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Defence Force (TDF), at the trial of 18 men facing charges connected with the aborted coup in the territory in November, 1990.

Col Zondani told the Umtata Supreme Court he was approached by Col Duli's brother, Charles, a lieutenant in the TDF, in April, 1989 to organise army uniforms and arms to "spring" his brother Craig from detention.

Col Zondani said he supplied Lt Duli with 12 brown army overalls, but was unable to supply arms.

the told the court several meetings were held in Queenstown during which a former Transkei security policeman, Mxolisi Mjali, Rev Goodman Ngxishe and the alleged coup mastermind, Vulindlela Mbotoli, were present.

The witness said he decided to play along with the conspiracy, hence the supplying of overalls. But he also, at a convenient time, informed the head of Military Intelligence, a Col Ndzwayiba, of the meetings and contributions made by each speaker.

the said it was decided at one conspiratorial meeting that should the operation succeed, the former commander of the TDF, Maj-Gen Zondwa Mtirara, would head the army and Col Duli would become chairman of the Military Council.

Col Zondani told the court he was questioned about the strength of guards at the homes of Brig Matanzima, Brig Keswa and Gen Holomisa. He supplied wrong information.

The trial continues on Thursday.

VIOLENCE

Train Boycott Bites

10 HANNESBURG May 6 Sapa

Witwatersrand commuters entered their third day of a biting train boycott on Wednesday with a marked reduction in violence against commuters in the area.

But, an explosive situation emerged in the Pietermaritzburg area where thousands of protesters have staged a three-day stay-away demanding the removal of Inkatha Freedom Party supporters, the Kwazulu police and 32 Battalion from the Imbali township.

An IFP convoy, including a member of the organisation's central committee David Ntombela, was attacked outside Pietermaritzburg on Wednesday evening, police confirmed.

Mr Ntombela had earlier threatened to "become directly involved in mass mobilisation of the community to restore peace and security".

the alleged people were being killed, intimidated and forced to take part in the stay-away.

In other reports, police said two men were wounded and hospitalised on Wednesday morning after a hand grenade exploded near a room at the Dube hostel in Soweto.

The bodies of two men with stab and bullet wounds were found by police later in the day, also in Soweto.

Despite the drop in unrest on the Witwatersrand, a new report by the Human Rights Commission -- an independent monitoring group -- recorded horrendous statistics of violence for the period April 29 to May 5 throughout the country.

Fifty-seven deaths and 81 injuries were recorded by the HRC during that period. Of this total, 47 deaths and 62 injuries were recorded countrywide between May Day (May 1) and Tuesday (May 5).

In the PWV area, "Alexandra was clearly the flashpoint, accounting for the highest number of casualties -- 12 deaths and 19 injuries".

Train attacks claimed five lives and 11 were injured. In Natal, a train attack was recorded for the first time this year. Five people were injured.

The Natal South Coast was also "a major flashpoint, accounting for 14 deaths and five injuries", the report said.

The report came as news broke of the Organisation of African Unity's first formal initiative to intervene in the carnage.

At a Press conference in Johannesburg earlier in the day, Pan Africanist Congress secretary general Benny Alexander disclosed that five OAU members -- Algeria, Congo, Nigeria, Uganda and Zimbabwe -- would send a delegation to the country on a fact-finding mission.

In its first reaction to the move, the government accepted the proposed visit of the OAU monitoring team, which will investigate the township violence.

In a letter to the Nigerian High Commissioner in Botswana, Alaba Ogunsanwo, Foreign Affairs director-general Neil van Heerden said the government "was prepared to request the relevant South African authorities to assist the team in making an objective assessment".

He said the matter had been discussed between President F W de Klerk and Egypt's President Hosni Mubarak in Windhoek on March 20, 1990.

The issue was again raised during discussions between President de Klerk and the Nigerian head of state and OAU president, General Ibrahim Babangida, in Abuja, Nigeria, on April 10, 1992.

Train Boycott Creating Conflict Arears - SARCC JOHANNESBURG May 6 Sapa

The Reef train boycott was unnecessarily "charging emotions and creating conflict areas", South African Rail Commuter Corporation head Wynand Burger said on Wednesday.

In a statement Mr Burger implored the Train Boycott Steering Committee to "join hands and jointly search for solutions" to the ongoing commuter violence on the Witwatersrand in which hundreds have died in the last 17 months.

. . . .

