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MEMORANDUM

TO: Mr. Nelson Mandela
Deputy President
African National Congress

October 10, 1990

Mr. Thabo Mbeki
Secretary for Foreign Affairs
African National Congress

FROM: Frank E. Ferrari

I am attaching some points on the South African development bank that Peter and I have listed following our discussions here. It occurred to us that, in addition to the draft charter and incorporation papers for the South African development committee which Thabo has, the attached might be of some help to you during your Japan visit.

I visited Japan in July and had the opportunity to meet with government and the private sector. A key contact in the private sector is Mr. Kazuo Nukazawa, Managing Director, KEIDANREN, Japan Federation of Economic Organizations. It is the most powerful association of business groups in the country. The Hon. Makoto Watanabe, Director-General, Middle Eastern and African Affairs, Ministry of Foreign Affairs, talked with me, as did Mr. Nukazawa, about your visit to the United States and, among other things, I explained to them the initiative around the South African development bank.

We have moved the incorporation of the South African development committee forward following my return with the papers from London.

We are now awaiting three South African names from you for the international committee which would be the directors of the South African development committee. A Japanese member of the international development committee would be an asset. The private sector there -- the men around the KEIDANREN -- would be most helpful in the evolution of the bank.

I hope your trip goes well and, of course, all that you have presently underway inside the country. My thoughts and best wishes are with you.

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attachment

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POINTS ON THE SOUTH AFRICAN DEVELOPMENT BANK

~ The South African development bank will be an internationally chartered institution, financed through subscriptions principally from OECD member countries. The bank would have an agreed-upon ratio of paid-in and callable funds for its members' subscriptions. Leadership from the OECD countries, including Japan, will be critical.

~ The most recent model for this planning is the European Bank for Reconstruction and Development which, in extremely difficult transitional circumstances, is harnessing the international community's enormous interest in rebuilding Eastern Europe.

~ Like other international development institutions, a new development bank for South Africa will have a Board of Governors representing its subscribers and a professional staff to make loans and administer programs.

~ Through international support, the bank would expand the capital pool available for investments in infrastructure, housing, educational and health facilities.

~ In planning for such a bank, we are first concerned with establishing a structure that will be both recognizable and credible to the international community.

~ Working with a newly empowered democratic government, the bank could contribute to the first steps that government takes on its economic and development agenda.

~ The creation of a new development bank for South Africa would immeasurably strengthen incentives for all parties as they carry on negotiations. Even before a new government is in power, international commitments to the bank would demonstrate the depth of support outside South Africa for the transition to majority rule and provide added assurance that, despite the difficulties, such a process would be based on growth and progress.

~ The growth of such a bank might also strengthen the prospect of cooperative regional economic development through specific development projects and through the emergence of a new South Africa.

~ The bank is also being designed to allow it to serve as a mechanism for the private sector to begin the process of investing again in a democratically governed South Africa.

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The carrying of "traditional" weapons should be prohibited as a serious contribution to alleviating tensions and promoting peace. Too many lives have been lost because of the actions of people wearing red headbands, who identify themselves with Inkatha, and who carry such weapons to meetings and in residential areas. Existing laws are sufficient to deal with the situation, and the government should apply the appropriate legislation effectively in this regard.

We appeal to the leadership of the Inkatha Freedom Party to take concerted action to prevent further loss of life. As a contribution to the peace process they should make an unequivocal call on their members and supporters to refrain from attending meetings carrying "traditional" weapons.

We need to vigorously pursue our joint peace efforts. We are confident that our common commitment to peace and resolution of the conflict will assist us to find means to end the violence.

The trauma the people of Alexandra have experienced over the last weeks is further exacerbated by the experience the bereaved families endure when trying to identify the bodies of loved ones. Conditions in the mortuaries are unacceptable and officials deal with the situation with an appalling lack of sensitivity. Bodies are stacked in piles of up to four, one on top of the other. This makes it difficult for families to identify relatives. Furthermore, some have already begun to decompose.

We appeal to the government and officials concerned to facilitate the identification of those killed to enable the community of Alexandra to prepare for the burial of their dead. The bodies should also be handled in a sacred manner so as to respect the traditions and feelings of our people.

Issued by the Alexandra Branch of the ANC
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July 20, 1990

Thabo Mbeki
African National Congress
Post Office Box 31791 DIA
Lusaka, Zambia

Dear Thabo:

I enjoyed our conversation and thought that it might be helpful to let you know how I am proceeding. The statistical data that you reported to me clearly affirms our assumptions about the importance of developing a business class. This kind of effort, coupled with the idea of a development bank, has generated genuine excitement within the city's business community.

I shared with you our conviction that New York City's business community is well suited to help address the needs of South Africans opposed to apartheid who should be trained and prepared for substantive roles in business and commerce. The essential elements of the project are some formal and structured training followed by a practical experience of working in a job under the direction and guidance of a skilled and seasoned professional. The training component would include, but not be limited to, the development and refinement of communication, analytical and management skills. At this point, our thinking is that much of this kind of formal training and instruction would be undertaken by a first rate, highly respected university graduate or professional school. It would be conducted over a predetermined period of time at one location. Seminars and colloquiums, as well as lectures by prominent presenters in certain specific disciplines, might be a part of the actual training and instruction. The substance and content of this component would be determined on the basis of the level of experience of the participants involved in the project.

The importance of an actual experience in a workplace under the direction and guidance of an experienced and seasoned professional can not be overstated. New York City's diverse business mix will facilitate the matching of participants with the kind of positions that they will most likely hold in a post apartheid South Africa. I am exploring with established business organizations how we can work together on this aspect of the project. With cultural differences and basic distinctions in how business is conducted, the matching of participants and jobs becomes very challenging. We have on staff, with others available to us, a number of experts in international finance and business who should be particularly helpful in structuring this component and identifying comparable experiences to give this phase of the project the necessary