropped considerably.

"Corporate campaigns have not traditionally been short," Miss Hargrove said. "People understand what kind of struggle it's going to be. We're prepared to go the distance with it."

Deadlock in Namibia — and a shift in US policy

By Pauline H. Baker

SOUTH African President Pieter Botha caused a flurry of diplomatic speculation on March 4 by proposing Aug. 1 as the date to begin carrying out United Nations Resolution 435 for the independence of Namibia, the Texas-size former German colony that Pretoria has controlled since World War I. President Botha's deadline raises new hopes for an agreement that would end an 18-year-old war, free the last of the white-ruled states except for South Africa, and reduce the Soviet-Cuban stronghold in Angola.

In fact, setting the August date marks a *deadlock* in 10 years of US-led diplomacy and the onset of a new militancy toward resolving regional conflict. The upshot of this shift is that US influence in southern Africa is diminished, the cycle of violence is fueled, and the United States is embroiled in a no-win fight with the Soviets.

Serious Namibia negotiations began in the closing months of the Ford administration, when former Secretary of State Henry Kissinger believed that he could prevent "another Angola" through high-level shuttle diplomacy with South Africa. The Carter administration broadened the effort, including in the talks its NATO allies (the United Kingdom, France, West Germany, and Canada); the front-line states (Angola, Tanzania, Zambia, Mozambique, Botswana, and Zimbabwe); South Africa; and the South-West Africa People's Organization (SWAPO), the liberation movement fighting for independence. Settlement seemed within reach by 1980, but South Africa backed down at the last minute when Ronald Reagan's inauguration offered Pretoria the prospect of a better deal.

The Reagan administration made a Namibia settlement the central goal of its African policy and added a critical new dimension — linking it to the removal of Cuban troops from Angola.

Though it had not raised the Cuban issue before, South Africa immediately saw the evident benefits of this gambit. Linkage would draw the US into the Angolan quagmire; legitimize Pretoria's own intervention there; shift responsibility for Namibian settlement (or lack of it) to Luanda, Havana, and Moscow; and further delay carrying out the UN plan to give Pretoria time to erode SWAPO's position and strengthen internal parties.

Over the past five years, several deadlines have come and gone. Each time the sticking point has been the now-entrenched South African position on withdrawal of some 30,000 Cuban troops.

Why did Mr. Botha come up with a date at this time if it represents nothing new? Because the US asked him to. Angolan authorities suggested in January that Pretoria show its willingness to settle. This was probably a disingenuous attempt to buy time while Luanda prepares a military offensive against UNITA, which was expected at the end of the rainy season in late April or May. The US pushed South Africa to fix a date. Botha's action also gave the US something to put on the table during ongoing diplomatic talks on the UN peace plan.

Mr. Reagan's decision to supply military aid to Jonas Savimbi in Angola kills any remaining chance of reaching a settlement on Namibia within the term of this administration. Angola's "deeply outraged" protest of US policy, interpreted as an act of war, was conveyed in a

March 18 letter to UN Secretary-General Javier Pérez de Cuéllar from Angolan President José Eduardo dos Santos. Mr. dos Santos accused the US of renegeing on a previous understanding that it would not become militarily involved, rejected US credentials as an honest broker, and called on the UN to take over.

The failure to reach a settlement on Namibia does not, in itself, represent a major foreign policy defeat for the US. Washington has no vital interests at stake in the territory. By abandoning diplomacy for military intervention, however, it is opening a new chapter on policy in southern Africa that drags the US into a civil war; distracts it from playing a positive role in South Africa, where it does have vital interests at stake; and sets it up for a confrontation with the Cubans and Soviets that is both unwise and unnecessary.

The US has set a course that separates it from its NATO partners and the bulk of African states — except, of course, for South Africa, which is delighted by the prospect of the US coming in on its side. To blacks in South Africa, however, the US is adopting an indefensible double standard. While telling them to eschew violence in their resistance to the tyranny of apartheid, the US is turning to violence as a method of resisting the tyranny of communism. The US defends its support of Mr. Savimbi as a principled commitment to "freedom fighters," but denies the black South African struggle for basic human rights a comparable moral equivalence.

Some argue that getting out on a limb in Angola, forfeiting a settlement in Namibia, and losing credibility in South Africa are worth the price of raising the costs of Soviet and Cuban adventurism.

The irony is that, in the long run, the costs will be greater for the United States.

Moscow has invested \$2 billion in military aid (four times as much as in Nicaragua) over the last two years in Angola and shows no signs of weakening resolve. Indeed, during one of South Africa's previous invasions of Angola which threatened Luanda last year, Moscow took the extraordinary step of flatly warning Pretoria through diplomatic channels that it would not stand by and permit the overthrow of the MPLA government. In a recent speech, Fidel Castro stated that his troops would remain in Angola as long as apartheid survives. Having abandoned the diplomatic option, the only hope of raising the costs for the Soviet bloc is to match its level of military involvement or, equally unacceptable, to help South Africa do it for the United States.

There are regional conflicts, such as Afghanistan, in which a strong case can be made for US aid to anti-Soviet insurgents as a means of advancing American interests. But outright Soviet occupation of a neighboring third-world country with a puppet regime cannot be equated with Soviet aid requested by a sovereign government recognized by all major Western and African countries except for the US. The provision of top-of-the-line Stinger missiles to rebel forces in Afghanistan and Angola sets up a false analogy that cannot be sustained by the facts.

The deadlock on Namibia signals a wider shift in US policy which will inspire controversy in Washington, determination in Luanda, confidence in Pretoria, and satisfaction in Moscow.

Pauline H. Baker is a senior associate at the Carnegie Endowment for International Peace.

Let the Protesters Themselves Divest

By Milton Friedman

THE shanty towns at Dartmouth, Harvard, Berkeley, Stanford; the protests on campuses throughout the country urging disinvestment of the securities of companies doing business in South Africa — these staples of this spring's student protests against apartheid in South Africa, raise three very different questions. Would disinvestment by university and other trust funds promote the interests of South African blacks? Even if the people administering the trust funds answer "yes" to that question, are they morally justified in disinvesting? Even if the answers to both questions were "yes,"

THE NEW YORK TIMES

are students demonstrating disinterested idealism in their campaigns for disinvestment?

I believe it will be revealing to answer these questions in reverse order.

Idealism or hypocrisy? Few temptations are so irresistible as doing good at someone else's expense. Campus protests involve few costs, and many returns, to the students involved. Panty raids, partying at the beaches during spring vacation and other traditional ways to let off high spirits and repressed energy in springtime are fun. But so is the flouting of authority by constructing shacks, staging mass protests and occupying buildings — and these actions have the great additional advantage of enabling the participants to feel high-minded and noble, to get the dual pleasures of letting off steam

and promoting a good cause. And all at no cost to themselves, given the pusillanimity that has been displayed by university administrative officers.

For those student protesters who really believe what they assert, there is a far more effective way to promote their ostensible objective. Let them disinvest personally — by committing themselves to make no purchases from any of the companies whose securities they regard as inappropriate for retention in a university portfolio. No more radios, electric clocks, hair dryers, etc., from General Electric. No more cars from General Motors or Ford or, for that matter, Honda or Nissan — if, as I suspect, those companies too have subdivisions or agents in South Africa. And so on and on. Let them make up lists of "morally unacceptable"

products — and pledge themselves to abstain from them.

Such a boycott would be far more effective in punishing companies doing business in South Africa — though to my mind no more justified — than the disinvestment that the student protesters demand. But it would be true idealism, since they too would bear the cost. And so long as they are not willing to undertake such a boycott, their present practices are pure and unadulterated self-righteous hypocrisy.

The morality of disinvestment. If disinvestment is costless, it is also meaningless. In practice, given the small size of university portfolios relative to the world capital market, and the fluidity of capital, it probably would be close to costless. However, to face the moral issue involved, sub-

Continued on Pg. 16

U.N. Honors Farm Women of Africa

MAY 16, 1986

UNITED NATIONS, N.Y., May 15 — A woman's day begins at 3 A.M. in Eremina Mvura's village at Skiaobvu in Zimbabwe. That is the hour she awakens to pound grain into flour in a mortar.

"At sunrise one has to go to the river to fetch water," Mrs. Mvura said, "then go to the fields for weeding."