The boycott brought unecesssary hardship to the major portion of immuters who wished to go about their "normal way of life inhindered", said Mr Burger.

"We from the Metro side, with the security forces, are doing everything in our power to afford commuters safe and confortable transport by train."

The regular Metro train services would be maintained.

Reporting on the effectiveness of the boycott, Mr Burger said initial low occupancy levels during the Monday morning peak hours, particularly on the Soweto and the East Rand Leralla train services, were followed by larger numbers of commuters using the afternoon services.

On Wednesday morning Soweto trains were only carrying some five per cent of their normal passenger load but other sections such as the East Rand and West Rand lines enjoyed peak hour occupancy rates of as much as 75 to 80 per cent.

Soweto Taxi Owners To Meet To Discuss Boycott IOHANNESBURG May 6 Sapa

Soweto taxi owners and operators will meet on Thursday to discuss an appeal by Reef train boycott organisers for a drop in fares by 20 per cent to assist commuters during the protest action.

The Train Boycott Steering Committee on Wednesday admitted a massive transport problem" and asked the taxi umbrella body Sabta for its active assistance.

The boycott started on Monday to press for an end to train violence which has plagued the Witwatersrand since September 1990.

Organisations backing the action include the Human Rights Commission, African National Congress and Pan Africanist Congress, Congress of SA Trade Unions and the National Council of Trade Unions. The Inkatha Freedom Party has opposed the boycott and has called on its members to use the trains.

In a statement on Wednesday, TBSC spokesman Mr Ronnie Mampoepa said they had met Sabta to stress the need for an immediate 20 per cent fare reduction, and the suspension of any local taxi fare increases pending the lifting of the boycott.

"We also asked Sabta to relax the demarcation rules for taxi toutes, and to allow people with available transport to assist in ferrying commuters to their destinations during peak hours."

Mr Mampoepa said the Soweto Sabta region, represented by nine delegates from various taxi affiliates and Mr Knox Matjila of Sabta's national office, committed itself to giving its unqualified support to the boycott.

The meeting resolved to convene a meeting of all affiliates, taxi operators and owners at the Orlando East community centre on Thursday.

-- A 95 per cent commuter stayaway was recorded on the Soweto

train route by Spoornet on Wednesday morning.

Witnesses In Train Violence Fall To Come Forward PRETORIA May 6 Sapa

Witnesses and complainants in most cases of violence on trains in the Johannesburg and Germiston areas failed to come forward to give statements, but newspaper reports indicated they spoke to reporters, a Goldstone Commission committee heard in Pretoria on Wednesday.

Colonel William John Henry Benn, head of the investigating unit on violence on trains in the two areas, told the committee it had been difficult for the police to investigate most of the cases because witnesses disappeared without trace.

He said during attacks injured commuters who gave names and addresses to the police at the spot and later registered in other names at hospitals made it impossible to trace witnesses.

Asked by committee chairman Gert Steyn if it was possible to acquire statements from injured people in hospitals. Col Benn said the police in most cases were told it was a patient's privilege to decide whether to lay charges or not.

He said in other incidents witnesses approached to give statements by investigating officers said they had already given statements to their representatives and refused to give information to the police.

Col Benn said he had appealed to the public through Radio Metro and offered a R20000 reward for information leading to the arrest and conviction of a person or persons responsible for politically motivated attacks and murders on trains. So far there was no response.

However, he said, the police received help from the public in three attacks on commuters -- the attack at Jeppe Station (charges were withdrawn against the accused), Park Station (a man was arrested and received seven years' imprisonment), and when a Cosatu member pointed out five men at Germiston Station (the case is continuing).

At the same sitting the commanding officer of the Internal Stability Unit in Soweto, Colonel Alexandra Stapelberg, told the committee it was impossible to search for dangerous weapons during rush hour when about 358000 commuters entered or left the stations.

He said normal policing could not be applied at rush hour.

Two Plead Not Guilty To Train Murders JOHANNESBURG May 6 Sapa

Two Zulu-speaking men who were allegedly involved in an incident on October 17 last year in which commuters were thrown from a moving train, pleaded not guilty to a charge of murder when they appeared in the Johannesburg Magistrate's Court on Wednesday.

The State alleges that Icam Mazibuko, 24, of Mapetla Hostel in Soweto, and Michael Mguni, 25, of Merafe Hostel, also in Soweto, were involved in an attack on a train between Jeppe and

corge Goch stations. Johannes Tsotetsi died as a result. The two men on Wednesday declined to make a statement or make nown the basis of their defence to the court.

The hearing was postponed to July 17.

Press Release

. . .

Issued by: Congress of South African Trade Unions

PRESS STATEMENT 6/5/92 - TRAIN BOYCOTT

COSATU salutes the commuters of the PWV region for the disciplined and selfless way in which they have observed the train lyoycott over the last few days. The massive response to the call, particularly by communities who have been plagued by train violence, should send out a sharp and clear message from commuters to Transnet and the South African government: "so far and no further. End the train massacres".

The overwhelming response by commuters is especially noteworthy, given the sacrifices which commuters have had to make to support this action, including long queues, higher prices and general discomfort. These sacrifices have been made with the full knowledge that this is the only weapon we have to bring pressure to bear on the authorities to end the carnage.

Even the regime has been forced to acknowledge the overwhelming support for the action, by admitting that over half a million commuters have boycotted the trains without coercion or intimidation. There has also been a sudden drop in attacks on the Irains.

(OSATU: -- calls on commuters to remain resolute and disciplined PRETORIA May 6 Sapa observance of the boycott; -- calls on the taxi in their which have been associations to give effect to the agreements reached, particularly relating to taxi fares; -- commends those chicle owners who have been giving people lifts, and call on living in their ill those with private transport to assist people areas to get to and from work; -- call on employers to assist remaining period of the boycott, workers with transport for the workers who are late as a result and to refrain from penalising in the boycott.

Finally COSATU wants to assure commuters that their sacrifices wont be in vain. If this magnificent action fails to force the mulhorities to take decisive action against the train violence, ('()SATU is committed to stepping up action to end the carnage, not only on the trains, but throughout our townships, hostels, and factories.

Trust Feeds - W. Krugel Appointment Hailed

PRETORIA May 6 Sapa

The head of the University of South Africa's Department of riminal and Procedural Law, Professor Jan van Rooyen, has come in support of the appointment of retired Regional Court president Willem Krugel to oversee the inquiry into the alleged pulice cover-up in the Trust Feed massacre.

Mr Krugel's appointment this week by Minister of Law and Order

Hernus Kriel has been criticised in certain quarters for, among other reasons, his membership of the Broederbond.

Prof van Rooyen said in a statement on Wednesday he had known Mr Kruger for more than 20 years and knew he was a member of the Afrikaner Broederbond when he (Prof van Rooyen) appointed him a research projects consultant in his department.

"I have always been strongly opposed in principle to secret organisations and have at some time myself declined an invitation to become a member of the Ruiterwag, the junior pre-Broederbond organisation," he said.

"However. I have the highest respect for Mr Krugel as a fair and independent judicial officer, as a person, as a contributor towards improved criminal justice in South Africa and as a research colleague.

"He is a person of utmost integrity. I would have appointed him whether he had been a member or not of the Broederbond, the Sons of England or the Freemasons."

He said there may be a debate as to whether a proper judicial commission should have been appointed to investigate the Trust Feed massacre in terms of the Commissions Act, but there could be no question about the competence and integrity of Mr Krugel.

"Sight must also not be lost of the important fact that at the end of the investigation his report will be made public," Prof van Rooyen said.

LHR Slams Vlok's Explaination on Shange Releaseb

The "feeble explanations" given by Minister of Corrective Services Adriaan Vlok for the release of Kheta Shange were inadequate, confused, and insulted the intelligence of the public, Lawyers for Human Rights said on Wednesday.

LHR national director Brian Currin said in Pretoria Mr Vlok had said that Shange had, "like other political prisoners", been released in terms of Section 63 of the Act on correctional services.

But, Mr Currin said, to his knowledge, Section 63 had nothing whatsoever to do with the procedures established as a result of the Groote Schuur and Pretoria Minutes to effect the release of political prisoners.

Mr Currin said Mr Vlok had indicated that the scheduled release date of Shange had been decided upon by Justice Minister Kobic Coetsee a mere 36 days after Mr Justice Gordon had told Shange there was "little hope for your reformation. You are, in my view, a beast in policeman's clothing..." and that Shange would be "removed from society for a considerable period of time".

Mr Currin said if Mr Vlok's information was true, this demonstrated, at the very least, Mr Coetsee's utter contempt for the judge's directive.

LHR had requested lawyers to determine whether Shange could be

motive had been established.