"If you have a baby, you breast-feed while you work," she said. "And we must climb into the watchtower to chase crop raiders such as buffalo and elephants away — and chase lions, which are dangerous because they eat people."

At sunset the woman prepares supper, gathers more water and wood, and "if she has energy, bathes herself and her children," Mrs. Mvura said.

"And all night we listen for wild animals," she added shyly, just in case anyone thought she slept at night.

With her arduous life typical for millions of African farm women, Mrs. Mvura was brought to the United Nations on the eve of a special General Assembly session on Africa to be honored on behalf of those women for an all-but-forgotten statistic: Women produce nearly 80 percent of sub-Saharan Africa's food.

Daylong Symposium

Jean L. Ripert, the United Nations Director General for Development, presented Mrs. Mvura with an award this morning. This afternoon Mrs. Mvura participated in a daylong symposium entitled "Food Security: The African Woman Farmer."

In an interview Wednesday, Mrs. Mvura, the mother of two sons,

said she had never left her native land before and was "terrified there is no oxygen in New York and the buildings can fall on you at any time." But she spoke forcefully and in concrete terms of her countrywomen's life and needs.

"We need equipment, to grind crops, transport them, drill bore holes," said Mrs. Mvura softly with an elegant and careful English learned in a nunnery. "But we are not just sitting and waiting; we are working on our own."

The stamina of African women who are farmers is all the more remarkable because of a trend that has added heavily to their burdens: The migration of men to large towns, leaving women behind to take over the chores.

Mrs. Mvura, whose husband is studying engineering in Harare, is a community development officer for her district, assuming almost every function from crop expert to her region's chief lobbyist with the Government. Her area is populated by elderly couples, women and an average of eight children per mother, she said.

"Long ago, the men used to help the women, but now most of the young men have left for the towns," Mrs. Mvura said. "It seems women must become involved in other areas, from grain transport to road construction, and this only adds to their burdens."

A slender woman in her early 30's, Mrs. Mvura was herself the product of a marriage caught between the male urban migration and traditional Zimbabwean attitudes toward women.

The second of seven daughters,

she was born in Zimbabwe's capital of Harare, where her father worked, but spent her early years in the village of Masvingo, the original family home.

Realizing that as one of many sisters, she would never be educated, she enrolled herself when 11 at St. Benedict's Secondary School in distant Manicalae, ostensibly to become a nun.

"My parents did not like to educate daughters, and I was very much worried that with seven, all would have no education," she said. "So I educated myself to have money to educate my sisters." While she put her sisters through school, Mrs. Mvura turned down the chance to work in Harare in favor of a life as a development worker in rural towns like her own, first with the nuns, later with Zimbabwe's Government.

Finding Experts

In 1978 she came to Skiaobvu, a small town of 5,000 people in the battered Kariba district in Omay. Most of these people had lived near the Zambian border until a hydroelectric project forced them to move in 1956. Used to fishing, they had few agricultural skills, Mrs. Mvura said. Her district also had no schools and no wells. The nearest health clinic was more than 30 miles away.

Most of her early work consisted of finding the right expert to train her and her people. Courses were arranged in primary health care and land conservation, she said, and slowly, some of the women's farming methods were changed.

"Long ago, they never bought treated seed, but now they buy it," said Mrs. Mvura.

She displayed packets of different grains marked "extra nutritious" or "tastes good."

"We introduced a new variety of sorghum," she said, "and experts showed us how to crop."

The need for a health clinic forced the job of architect and engineer upon her.

"We saw the need was for a clinic," she said, "and people molded bricks, while the Government sent doors, materials and medicine."

A Saving Club

She spoke proudly of other achievements, from seven schools built to the creation of a women's saving club, storing pennies each week to buy seed. But change comes at a halting pace, Mrs. Mvura said, and despite some improvements, life remains burdensome.

Almost all farm tasks must be done by hand, Mrs. Mvura said, because tsetse flies kill beasts of burden.

The women have dug 13 wells with hand drills since 1981 to save trips to the river. But the hand wells are not deep enough to keep from drying out during the summer.

And though electric fences are creeping into use, wild animals still threaten the women, forcing them to live in thatched dwellings on poles during the seasons that animals prowl.

"The women of Africa — I don't think they need food," Mrs. Mvura said quietly. "We need assistance to improve our agricultural system, so we can produce more."

"Not to make people dependent," she said, "but self-sufficient, with dignity." ■

War of Attrition Hits Mozambique's Poor

Anti-Marxist Rebels Target Economy

By Glenn Frankel
Washington Post Foreign Service

BENGA, Mozambique—The bandits attacked just before dawn, spraying this village with small-arms fire that sent most of its inhabitants and its handful of defenders fleeing wildly into the bush.

The invaders then went from hut to hut, stealing food, pots and pans and the rags that pass for clothing here. When they came to the roofless, one-room schoolhouse, they carried off its few books and used the classroom as a toilet.

In less than an hour it was over, the marauders retreating south with their meager booty. Four villagers lay dead. Hundreds of others have yet to return.

The attack, which occurred late last month within a few miles of the city of Tete in northwestern Mozambique, was cloaked in irony, for the people of Benga are *deslocados*—displaced persons who were settled here last year after fleeing from previous attacks. They live on monthly handouts from foreign aid donors, their children listless and silent from lack of protein and vitamins.

Now the war has caught up with them again. People who owned almost nothing, they now have even less.

Six years after it began, a faceless and shadowy war grinds on between the leftist government of Mozambique and the diffuse bands of anti-Marxist rebels, mercenaries and thugs known collectively as Renamo, the Mozambique National Resistance movement. Like similar conflicts elsewhere in Africa—Chad, Sudan, Morocco, Ethiopia and Angola—it is a war with no foreseeable end, fought between opponents who are each too weak to topple the other, yet too entrenched to be defeated themselves.

A military offensive last year by Zimbabwean troops invited here by the government appeared for a time to have turned the tide. But in the last few months, western analysts say, the rebels, using neighboring Malawi as their supply base, have recovered the offensive in the fertile, central Mozambican provinces of Zambezia, Tete and Sofala. They are believed to enjoy a modicum of tacit support there from peasants long disaffected from the government of President Samora Machel.

The guerrillas also have waged an urban terror campaign in the capital, Maputo. Last September, they blew up the main ammunition depot there in a well-coordinated operation. There have been recent attacks on factories in the city's western industrial suburbs, as well as a series of booby-trapped radios and landmines on the beach that have killed or maimed civilians.

But Renamo's main goal in this war of attrition has been economic destruction and its main victims have been villagers like those of Benga, forced to abandon their traditional homes and become refugees in their own land.

The government estimates there are between half a million and a million *deslocados* in Mozambique. Nearly 300,000 others have fled to neighboring countries, most of them to South Africa and Zimbabwe, according to a United Nations estimate.

"It's a population over which we have no control," said Amos Mahanjane, director of the state natural disasters office. "These are farmers, but because they have been forced to leave their land, they have no place to plant crops and so they have nothing."

In Tete, one of the hardest hit of Mozambique's 10 provinces, officials estimate there are at least 84,000 displaced persons and say thousands more are streaming weekly into Mutarara in southeastern Tete to escape rebel attacks in neighboring Sofala and Zambezia.

Aid workers say many new arrivals have neither food nor clothing. They wear burlap or plastic food-aid sacks, eat roots and leaves and dig holes along the banks of the Zambezi River bed to drink the brackish mineral water because their bodies crave its salt.

Three years ago, nearly 100,000 peasants died as massive drought, socialist economic mismanagement and rebel attacks combined to strangle food production and hinder an international relief effort. In most places the drought is over, but officials and aid workers say nearly 2 million are still at risk, mainly because of the war. Mozambique remains one of six countries on the United Nations' list of African neediest.

The government last month estimated it faces a total grain shortage of at least 440,000 tons for the

next year—nearly half its annual needs. So far, foreign donors, led by the United States, which is Mozambique's largest food benefactor, have pledged only 178,000 tons.

Renamo dates to the mid-1970s, when Rhodesian intelligence operatives set up an indigenous spy network inside rural Mozambique to monitor guerrilla movements. When the black majority took power in Salisbury in 1980, the network was handed over to South African military intelligence, which, with training and fresh supplies, transformed it into a full-fledged rebel movement.

When Machel's government began to take the threat seriously, it decided to deal directly with the movement's paymasters in South Africa, agreeing to a nonaggression pact in which Maputo and Pretoria each promised to stop aiding insurgents battling the other.

Maputo kept its end of the bargain, expelling hundreds of members of the African National Congress, the main South African resistance movement. But Pretoria did not, as is apparent from a series of diaries kept by an aide to Renamo's field commander. The writings were discovered last August when the Zimbabweans captured Casa Banana, the rebels' stronghold in central Mozambique.

The diaries, which western diplomats consider authentic, suggest that the South African military never intended to honor the 1984 accord. Resupplies of arms, ammunition and other supplies to the rebels were arranged in advance of the treaty. Col. Charles van Niekerk, South Africa's military liaison to Renamo, laid plans for training its members in South Africa and supplied explosives and timing devices for urban warfare.

Van Niekerk also orchestrated the 1984 talks between Renamo and the Mozambican government in Pretoria, according to the diaries, instructing the rebels not to accept an amnesty and even arranging to bug the negotiating room where South African Foreign Minister R.F. Botha, described as a "traitor" by the South African military, met with Mozambican officials.

After the diaries were released last September, Mozambique suspended participation in a joint se-

curity commission established under the treaty with South Africa. Despite repeated protests to Pretoria, Mozambican officials contend that support for Renamo continues, most of it channeled through Malawi, where officials believe two South African military attaches coordinate supplies and strategy. South Africa and Malawi, which maintains close ties to Pretoria, have denied the charges.

Having failed to find a diplomatic solution to the war, Machel's government has fallen back on a military one. It welcomed the arrival of Zimbabwean troops last July and gave maximum publicity to their early triumphs, including the capture of Casa Banana.

But the ragtag and dispirited Mozambican Army has failed to consolidate Zimbabwean gains. Defeated by a poorly fed garrison, Casa Banana fell again to Renamo in February, reportedly without a fight.

Zimbabwean commanders are deeply suspicious of their Mozambican counterparts, believing that some serve as soldiers during the day and bandits at night. They also believe Renamo has been tipped off in advance to several military operations in which the Zimbabweans arrived at their targets only to find them abandoned.

The Mozambicans, in turn, consider the Zimbabweans, whose crisp uniforms, polished boots and functioning equipment are a marked contrast to their own deprivation, as arrogant and demanding.

Mozambican officials have acknowledged that their soldiers generally are poorly paid, underfed and badly trained. President Machel himself has publicly condemned the press-gang tactics of military recruiters who arbitrarily conscript young men from city streets. "By acting like this we are recruiting enemies," he admitted.

A major problem, said a source close to Machel, is an entrenched group of veteran officers. Most have failed to master the tactics and logistics of a conventional army, yet Machel reportedly fears they could pose a threat to his government if he tries to dislodge them.

The war remains an enormous drain on Mozambique's limited re-

Continued on Pg. 15

Mozambique Rethinking Its Ties to the West

MAY 15, 1986

By Glenn Frankel
Washington Post Foreign Service

MAPUTO, Mozambique—Socialist Mozambique, whose wooing by the Reagan administration is widely viewed as America's one clear diplomatic success in southern Africa, is beginning to have second thoughts about its historic opening to the West.

There is a growing feeling inside the government of President Samora Machel that the United States has failed to deliver on promises of support it made two years ago when Machel took a big political risk by signing a nonaggression pact with neighboring, white-ruled South Africa.

Under the 1984 agreement, Maputo expelled hundreds of members of the African National Congress, the main guerrilla group battling the South African government. In return, Pretoria pledged to halt its support for diffuse bands of anti-

Marxist rebels and mercenaries operating inside Mozambique.

The accord itself is in tatters due to alleged violations by the South African military, which officials here say has continued to provide antigovernment forces with arms and supplies despite the agreement.

They also declare that the United States has not applied maximum pressure on South Africa to honor the treaty.

"We understand that there is a process which will take time, but we can clearly state that the United States of America is not yet seen to be doing tangible things in Mozambique," said Foreign Minister Joaquim Chissano in a recent interview. "There's still a lot of hesitation. More can be done by the administration."

A key architect of the agreement with South Africa—called the Nkomati pact, for the South African border town where it was signed—Chissano stressed that his government would continue to honor the accord and that it still hoped Washington would fulfill its commitments. But analysts here say there are others in the ruling Politburo who are urging Machel to back away from the country's growing reliance on the West.

"Their main argument is that the United States is not being serious with Mozambique," said a Mozam-

bican analyst here. "It's quite clear that after two years of Nkomati, the U.S. still hasn't made up its mind. And it's not clear what these guys want from us."

While Nkomati, on paper, was a bilateral accord between Maputo and Pretoria, it was part of a larger compact between Mozambique and the West. Around the time it was signed, Machel invited western aid agencies to set up shop in Maputo, joined the World Bank and the International Monetary Fund, and embarked on a series of reforms designed to revive the country's moribund economy.

In turn, the West offered the prospect of increased aid, new investment and assistance in fighting the rebels of the Mozambique National Resistance Movement, known here by the Portuguese acronym Renamo. The crowning event of the rapprochement with Washington was Machel's visit to the White House last September.

Western nations have supplied emergency food aid to help cope with the effects of a five-year drought, now abated, and the continuing war against Renamo.

But these countries have been unable or unwilling to supply the government's other key need—arms and other military support against the rebels. As a result, Maputo remains heavily dependent on the Soviet Union and other East Bloc nations.

Since 1983, the United States has been Mozambique's largest food donor, supplying \$73 million in grain and other staples and earmarking \$36 million more for this year. But Washington has been less forthcoming with economic development assistance, in part because of congressional opposition.

Congress blocked plans to expand the modest aid program, making \$5 million of aid conditional on the government's holding free elections—regarded by this one-party state as an unacceptable demand.

The Gramm-Rudman balanced budget legislation also took a bite, leaving the program at \$9.5 million, \$3.5 million less than last year.

Administration efforts to supply a small amount of nonlethal military aid—\$4.6 million over two years—also have been blocked in Congress. And American corporate investment, which was one of the carrots dangled in front of Machel two

years ago, has been virtually nonexistent due to the war.

Mozambique has been similarly unsuccessful in obtaining military support from other western nations. Britain has initiated a small-scale training program for Mozambican officers, but Portugal, which once ruled Mozambique, has not responded to pleas for training and supplies.

Soviet diplomats were disappointed by Machel's signing of the Nkomati accord. They reportedly were not informed of the pact until the last minute. Nonetheless, Moscow has continued to be Maputo's main supplier of military hardware.

The Soviet Union last year provided an undisclosed number of military advisers, MiG aircraft and assault helicopters that are crucial to the government's fight against Renamo. When the rebels blew up Maputo's main ammunition depot last September, the government was compelled to ask Moscow for replacements. Moscow also provides 75 percent of Mozambique's

oil supply, reportedly at concessionary rates.

Machel acknowledged this debt in a speech opening the People's Assembly in December, thanking the Soviet Union for the "enormous quantity" of weapons and other equipment it had sent. He also made a state visit to Moscow last month in which he requested more aid from Soviet leader Mikhail Gorbachev.

American diplomats, still seeking to salvage Nkomati, contend that they raise the question of compliance every time they meet with South African officials to discuss regional issues.

Appearing before a congressional panel last month, Secretary of State George P. Shultz called the treaty "an important marker, even though you can point to that accord and wonder if the South Africans, in particular, are keeping their side of the bargain fully. We know they aren't."

Nonetheless, Mozambican officials believe Washington is not tough enough with Pretoria. "They don't take a firm stance on the issues," said Chissano of the Americans.

"If they condemn the actions of the South Africans; they [also] appease them at the same time. They say that apartheid is bad but we have got to move slowly. Namibia must be independent but the Cubans must go

Continued on page

15

THE ECONOMIST

NIGERIA SURVEY PART II AFTER THE BALL

It would be foolish to try to invent excuses for the errors of policy and for the massive corruption that have helped to get Nigeria into its present mess. But it is worth trying to understand how those \$100 billion of oil earnings came to be wasted.

Nigeria became independent in 1960. Seven years later a bitter civil war started. It raged over the area where the oil wells are, and virtually stopped production. In January 1970 the civil war ended with the surrender of the forces of Biafra. By the end of 1970 the oilfields were pumping at an average rate of over 1m barrels a day and selling them at an average price of \$2.25 a barrel. By 1974 production was averaging 2.25m barrels a day, selling at almost \$15 a barrel.