Savuka Drummer Slain

CREYTOWN May 6 Sapa

A drummer in Johnny Clegg's Savuka band, Dudu Ndlovu, was murdered while visiting Natal's Tugela Ferry area on Monday night, a Sapa correspondent reported on Wednesday.

Mr Ndlovu, who was visiting family at a nearby kraal, was walking down a road with a friend when he was hit in the chest with an AK 47 round. SABC radio news reported on Wednesday the friend managed to escape.

On Tuesday morning police found nine spent AK 47 cartridges on the scene of the murder. Police so far have been unable to establish a motive for the killing, Sapa's correspondent in the area said.

IIRC Unrest Report

JOHANNESBURG May 6 Sapa

Fifty seven deaths and 81 injuries were recorded by the Human Rights Commission during the week April 29 to Tuesday vesterday -- May 5).

The HRC's "Weekly Repression Report", released to Sapa on Wednesday, added of this total, 47 deaths and 62 injuries were recorded country-wide between May Day (May 1) and Tuesday (May 5).

In the Pretoria/Witwatersrand/Vereeniging (PWV) area "Alexandra was clearly the flashpoint, accounting for the highest number of casaulties -- 12 deaths and 19 injuries".

Train attacks claimed five lives and 11 injured. In Natal, a train attack was recorded for the first time this year. Five people were injured.

The Natal South Coast was also "a major flashpoint, accounting for 14 deaths and five injuries".

According to HRC research, secrurity force action accounted for three deaths, 10 injuries and 50 arrests in actions recorded in the PWV area and Natal during the week under review.

"Hit squad" actions accounted for one death and two injuries in the PWV, according to the HRC.

"The remaining deahs and injuries are categorised as uncertain and other political actions," the HRC report said.

Press Release

Issued by: African National Congress

From: The ANC PWV Regional DIP Tel: 333 0399 Ref: Wally Mbhele

A woman was killed and another man injured in Meadowlands, Soweto, when a group of hostel dwellers fired at bus commuters going to work in the early hours of this morning.

Mrs Puncho Rathefola was shot in the neck at about 5 am as she tried to flee a hail of bullets coming from a group of more than 30 hostel dwellers who had converged in the vacated Bakwena Street and marching in the direction of a local bus terminal randomly fired at residents going to work.

Another commuter, known only as "Willie" suffered minor injuries on the foot.

This group then retreated back to Meadowlands hostel which has become a terror base from where attacks against the community are conistently executed. They only retreated to the hostel after a group of local youths had gathered together for the prupose of defending bus commuters.

It must be noted that this latest assault against residents comes in the wake of a visit by senior officials of the ANC/SACP to all the embattled Soweto townships yesterday, including Meadowlands, which is the most hard hit by violence.

On Saturday, the body of 55 year old Mr Mvuselelo Dyodo of Senaoane was discovered at the gates of this hostel after he went missing when he was going to a May Day rally in Jabulani. It is still a mystery how Mr Dyodo went to that hostel. The only probability at the moment is that he was abducted into that hostel (Meadowlands).

Visiting Meadowlands, Mzimhlophe, Killarney and Dobsonville yesterday, the general secretary of the South African Communist Party, Chris Hani and the ANC PWV chairman, Tokyo Sixwale heard grim tales of how residents have been forced to either flee their houses or resign their lives at the terrible cost of hostel vigilantes who have become a thorn on their flesh.

The apparent failure on the side of the police to arrest the perpetrators of violence and their collusion with Inkatha warlords was highlighted by desperate residents. On a number of occasions, the police have been asked to keep regular patrol on the side of Meadowlands hotel as most attacks on the residents emanates from that angle. However, the police have not only refused to heed that request but have also turned a blind eye to attacks coming from the hostel.

The Local Dispute Resoluton Committee has still not yet been formed in that area because of the IFP's unwillingness to attend the meetings despite serious allegations implicating their members in Meadowlands violence.

The ANC PWV region once more extend a hand of invitation to both the IFP and the police to exercise restraint and practically contribute to all genuine efforts of bringing about the climate

NPC Progress Report

JOHANNESBURG May 6 Sapa

Since its constitution in February this year, the Witwatersrand/Vaal Regional Dispute Resolution Committee has

ational Peace Committee announced on Wednesday.