The oil money came suddenly, into an economy whose modest prosperity in colonial times had been based almost entirely on internal trade. The few imports then required were bought from the proceeds of exporting tropical crops—palm oil, groundnuts, some cocoa—and a little tin. This trade, and all large-scale economic activity in the country, was closely regulated by government agencies. The colonial regime was run by rather kindly paternalists whose mandate was to spend as little as they could—not to educate and promote enterprise among the native peoples, but to protect them from private exploitation, and to regulate what existed in the name of peace rather than of progress.

With the supervisors gone, progress began—and so did turmoil. The old elites cherished by the British were challenged by new forces unsure of what they wanted except that it should be different. The army took power, the civil war broke out—not just a squabble among the middle classes, but a real, heartfelt conflict of nationalities within the nation, which after all the agony (and the interference of various outsiders, some humanitarian, some hoping to get their hands on the oil) emerged united all the same.

Peace in 1970 was followed by a period of generous reconciliation, under the military government of General Yakubu Gowon, which found all of a sudden that it had this new oil money to spend. It bound up the wounds in wads of cash, giving it away to any local interest that asked for it; and, miraculously, the cash mountain grew and grew, as the OPEC triumph of 1974 pushed the oil price higher and production expanded. (As a non-Arab source, the western oil companies naturally favoured Nigeria.) As the 1970s passed, the world's banks grew full of the money slopping over from the surpluses of the OPEC nations that had no way of using such vast sums. Financiers and exporters of every description pressed into Nigeria, offering everything imaginable not for cash, which Nigeria

could in reality have afforded, but on the back of loans that the banks were desperately anxious to make, in order to "recycle" the Arab surpluses.

Nigeria, very sensibly, took only two of the huge "jumbo" loans that the big

banks were then urging upon the developing world. They were both raised in 1978, and the total amount was \$1.75 billion, a substantial proportion of Nigeria's modest medium-term debt. Since the loans were for seven and eight years, repayments are heavy this year, and temporarily make the financial conundrum worse, but are not in the long term a serious problem.

But the exporters of the goods and services that Nigeria craved competed with each other in the most imprudent way, by offering laxer and laxer terms of credit. It would have taken the most extraordinary self-control for Nigerian importers to avoid the splurge of short-term borrowing that resulted. It was, inevitably, accompanied by an inflationary binge, as both oil money and trade credits flowed into a society far too unsophisticated to absorb them.

Oiling the wheels

On the face of it, private enterprise began to thrive, and it was Nigerians who ran it. To keep out foreigners—in particular the Lebanese, Greek and Indian traders who dominate commerce in many African countries—it was decreed in the early 1970s that all significant business should be conducted by firms owned and managed by Nigerians. In practice this meant that foreign companies identified suitable Nigerians to take over or set up businesses, then hired themselves out to them as "consultants" or "experts". The Nigerians were not really running the companies, while the foreigners (almost all of whom were European) did not really have a stake in their long-term success. In any case, purely private initiative was not going to get anybody very far. Political influence was the essential ingredient for money-making, for two reasons.

The peculiarity of oil money, in a country that exports much more of the stuff than it consumes, is that the government gets almost all of it, by taxes, charges and levies on the international firms that do the exporting. Under the federal system that Nigeria was developing through the 1970s, the federal government collected the money, then handed some of it on to the states. The federal and state governments, in concert or in rivalry, then handed out contracts for "development" projects. Whether soldiers or civilians were running the country, it was they and their civil servants who decided how the money was spent, and on whom.

Furthermore, the state had inherited the colonial system of licences and permits for practically every aspect of economic life. Their original purpose had been to protect the people against exploitation. Now the system was turned to new purposes by its new masters, as an instru-

ment of public theft. In identifying a Nigerian partner, the main quality sought by would-be European exporters was not his managerial competence or technical skills—these they would themselves supply, through a consultancy agreement—but his ability to tap the pipeline of government cash. Many of the Nigerians chosen as partners in this way were, and are, honest men of real competence. But the most valuable asset they could bring was the standing in their own community that ensured them the ear of the spending authorities.

Such contacts might be perfectly innocent—or at least no more reprehensible than doing business at the golf club, or appointing a peer to your board. But from the first, money told. Contracts, by convention, were inflated by a gentle percentage, or rounded up by an item called "public relations". This extra amount was divided in an orderly and only slightly covert way among the officials or ministers or military officers without whose constructive help the operation could never have got off the ground. In the early years it was all quite gentlemanly, with the percentage to be raked off limited by general understanding. But the pay-offs grew with time, and came to involve literally millions, on big contracts for roads or bridges or hotels or—above all—offices for government bureaucracies. The quality of building work was very often skimmed to allow for the side-payments.

The beauty of it was that everybody could bribe or steal without feeling particularly dishonest. The foreign "consultants", who knew perfectly well what was going on, comforted themselves with the thought that one had to fit in with local customs. The Nigerian beneficiaries knew they were robbing not individuals but the state, which had more oil money than it could sensibly use. And they did not feel they were stealing for personal gain. Until very recently almost all Nigerians lived in tiny, tight communities. The educated people who run the civil service and the army (and politics, when allowed) are practically always the sons of chiefs and local notables, and feel a powerful sense of responsibility to their own people. So theft from the state brought mysterious largesse to extended families, to towns, to mosques and churches, and to local political factions. The principal thieves might, along the way, acquire lovely homes and electric generators, take shopping trips to Rome and send their children to English schools and American universities. But they could at the same time persuade themselves that it was all done for the welfare of their own community.

Worse and worse

Corruption was bad enough under the soldiers who ruled Nigeria until 1979. The last of that series of military heads of state was General Olusegun Obasanjo, a solid soldier from the southern Yoruba people

continued on pg. 11

AFTER THE BALL... (CONTINUED)

who certainly did not feather his own nest. (He now describes himself as a chicken-farmer, and is one of the Commonwealth "eminent persons" studying South Africa.) He got the job because the traditional military clique of northern Muslims could not decide which of their own number should be the titular head—and, with their agreement, he tried to take the army out of politics by handing over authority to an elected civilian government. Then things got much worse.

The constitution under which the elections of 1979 were conducted was closely modelled upon that of the United States. Power was to be shared between the federal government and 19 states. The federal president and parliament, and the state governors and assemblies, were all directly elected, in a series of polls on successive Saturdays over six weeks. But the underpinnings of the system were not American at all. For a start, the states had practically no revenue of their own, but were supposed to receive a share of federal revenue, almost 80% of which came from oil duties. The revenue-sharing formula was flexible, meaning that it was wide open to political fixing between the states and the federal government.

Even more important, the states differed not only in climate and wealth and size of population (though there was no census, so nobody really knew what the populations were). Of Nigeria's 300-odd African languages three have more than local importance—Hausa in the north, Yoruba in the south-west, Ibo in the south-east. The original constitution at independence had divided the country into three regions, each dominated by one of these language-groups. Politics had grown up on linguistic lines. The Biafra war had pitted the Ibo-speakers against the rest, so the new constitution sought to break down those old rivalries by a new 19-state division. Yet most of the new states, and all three of the big parties, were dominated by politicians loyal to one or other of the three big languages. It was as though the United States Congress and its spending committees were run by three parties, each responding to the claims for grants and favours of three groups of states, speaking respectively Yiddish, Swedish and Italian (with English as the federal language)—and with religious differences to match.

In 1983 all the politicians—state and federal, president, governors, parliamentarians, assemblymen—were up at once for their first-ever re-election contest. Those standing again needed campaign funds, and government-spending achievements to parade before the voters. Those who were leaving politics had a last chance to make some money. The run-up to the election would have been bad for inflationary public spending and for corruption anyway. And in the early months of 1982 the oil price was heading steadily down from its peak.

Oil revenues, and therefore the willing-

ness of foreign suppliers to send goods on credit, began to shrink, just at the moment when Nigerian politicians were at their most greedy. New contracts for public works—roads and dams and universities and headquarters for the mounting bureaucracies—suddenly came to an end. The kick-backs from contracts stopped.

Nastier and nastier

Ingenuity always finds a way. A new and even more lucrative racket developed. Licences had always been needed for foreign transactions. As foreign exchange became scarcer, the controls became tighter. The tighter the rationing, the more lucrative the black market. Contracts had provided bribes worth a fat percentage of the overall contract price. But the profits from deals in foreign exchange could amount to a multiplier of the sums involved, because of the overvaluation of the naira. This is how the racket worked.

Take the not entirely hypothetical case of rice, in the months preceding the nationwide elections of August and September 1983. In the oil-rich years the people of Nigeria's cities had acquired a taste for rice, a food much tastier and easier to prepare than the traditional yam or cassava. Efforts to grow more rice at home had on the whole not succeeded, and the quality of the local crop was low. Overvaluation of the currency meant that relatively few naira could buy a lot of dollars and therefore a lot of rice.

High-quality rice imported from Thailand was therefore much cheaper than nastier Nigerian rice. Delivered at the port, it worked out at around one-third of the price. Anyone lucky enough to secure an import licence and foreign-exchange authorisation for a shipload from Thailand stood to make a fortune.

Luck had nothing to do with it. Rice imports were theoretically restricted, if not banned outright. But the ruling party wanted to be re-elected. It was perceived as the party of the Hausa-speaking Muslims of the northern states, so it faced an especially tough fight in the cities of the south coast. Supplying good, cheap imported rice to those cities seemed a way of winning popularity there—and of handing a fortune to the supplier.

The government therefore, while pretending to ban rice imports in order to support prices for the Nigerian growers, gave out import licences, and made sure that they went to businessmen who would recycle some of their profits to party election funds. One of the businessmen concerned was a principal party organiser in the capital, Lagos. The party allegedly got a lot of money; some found its way abroad, whether on behalf of the party or of the private dealer is not clear, perhaps even to those directly involved. But the point is obvious. The overvaluation of the naira made possible vast profits from importing food. And the chance to do the importing was subject to political manipulation, for the benefit either of rich

individuals, or of the ruling party, or both.

This manipulation of the overvalued currency became a scandal in the run-up to the 1983 elections, and continued to be a scandal after them. A group of generals decided to clean the house. At the end of that year, in a peaceful coup d'état, and with general popular approval, they threw out the elected government of President Shehu Shagari and installed themselves in office. There is a good deal of evidence that Mr Shagari had by this time decided that enough was enough: he was not and has not been shown to be personally corrupt. Moreover he had, immediately before the coup, insisted upon the appointment of some new ministers with clean hands. He was apparently hoping to bring in an austerity budget and to devalue the naira, which would by itself have done away with much of the corruption.

But the soldiers missed the point. They believed, as soldiers usually do, that firm orders and strict discipline would do the trick. The naira remained fixed well above its price on the free—that is, the illegal—market. Licences to get foreign exchange became harder than ever to obtain. Therefore, the bribes to obtain them became larger than ever. Corruption became, perhaps, rarer. It also became more profitable, both for the bribers and for the bribed. It has its roots in the old-established habits of Nigerian society. It flourished first on the rake-off from contracts, then even more profitably on the proceeds to be won from manipulating the scarcity of foreign exchange and the absurd overvaluation of the currency. So Nigeria gets poorer, and some Nigerians' accounts in foreign banks become fatter.

It is not just the crooked and the greedy who spirit their savings illegally out of the country. Many thoughtful and rich Nigerians reflect on their country's dangers, with six successful military coups in its 26 years of existence (and goodness knows how many others failed or aborted). They think they owe it to their wives and families to put a few tens of thousands of hard money in Geneva, or London, or in any of the bolt-holes that financial counsellors recommend. Thus oil money is safely recycled into the first world's banking system. With the naira overvalued as it is, and a devaluation inevitable one day, there is an irresistible incentive to keep the money out of Nigeria, where it will gather value for the future.

The folly is largely the fault of Nigerians themselves. But it is understandable that many upright Nigerians do not now want a devaluation, one of whose immediate results would be, in terms of naira, immensely to enrich the people who have dishonestly spirited money abroad.

Back on the farm . . .

In the state of Kano you can never quite forget the desert whose sandy wastes have

continued on pg. 12

AFTER THE BALL... (CONTINUED)

for centuries been encroaching from the north. In the palace of Kano city there is a Muslim Emir, whose ancestors came out of the drying Sahara a century and a half ago. In the markets there are camels for sale, groaning as they await the butcher's knife. Camel-trains still plod across the dusty plain, their riders close-wrapped against the parching wind as they head for the Niger border and the wastes beyond.

For seven months of the year it surely will not rain here. In the other five months the rains may come, or they may not. The chart on the next page shows that there has been a steady decline in

average rainfall for the past 50 years—and a genuine calamity in the years 1979-84, when disaster struck all along the Sahara fringe. People began to speculate that increasing human population, and the cutting of trees and stripping of grass that have accompanied it, might have brought everlasting drought to the region and ended its seasonal fertility.

The vision of doom was wrong. Early in 1985 a team of rice experts went to investigate the chances of cropping from the seasonally flooded land on the margins of Lake Chad, the huge fresh-water basin into which all this territory drains. They drove clear across the lake-bed in their Land-Rovers, to meet the Niger

frontier post without encountering a drop of surface water. Later in the year it rained: the lake is now back where the map shows it to be, and the villagers who last year went thirsty have taken out their canoes and gone fishing. Water, and the things that live in it, are always there in plenty, underground. With pumps and water-channels, this apparent seasonal desert can be made to bloom. But pumps need roads, and irrigated land needs special seeds, and without the most careful management such innovations can do more harm than good.

Careful innovation is at last being introduced to northern Nigeria, and the people are eagerly taking advantage of it. Successive national governments have spouted declarations about giving priority to agriculture: vast bureaucracies have grown up (and are at last being dismantled) on the back of the "river basin authorities" that were supposed to reorganise rural life around the rational use of water. But the real successes appear to have been achieved through the Agricultural Development Projects (ADPs) that are backed by expatriate skills and hard-currency finance mustered by the World Bank.

It all began about 1980, with modest experimental schemes to improve village life. That meant providing clean drinking water in the villages, as the first step towards making the people fit and able to work. The next objective was to bring an all-weather route for trucks within about 5km of all farmland. From there the projects have moved on to introducing new crops and new strains of established

ones; to providing small machines that villagers can use; and, above all, to showing people how things can be better with a little knowhow.

In Kano state—just one of the eight ADPs in Nigeria—the project has in its sights 1,440km of roads, 1,000 new boreholes for water and the rehabilitation of over 1,000 existing or defunct village wells. The objective is to increase farm productivity and incomes for some 430,000 families (that could mean up to 4m people) on almost a million hectares of land. The total cost of this one scheme is budgeted at \$300m, of which the World Bank has offered \$140m in hard currency, with the rest coming in local currency from the federal and Kano state governments. At the end of 1986 local managers will take over, with the World Bank continuing to finance only a few experts and some necessary hard-currency inputs.

Northern Nigerian farmers have always needed to be tough and inventive to raise a crop on their dusty land. Their eye for a commercial opportunity is acute, and they have grabbed it with both hands. The expatriate experts, now ending their tours of duty, are full of praise for the farmers themselves (if less keen on some local officials). Among the experts Britain and the Indian subcontinent are strongly represented: British and Indian universities have trained many of the new generation of Nigerian experts. The international research institutes in Nigeria itself have improved some strains of crops—cow-peas for cheap protein from the university of Ibadan, and drought-resistant maize from Zaria.

The results are hard to measure: most of the food is eaten in the villages, or sold piecemeal in local markets. (A World Bank attempt to measure market prices and volume foundered when someone added together weights measured in kilos and quantities measured in *mudus*, a calabash-full weighing about 2.5 kilos, depending on the volume of the contents.) But there was a generous supply of juicy carrots and bright-purple onions and shiny green peppers, even as this year's dry season rose towards its roasting height. The price of sorghum, the most popular grain, had dropped to half what it was a year ago, but the farmers were happy since they had more than twice as much to sell.

Previous farm-improvement experiments have mainly relied on government hand-outs of fertilisers, seeds and tools. The ADP prefers to trust the market. The state subsidy on fertilisers has been cut from 80% of cost to 20%, to help the national budget. But just as much is used—the farmers know they can make money with it, and use it more carefully if they have paid a fair price. The ADP has set up farm supermarkets, with seeds and implements displayed for sale. If a plough does its job well, the people will buy it: if not it gathers cobwebs.