13

said in a statement the committees were established in Germiston, Tokoza, Vaal Triangle, Benoni, Krugersdorp, north-east Rand, Alexandra, Katlehong, Vosloorus, Meadowlands, Orlando, Kliptown and Dobsonville.

"In the main, the violence has been the top priority for these peace bodies," the NPC said.

Other issues dealt with included the train violence, intervention workplace disputes, a local taxi dispute and conflict between sudents and education administrators regarding the payment of school fees, the double booking of a stadium by two political organisations and, generally, increasing public awareness of the contents of the National Peace Accord."

The NPC said these structures were contemplated as problem-solving bodies that could operate best to prevent or contain violence when the principal actors could be identified.

"They are simply not equipped to deal with the kind of violence which permeates much of the region."

A matter of increasing concern was the hardening of attitudes in communities as a result of the continuing violence in the region. This was seen as an inhibiting factor which could affect the credibility of the structures, the NPC said.

of peace in the area.

l'ress Release

Issued by: National Peace Committee

WITS/VAAL PEACE BODY FAST GAINING GROUND

SINCE ITS CONSTITUTION IN FEBRUARY OF THIS YEAR THE WITS/VAAL REGIONAL DISPUTE RESOLUTION COMMITTEE HAS ESTABLISHED THIRTEEN LOCAL PEACE STRUCTURES IN ITS AREA OF JURISDICTION. AT A MEETING IN JOHANNESBURG THIS WEEK, PROGRESS WAS DISCUSSED AND MONITORED.

Local committees have been established in the following areas:

Germiston; Thokoza (Phola Park); Vaal (Vereeniging, Sharpeville, Vanderbijlpark, Sebokeng, Evaton, Bophelong and Boipetong); Benoni (Boksburg, Daveton, Actonville, Wattville, Reiger Park); Krugersdorp (Kagiso, Munsieville, Azaadville); North East Rand (Kempton Park, Tembisa, Midrand, Ivory Park and Rabie ridge); Alexandra; Katlehong; Vosloorus; Meadowlands; Orlando; Kliptown; Dobsonville.

bodies while other issues dealt with have included the train violence, intervention in workplace disputes, a local taxi duspute and conflict between students and education administrators regarding the payment of school fees, the double booking of a stadium by two political organisations and generally, increasing public awareness of the contents of the National Peace Accord.

An intermin Crisis Committee was established in Alexandra on April 1 in direct response to the civil uprising in that area. The Local Dispute Resolution Committee is still to be formally launched and will include Sandton, Marlboro and Randburg. The ICC has had a significant impact in reducing the levels of violence in Alexandra.

The meeting voted that Mr. Charles Nupen continue as interim Chairperson of the Wits/Vaal Regional Dispute Committee. In a report back Mr Nupen noted that since the establishment of the RDRC there have been many incidents of violence in the region and that much of this is unexplained in the sense that the perpetrators have not been apprehended and their identity and organisational allegiance (if any) remain unknown.

"What is clear is that there has been a somewhat unrealistic expectation that the mechanisms contemplated under the National Peace Accord, namely the Regional and Local committees would be in a position to address this type of violence. These structures are contemplated as problem solving bodies that can operate best to PREVENT or CONTAIN violence when the principle actors can be identified, they are simply not equipped to deal with the kind of violence which permeates much of the region." he said.

A matter of increasing concern discussed, was the hardening of attitudes in communities as a result of the continuing violence in the region. This was seen as an inhibiting factor which could affect the credibility of the structures.

The availability of training courses in facilitation and negotiation organised by the National Peace Secretariat was viewed as highly positive. Training of the NPS and chairpersons of the RDRC's has already taken place. In addition, the Greater Soweto Regional Committee has also availed itself of this opportunity. A strategic planning and skills workshop for the Wits/Vaal region is expected to take place in June. Local bodies have been notified of training possibilities and will be making decisions in regard thereto.

The Publicity and Communications sub-committee of the National Peace Committee has been allocated a budget of R1 million for the period April/May/June. Approximately 50 per cent of this has been allocated for expenditure in the Wits/Vaal region and the other half in Natal. Local peace committees are deliberating how best the funds be used.

At a meeting on April 29 convened by the RDRC Executive Committee LDRC chairs and representatives from funding and development agencies, discussions were held in regard to support of socio-economic reconstruction efforts in the region. It was agreed that focus should be on the reconstruction of property and facilities damaged as a result of violence. Needs analyses will be conducted at a local level and will be brought to the Executive for further consideration. Such initiatives will be coordinated by the Socio-Economic sub-committee of the National Peace Committee.