Big diesel pumps are the conventional, and most economic, way of irrigating the

land from wells and boreholes. But they need a mechanic and somebody to see that the water is fairly shared out. A little Japanese pump can work all day and be carried home at night on the farmer's head. Last year the ADP sold 16,000 small pumps, at N450 each—not such a burden as it might seem to the individual purchaser, since he can hire it out for N2 a day when he does not need it himself. The pumps pay for themselves in a year, and are worn out in two years. The farmers understand that sort of bargain.

The future, of course, is full of questions. When the expatriate managers are gone, appointments may once more be made on the basis of politics or family, rather than merit. Devaluation of the naira would lift the prices of some imported inputs out of reach. Import licensing is already a big problem. But the World Bank's scheme does seem to have shown that the land can double its production and double it again, with careful management and better techniques—and that the small farmers can produce much more food than they consume, and thereby improve the lives of themselves, their families and the people of the cities too. Since the vast majority of Nigerians, despite the oil boom, are very poor small farmers, this is the most hopeful lesson of all.

Sad Savannah

Next comes the story of a large agricultural development that, as such schemes often do in Africa, went badly wrong. Under Nigerian management it now has just a chance of going right at last. It all began in 1970, with the realisation that Nigeria needed sugar and had the soil, climate and water to produce it at home. The Commonwealth Development Corporation (CDC), a state-backed but independent British organisation, was brought in to investigate. The site chosen for development was the wide alluvial plain where the Benue river, flowing westward all the year round from the highlands of Cameroon, is joined by the more seasonal flow of the Gongola river from Nigeria's high plateau. The soil was fine, the water was there (but uncontrolled) and the sugar-eaters were on the spot. In partnership with the then Nigerian military government, the CDC hired the best technical advice and began to make its plans to establish the Savannah Sugar Company.

In 1977 implementation began. A great dam was begun on the Gongola river (British designers, Yugoslav builders). A vast factory was erected (West German), to process cane from 8,000 hectares of gravity-irrigated land into 100,000 tonnes of sugar a year. And in 1979 democracy came in. The military government had brought in as a partner the government of Gongola state, in which the estate lies. Gongola is mostly Muslim, part-Christian, part-animist, very backward and not at all federally minded. All its public offices were held by a maverick jarty strongly opposed to the ruling federal

continued on p8

AFTER THE BALL.. (CONTINUED)

party. Neither the state nor the federal governments produced the share of investment funds that the CDC expected.

Moreover, there were constant difficulties with the local inhabitants: they are called the Pachawa and are mostly animists. They resisted the enclosure of their traditional lands, and especially the flooding of the Gongola valley for some 50km above the dam. There were frequent rows about compensation. The CDC entered into contracts for housing and office-building that were not fulfilled.

The Pachawa did not stop the building of the dam; but they prevented the completion of the channel that was to bring its waters to the cane-fields. Sugar production began with water expensively pumped uphill out of the Benue, whose flow was anyway reduced both by drought and by dam-building a hundred miles away in Cameroon. Meanwhile, a new dam was built upstream on the Gongola river: it was mainly for electric power, but now ensures a year-round flow of water, making the CDC's huge dam unnecessary. In this way some N300m was spent, for practically nothing.

In 1981, when this correspondent last visited the place, all the parties to the deal were angry with each other. No fewer than 65 costly expatriates (many of them "from Swaziland", meaning South Africans) were hating their unproductive task. That year 12,000 tonnes of sugar were produced, 20% of the unfinished factory's capacity, and the CDC's management contract was terminated, to its relief. In 1983-84 no sugar at all was produced.

The new military government that swept away the squabbling democrats in January 1984 decided on a new start. The company was in effect taken over by the federal authorities, with some participation by three nearby states. Management of the pointless dam and its associated works was handed over to the Benue River Basin Authority, but Savannah had to go on paying the interest charges. The enterprise had domestic debts of N20m, and overseas trade debts of N8.7m. A new and wholly Nigerian management was told to do what it could to salvage something from the wreck.

This year the scheme, which once had 65 expatriates, employs four British, three Indian and one Sri Lankan professionals, plus 11 Mauritian production technicians. The general manager, Mallam Song Abubakar Ahmed, is a young man recruited from the river basin authority, with an agronomy degree from Kansas State university. Twice a day he sheds his cool white robes, leaves the air-conditioned hut that is his office and tramps the fields in well-worn denims to talk to the people at their work.

Very little of the inherited machinery functions as it should. The CDC had invested in 100 tractors from a British firm, which never worked. The manufacturer

promptly went out of business, so they cannot be repaired. The Australian cane-cutters are excellent, but too complex to maintain. The American cutters are good but the blades keep breaking and spares cannot be got without foreign exchange. So Savannah recruits the Pachawa and the idle from the town of Numan, 20km away, and for N5 a day they cut cane by hand. The result is a 30% increase in yield over machine-cut cane. Paraquat weed-killer used to cost N210 per hectare, plus labour at N10 per hectare: but Paraquat costs foreign exchange. So they now weed by hand, at eight man-days per hectare: the cost (including supervision) is N50 per hectare. The factory, with its skilled Mauritians and 250 Nigerians, is complete and works beautifully.

The cane is now being cut. They hope to produce 30,000 tonnes of sugar, one-third of capacity. Cane is being planted, on land now irrigated by gravity since the main canal is complete, at the rate of 1,200 hectares a year. Full capacity of 100,000 tonnes a year is the target for 1990.

Whether that will be achieved is another question. The casual workers sometimes just fail to turn up—they might possibly form a union, since their pay is really very low. Having no foreign exchange and no trade credits, the estate has to make many of its own spare parts expensively, and they often fail. The dam is managed by the river basin authority, whose status is under review by the government, so its staff is not at present being paid. Sometimes the men let down too much water, sometimes not enough.

But a genuine attempt is being made to run the enterprise in a Nigerian way, with as little dependence as possible on the imported chemicals and equipment that can no longer be afforded, now that the oil money has run out. The staff on the spot hopes that the federal government will shortly remove from its books the huge debt owed on its unnecessary dam and on much of the equipment bought by the CDC, which was unsuitable in the first place and has since been wholly neglected.

The market for sugar is there: some 115m Nigerians, around half of them under the age of 20, can surely use it. The best gift to the company would be a stiff devaluation of the naira, making imported sugar more expensive and its own production therefore more profitable. But at Savannah they try not to worry about the big picture; they have a sugar estate to run.

The swamps and creeks of the south-east coast, where mineral oil surges up and briefly made Nigeria's fortune, were once called the Oil Rivers for a different reason. They were the greatest source of the vegetable oil that grows on top of the native palm trees, and they made the fortunes of many Liverpool merchants, including the remarkable Mr Lever whose name survives in that of the great Anglo-Dutch Unilever combine.

The civil war that raged through the delta from 1967 to 1970 wrecked the

palm-oil trade, and when mineral oil began to boom it seemed not worth reviving. The main terminal for the trade was Port Harcourt (named after a British colonial secretary). The oil tanks and sidings are still there, but the pumps have been reversed. Palm oil flows inwards now, shipped from Malaysia, at prices that the Nigerians cannot compete with because their currency is so overvalued.

The wild palm trees still stand in their millions, and the local people still harvest them casually. But the oil is all used locally, by the fast-growing population. It is low-grade stuff, demanding a lot of energy to produce. The hope is to revive the business, by encouraging new breeds of palm and new production methods, for Nigeria's own fast-growing market. Once again the World Bank is helping, with a programme that began in the mid-1970s and is now bearing fruit.

At Ubima, beyond Port Harcourt airport, the Risonpalm plantations stand amid a forest of abandoned rubber trees.

For \$83m (of which \$30m is a hard-currency loan from the World Bank) they have planted 10,000 hectares with new, high-yielding strains of palms and built a factory in the middle. All around, small farmers are encouraged to plant the new stock and to bring to the factory the wild fruit that they have always gathered.

At the end of 1985 the World Bank's involvement was successfully wound up. Full control was handed over to a company owned by the Rivers state government. Its turnover is N100m a year and its profits between N30m and N40m a year: demand for palm oil is far from satisfied, and domestic prices are well over N2,000 a tonne. (But the exchange rate nonsense means that Malaysian palm oil, imported at \$750 a tonne, is priced in local currency at N1=\$1—so imported oil always undercuts the native product.)

The new operating company still retains the services of six expatriates, from the consulting firm employed by the World Bank to start things off. They are mostly tough Belgians, originally from Zaire (where palm oil has failed even more disastrously than in Nigeria) but also with experience of the successful developments in the Ivory Coast. But their success was by no means certain. When this correspondent visited the Ubima estate in 1981 things looked glum.

The problem, as at Savannah Sugar, lay largely with the Nigerian federal system. The World Bank's investment was supposed to be matched by funds from both the federal and the then Rivers state governments: although nominally of the same party, neither wanted to do anything to help the other. So the money

never turned up on time, the Bank's financial people had to juggle the figures forward from one year to another, and there was a serious danger that the enterprise would collapse. Appointments to the board were made politically from the local notables, many of whom were in the palm-oil trade and wanted prices kept low

continued on pg.

Fragile Democracy in the Sudan

MAY 10, 1986

Praise is now due the Sudan. This huge country linking black Africa and the Arab Middle East has just democratically chosen a new government. That makes it the only proper democracy in the Arab League, and one of the rare democratic regimes on the African continent.

Praise alone will not suffice, for the Sudan, democratic or not, is afflicted with famine, economic decline, debt, civil war and meddling undemocratic neighbors on two sides. Regional discord holds up even the formal installation of the new government. It should be better able to attack these problems than its authoritarian predecessors. But it will need assistance and understanding from the United States, the Sudan's major aid-giver.

The most pressing problem is civil war, reignited three years ago when President Nimeiry rashly imposed reorganization and Islamic law on a non-Moslem south. As long as the war continues, Libya's Colonel Qaddafi and Ethiopia's Colonel Mengistu, key sponsors of the rival armies, will enjoy undue influence in Sudanese affairs.

Next come famine relief and agricultural development, set back last month when a Libyan-inspired terrorist seriously wounded a U.S. Embassy employee. Washington responded by evacuating

most Americans. Paradoxically, the Sudan is both breadbox and famine zone. While some areas generate an unmarketable surplus, people in others starve. Technical assistance could bring more food to areas in need, provided that safe conditions are restored. Here, terrorism is the enemy of the helpless hungry. Improved agriculture could also ease the debt burden. Debt-related austerity measures contributed to Mr. Nimeiry's downfall last year.

Finally there is the delicate question of external alignment. The Sudan has been dominated in turn by Britain and Egypt. More recently, it has tilted toward Libya. The leader of the new regime, Sadiq el-Mahdi, spent exile years in Libya and does not share Washington's hostility to Colonel Qaddafi. Yet he is also an experienced politician and a nationalist by no means unfriendly to the West. His likely coalition includes politicians oriented toward Egypt.

Ultimately, foreign policies as well as domestic will depend on how successfully Mr. Mahdi resolves the civil war. He has committed himself to easing Islamic law and negotiating with the rebels. Such gestures, on top of a clear democratic mandate, encourage optimism. So long as he holds to this course, Mr. Mahdi's Government warrants strong American support.

THE NEW YORK TIMES,

MAY 16, 1986

U.S. Warns Countries About Votes at U.N.

WASHINGTON, May 15 (AP) — Vernon A. Walters, the American delegate to the United Nations, said today that he was warning countries getting American aid that they could expect less money if they voted against the United States in the General Assembly.

Mr. Walters, appearing before the Senate Appropriations Foreign Operations subcommittee, was reacting to a report, made public earlier in the day, that showed that most countries that receive aid from the United States vote regularly against this country.

Mr. Walters, noting the annual State Department report to Congress on voting trends at the United Nations, said some countries had presumed that it was safe to denounce the United States in public so long as they apologized in private.

"I refuse to accept that," Mr. Walters testified. But he acknowledged that it was a mark of a democracy that a range of opinion was tolerated.

"We have variations from Israel's 91.5 down to Greece's less than 50 percent support for us on our side, but if you look at the voting practices of the Warsaw Pact countries, there is no deviation," Mr. Walters said. "I guess that's fundamentally the difference between a democratic alliance and a totalitarian alliance."

He said he had been telling foreign officials that while he did not think foreign aid would be totally contingent on United Nations votes, "if you think that you can vote against us with impunity, that time is past."

THE WASHINGTON POST

MAY 12, 1986

3 Blacks Killed

JOHANNESBURG, South Africa—Police used tear gas and rubber bullets early yesterday to scatter scores of blacks trying to prevent them from collecting the bodies of three youths killed hours earlier in Soweto, The Associated Press reported.

Capt. C. J. Marais, a police spokesman, said the youths were among a crowd of blacks fired upon when they stoned a vehicle of the West Rand Development Board, which provides municipal services for black townships.

But some residents, noting that each youth was shot once in the head, said the development board officers had executed the youths without provocation.

After daybreak yesterday, hundreds of youths went house-to-house in Diepkloof, the neighborhood where the three killings occurred, urging residents to take action against the police. At midday, police arrived to take the three bodies to a mortuary and succeeded only after a confrontation with a large crowd gathered at the scene.

In another part of the black township southwest of Johannesburg, black activist Winnie Mandela received an award from the Commonwealth, an organization of Britain and its former colonies.

AFTER THE BALI (CONTINUED)

for their own benefit. Political control was a near-disaster.

The military coup of January 1984 put an end to that. The soldiers who took charge of the federal government ordered that the palm estate should get its investment money. The board of directors was re-formed. The success of the Ubima palm-oil project and of its companion schemes elsewhere in Nigeria has much encouraged the World Bank, which has opened a new credit line of \$100m for further schemes in other parts of the "palm belt" of south-eastern Nigeria. Best of all has been the effect on the smallholders and the gatherers of wild palm fruit around the nucleus estates. Small oil-mills are being established near the growers, who are bringing in all the fruit they can take, organising their own transport, getting good prices and at last beginning to supplement the imports that, if the petroleum price sticks where it is, the country will be unable to afford.

The small farmers of the area had not used to making their small cash income out of growing cassava, a low-value, low-nutrition food. Their lives, and the diet of a whole region, are now being enriched by the change to palm oil: purchases of fruit have recycled about N10m into villages where people have been living in the direst poverty. The big question is still whether progress will continue with exclusively Nigerian management and technicians—the expatriates naturally doubt whether it can. But so far it seems that something of permanent value has been established, for quite a small outlay in foreign loans and foreign expertise—and that the Nigerian small farmers are perfectly able to take advantage of the improvements they are offered.

To be continued

MOZAMBIQUE RETHINKING ITS TIES TO THE WEST

(Continued)

from Angola, he added. "They want peace in Mozambique but the Mozambicans must be more cooperative. There's some sort of a lack of determination in what they are doing with South Africa."

Some Mozambican officials are also concerned that the United States is trying to push them into negotiations with the rebels.

When Frank Wisner, former deputy assistant secretary of state for Africa, was here in March, sources said he repeatedly tried to raise the

issue in a private meeting with Machel. The Mozambican president, who has taken a hard line against such talks, ducked the question each time.

Mozambican unease was evident two weeks ago when the state radio station ran a brief news item claiming that some senior U.S. officials, including Defense Secretary Caspar W. Weinberger and CIA Director William J. Casey, favored covert aid to Renamo along the same lines as

the aid now being given to antigovernment forces in Angola. The U.S. Embassy issued a public denial and officials here seemed mollified.

But Chissano, noting that the State Department had been unable to persuade Congress to increase aid to Mozambique, said he feared it could also prove unable to stop aid to the rebels.

"I don't know whether they will be able to resist the pressures of right-wingers in the Congress," he said.

REINVENTING SOUTH AFRICA (Continued)

Yet this "bottom-up" constitutional reform is worthless—because it is unacceptable to even moderate blacks—if it does not go with change at the top. Blacks do not mean to rule only black South Africa, any more than whites have meant to rule just their own farms and suburban enclaves. The gradual reform that could calm white fears will satisfy black aspirations only if it points to a negotiated destination: full black enfranchisement, and clearly written signposts along the way.

This goal means big changes, and soon: black civil servants in Pretoria; black officers in multiracial army units; more places for blacks at desegregated universities; above all, multiracial political parties. These parties are needed as the focus for black political activity, an alternative to the gangs now terrorising the townships. Already the Progressive Federal party has declared its multiracial ambitions. The ANC has long been multiracial. Recent meetings between prominent

white liberals and the United Democratic Front show how strong is the desire to find common cause with moderate black opinion. If Mr Nelson Mandela were released (see page 37), the cause would be reinforced.