At a subsequent meeting of the Wits/Vaal Executive Committees recently, the decision to move to establish a LDRC in every community in this region was taken.

For further information contact Val Pauquet at (011) 787-0735 or 886-0084.

These are temporary numbers pending the installation of a channesburg Media Office for the National Peace Committee.

ONU Delegation To Monitor Violence

By Francois Pienaar

11) HANNESBURG May 6 Sapa

delegation from five Organisation of African Unity countries will arrive in South Africa next week to conduct a fact-finding mission on violence, Pan Africanist Congress secretary-general Benny Alexander announced on Wednesday.

The monitoring group, comprising members from Algeria, Congo, Nigeria, Uganda and Zimbabwe, will arrive in Johannesburg on Wednesday led by Nigerian Foreign Minister Maj-Gen Ike Nwachukwu.

Speaking at a Johannesburg Press conference, Mr Alexander said the decision to send a delegation to monitor the violence was taken at the Arusha, Tanzania, meeting of the OAU Ad Hoc Committee held on April 28.

The group's purpose would be to identify the perpetrators of violence and to investigate the causes.

The PAC calls on all concerned people, organisations and the regime to co-operate with this monitoring team.

"More especially we hope that the Ad Hoc Committee set up by the churches will assist in facilitating an in-depth probe into the nature of the orchestrated violence."

Mr Alexander expressed the hope that the delegation would stay in South Africa as long as possible in order to do a thorough study of the violence.

He said the group would meet leaders and organisations across the political spectrum -- from the government and its agencies, to the Inkatha Freedom Party to other liberation movements.

Arrangements would be made for the delegation to visit various areas in South Africa, including security force training camps and areas where most of the violence had occured.

vitnesses to the violence would also be visited and in the event of violence breaking out in a certain area, attempts would be made get the delegation to the scene.

Mr Alexander said he hoped the findings of the group would be conveyed to the OAU and the United Nations in order for pressure to be brought to bear on the perpetrators of the violence.

He stressed the group would not "probe armed struggle violence but only internecine violence -- from violence committed by necklacing to asseguais and spears".

Mr Alexander said existing structures established under the National Peace Accord to establish the perpetrators of the violence were ineffective and "irrelevant".

The PAC had long called for an international commission to probe

the violence. Mr Alexander said, and the movement hoped that the findings of the OAU delegation would help to end the violence.

Government Accepts OAU Visit

CAPE TOWN MAY 6 SAPA

The South African Government has accepted the proposed visit of an Organisation of African Unity (OAU) monitoring team, which will investigate the township violence.

In a letter to the Nigerian High Commissioner in Botswana, Mr Alaba Ogunsanwo, Foreign Affairs director-general Mr Neil van Heerden said the Government "was prepared to request the relevant South African authorities to assist the team in making an objective assessment".

He said the matter had been discussed between President F W De Klerk and Egypt's President Hosni Mubarak in Windhoek on March 20 1990.

The issue was again raised during discussions between President De Klerk and the Nigerian head of state and OAU president, General Ibrahim Babangida, in Abuja, Nigeria on April 10 1992.

World Bank Secretary Speaks On Privatisation CAPE TOWN May 6 Sapa

Few governments had embarked on privatisation for ideological reasons although it might have been opportune in some cases to gain political support, the vice-president and secretary of the World Bank said on Wednesday.

Addressing delegates on the final day of the ninth national congress of chartered accountants at a Cape Town hotel. Mr Timothy Thahane said experience showed most governments -- including those in Sub-Saharan Africa -- undertook privatisation to raise efficiency and stop the financial haemorrhage from loss-making public enterprises.

"State enterprises, far from fulfilling the expectations vested in them, have been inefficient, overstaffed and poorly controlled financially.

"Many countries, not just developing countries, cannot afford the losses incurred by their state owned enterprises."

The state was often unable to raise the capital needed to modernise and expand its enterprises. It lacked entrepreneurship, management and marketing expertise while at the same time international competition intensified.

The private sector had proved to be the most efficient generator of incomes, employment, managerial expertise, and technological innovation.

Turning to the question of privatisation and employment Mr Thahane said that if an enterprise was loss making, then reversing the situation by making it efficient and profitable might result in worker lay-offs -- regardless of whether or not the enterprise was state or privately owned.