Were South Africa on the brink of utter anarchy, such things might seem mere tinkering. It is not. Its government and armed forces remain immensely strong. The white regime, hesitant in its actions but by no means on the run, can still choose. It could listen to its far right and hold on. South Africa would then become an increasingly lawless and illiberal country, ostracised by the outside world, held together only by crude and costly repression and ever more unstable tribal coalitions. Or, while he can still control events, President Botha could guard his country's future by accepting the aspirations of 25m blacks and their still non-racialist leaders. That choice is a luxury which will fade with the years.

WAR OF ATTRITION HITS MOZAMBIQUE'S POOR (Continued)

sources. Former finance minister Rui Baltazar dos Santos Alves, presenting the 1986 budget to the People's Assembly last December, said 42 percent of all spending would go toward defense. He also noted that total economic activity in Mozambique had declined a staggering 20 percent in 1985, a drop he blamed on "the harsh reality that we are at war."

Nonetheless, the government has publicly rejected talks with Renamo and has branded as false rumors that it has dispatched intermediaries to seek a negotiated settlement. A recent shakeup of key Cabinet posts appeared to strengthen those who support a hard line

against the rebels.

"The only possible dialogue with terrorists and murderers is through the barrel of a gun," said Foreign Minister Joaquim Chissano in a May Day address in Maputo.

Meanwhile, farmers in the north are believed to have made a tacit deal with Renamo—they only sell their crops to neighboring Malawi, and the rebels, in turn, confine their attacks to state-owned operations, not private farms.

Convoys of emergency food aid are regularly fired on. Even to travel to Benga, only 10 miles from the city of Tete, this correspondent was given an escort of two dozen nervous soldiers. A few miles up the

road at Moatize, some of Africa's largest coal reserves lay idle because the coal cannot be transported safely by rail.

Foreign aid programs are prime targets. A UNICEF rural development project in Changara has been attacked three times in the past year and its Mozambican manager killed.

"When the bandits hear that a certain area has received goods or food, they attack," said Eduardo Arao, the provincial governor. "Then when they get near Malawi, they just disappear."

One day this month a refrigerated truck from Beira pulled into the city of Tete at sunset, stocked

with frozen fish to be distributed in celebration of May Day. News spread rapidly and soon hundreds of residents, some of whom said they had not eaten fish for months, were lined up in front of the state warehouse waiting patiently. Others waited on a second line to purchase bags of soggy rolls that were the first bread they had seen in weeks.

Someone played a harmonica and someone else tapped sticks on the cracked pavement and children danced outside the warehouse on the darkened main street. Meager as it was, the shipment was something to celebrate, and for a brief moment, Mozambique's war seemed far away.

TWO WHITES ASK: AFTER APARTHEID, WHAT? (Continued)

blacks have "appealed to us not to neglect the white constituency, to try to wean whites away from past loyalties and prejudices."

Yet one black leader, in an interview, offered a sense of the complexity of the new institute's task: "I think Slabbert did a positive thing by stepping out of Parliament," said the leader, one of the people Slabbert has approached in recent weeks. "But my feeling is that in

order to get an opening with the black community, he must do some further things — like break completely with his old party, really build up a new constituency."

It is unclear whether Slabbert and Borraine plan such a break. But they seem leery of defining themselves merely as a protest group.

"Many of us in South Africa," Borraine says, "are forceful in identifying what is wrong with the sys-

tem — with education, the economy, the Constitution. But what happens after apartheid? What should a new South Africa, a peaceful South Africa, look like? How do we improve education? How would people like the economy organized? What kind of Constitution?

"We don't have the answers. Our hope is to help bring people of different races, political groups, and persuasions together to address such issues."

LET THE PROTESTERS THEMSELVES DIVEST (Continued)

pose disinvestment was costly and also believed effective in promoting the interests of South African blacks. Would the people in charge of the trust funds be justified in disinvesting?

The answer is clearly "no." University endowments were given for a specific purpose: to promote the educational activities of the university. The people administering these endowments are operating in a fiduciary capacity. Their duty is to carry out the objectives of the donors. That requires them to seek the highest return, consistent with safety, that they can. It is just as much a conflict of interest for them to impose costs on the endowment in order to promote what they regard as a noble cause as it would be to do so for personal financial benefit.

The conflict of interest is perhaps clearest with respect to pension funds

built up by employee contributions. The employees who contributed would bear the cost of disinvestment yet have no control over the decision. The student protesters are in effect asking the administrators of trust funds to betray their trust. Anything but a high-minded act.

The effectiveness of disinvestment. As already suggested, the only effect of disinvestment by universities and similar entities is likely to be a change in the people or institutions or countries that invest in South Africa, not a change in the total amount of such investment. The world capital market is large and fluid. However, again, to face the intellectual issue; suppose, contrary to fact, that disinvestment would sharply reduce the amount of foreign capital invested in South Africa. Who would benefit and who would lose?

Consider first the economic effects alone. All South Africans, white and

black, would lose from the reduced productivity of the economy. Some South Africans would, however, gain. Disinvestment does not mean the physical dismantling of plants and other facilities and their literal export out of the country. It means their sale at distress bargain prices by foreigners to South Africans willing to buy them. Who would they be? Predominantly the Afrikaners who are most strongly committed to staying in South Africa and have the least possibility of emigrating. So the people who benefit would be among the strongest supporters of apartheid. This is not simply a hypothetical possibility. It happened at least once before. The Sharpeville massacre of 1960 led to a substantial capital flight out of South Africa — consisting necessarily of the sale at distress prices of properties of a variety of kinds in South Africa. Up to that point, the Afrikaners had played a

minor role in the economy, which was dominated by whites of English origin. The opportunity to buy productive enterprises at bargain prices from frightened fellow citizens marked the beginning of a sharp rise in the power and scope of the Afrikaners business class.

On the political level, it is far more difficult to judge the outcome. Economic distress might produce political change — but in what direction it is hard to say. One of the most respected, knowledgeable and able black leaders, Gatsha Buthelezi, is on record as believing that the politics, as well as the economics, of wholesale disinvestment would be to reduce the chance of achieving a multiracial and truly democratic political structure. □

Milton Friedman, an economist, is a senior fellow at the Hoover Institution on War, Revolution and Peace.

IN S. AFRICA, (Continued)

The government, for its part, is moving to sort out aspects of the homeland policy. Officials say the original hope of redefining blacks as homeland citizens has been abandoned. The government is moving to restore South African citizenship to those from whom it was stripped when their homeland accepted independence.

President Pieter W. Botha is also retreating from other aspects of the decades-old apartheid system of racial segregation. Recently announced steps include:

- Abolition of the pass-law system, which require blacks in urban areas to carry passbooks proving the right to be there. A black could be arrested in certain urban areas if he or she was not born in that area, had not worked there for at least 10 years, or simply could not produce his or her pass.

- The granting of land-ownership rights to blacks in urban areas. A draft bill to this effect was unveiled in Parliament earlier this week.

- The revamping of provincial government, involving establishment of adminis-

trative councils to be appointed by President Botha. The plan, envisages possible inclusion of blacks in the new councils.

Some government critics have responded to that move with a cautious note of welcome. Botha has also called a congress of his ruling National Party for August. There is speculation he will use the session to launch a move to offer blacks some role in central government.

Critics have blasted some recent moves as being too little, and too late to meet demands for a wholesale retrenchment from white-minority domination. They note that the granting of land rights to blacks would apply only to regions defined as "black" areas. White cities and suburbs would remain off limits.

The recent announcement of KwaNdebele's date for independence has reinforced skepticism among black militants that the government is serious about ending white-minority rule.

For address changes send entire bottom portion to office indicated: Cut on line
BUREAU OF AFRICAN AFFAIRS

DEPARTMENT OF STATE, U.S.A.

WASHINGTON, D. C. 20520

OFFICIAL BUSINESS

PENALTY FOR PRIVATE USE, \$300



POSTAGE AND FEES PAID
DEPARTMENT OF STATE
STATE-501

If address is incorrect please indicate change and send to: PA/OAP, Rm. 5815A
DOS. Do not cover or destroy the label when making corrections.