

AF Press Clips

WASHINGTON, D.C.

June 6, 1986

XXII No. 21

NEW YORK TIMES,

JUNE 3, 1986

THE WASHINGTON POST

JUNE 3, 1986

Shultz Attacks Apartheid System, Saying It Must Be Replaced Soon

WASHINGTON, June 2 — Secretary of State George P. Shultz said today that "Western interests — moral, strategic, economic and political — will suffer" if apartheid in South Africa is not soon ended peacefully.

"Apartheid is wrong," he said. "It robs the blacks of South Africa of their fundamental human rights. It drains the country of its human potential, and it threatens the security and economic prospects of an entire subcontinent."

"Our people in government have demonstrated that we oppose apartheid. Apartheid must go, and it must yield to a nonracial system based on the consent of all the governed. It must go soon."

Defends Administration Policy

In an emotionally charged speech to a conference of clergy interested in South Africa, Mr. Shultz took an exceedingly hard line on Pretoria's racial policies. Contrary to the views of those who view American support for the Pretoria Government as crucial to an effective anti-Soviet policy, Mr. Shultz said, "I don't buy that at all."

But at the same time, he forcefully defended the Reagan Administration's opposition to harsh economic sanctions and to the withdrawal of American investments from South Africa.

Mr. Shultz said the time had come for the South African Government to negotiate with black leaders for "a democracy that knows no color and gives equal protection to both the majority and to minorities."

'It Offends Our Principles'

"Let me be categorical on this point," Mr. Shultz said. "Western interests — moral, strategic, economic and political — will suffer if the process of constructive peaceful change fails to deliver the goods in South Africa. Stated another way, an immoral system does not serve our interests. It offends our moral principles. And we must continue to seek to end it."

In recent weeks, there have been new calls from Congress to impose stiff economic sanctions against South Africa after Pretoria's military raids against

African National Congress offices in three neighboring countries.

In addition, around the country, and particularly on college campuses, there have been renewed protests calling for institutions to divest themselves of holdings in South Africa.

Mr. Shultz said that just as it was important to reject the "immoral violence" in South Africa, "so also must we question the political and moral vision of those who advocate economic destruction as the road to South Africa's salvation."

"Some would have us believe that the true foes of apartheid are the advocates of punitive economic sanctions and disinvestment," he said. "They have failed to make a convincing case."

He said that change was taking place in South Africa and that the prospect of further change was "exciting violent minorities at both ends of the political spectrum."

Citing the right-wing Afrikaner groups opposed to change and the left-wing black radicals as examples of the opposite poles, Mr. Shultz said, "None of us can permit ultimate victory in the form of a democratic society for all South Africans to be wrenched from us by extremes of left and right."

He said pressure from the United States and other nations as well as pressure from within the country were producing some "meaningful reform" in apartheid.

"The question we now face is not whether apartheid will end, but how and when it will go," he said, "and what will replace it."

"Will it end in bloody, violent kind of confrontations, strung out over some years and totally destructive?" he said, in answer to a question from a member of the audience. "Can we find a way to bring it to an end through a process of no doubt very difficult, tough negotiations and struggle? I don't know how probable it is, but I know it's possible. And as long as it's possible, we would be derelict in our duty if we didn't stay engaged and try to be constructive and try to bring something good out of the situation."

"The Bible tells us that there is a season for every change," he said. "There is a time to deliberate and a time to decide. In South Africa, now is the time to

Africans Make Case for Aid

By Philip Smith

African nations at last week's special session of the U.N. General Assembly made their most effective case ever for increased western aid to meet chronic economic and development problems plaguing the continent, several U.S. officials and African specialists said yesterday.

The experts cautioned, however, that the week-long session, at which members of the General Assembly voiced unanimous but non-binding support for a \$128.1 billion African recovery plan, may at most be a useful bargaining chip in coming budget cutback battles over U.S. foreign aid.

"I think [the session] signifies a maturity in the political sense for the Africans," said Robert J. Berg, a senior fellow at the Overseas Development Council. "They came with unity, dignity and substance and they played it in a superb manner. They made their case and they sat back to listen to the world react."

The African plan, formulated by the Organization of African Unity, calls for western donor nations to contribute about a quarter of the

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decide. Now is the time for negotiation. Negotiation alone offers the prospect of peaceful change."

The conference was sponsored by the Reagan Administration's "special working group on South and southern Africa," formed last fall. The goal of the group, which is led by the State Department, is to build public support for the Administration's policies.

The meeting at the State Department was meant to persuade members of the clergy of the Administration's sincerity in opposing apartheid and to win the backing of the clerics for the Administration's opposition to more severe measures. Mr. Shultz was well received by the group, which applauded several times.

S. Africa Bans Meetings To Mark Soweto Revolt

By Allister Sparks

JOHANNESBURG, June 4—The government issued a proclamation today banning all public meetings to commemorate the 1976 Soweto uprising in a bid to thwart plans for large-scale black demonstrations to mark the 10th anniversary June 16.

Law and Order Minister Louis le Grange signed the order hours before mixed-race and Asian representatives began a stalling procedure in Parliament that could prevent two tough new security bills from being passed into law before the anniversary date.

The bills enable the government to assume powers of martial law in designated areas without formally declaring a state of emergency, and to increase its already extensive powers of detention without charges.

Le Grange has been trying to rush them through Parliament before June 16. He told the dominant white house of the racially segregated three-chamber legislature, which passed the first bill today, that he needed them "very urgently" in the light of "serious circumstances" facing the country.

Helen Suzman, the white anti-apartheid legislator whose Progressive Federal Party opposes the bills, suggested tonight that Le Grange may have decided on the ban because his bills were being held up. The minister offered no immediate explanation. The ban is effective from today until June 30.

Suzman and other members of her party predicted that instead of preventing unrest during the anniversary, the ban on meetings would lead to greater confrontation between the police and black activists.

"This is an extremely stupid move," said Tiaan van der Merwe, who led the opposition debate on the first bill, called the Public Safety Amendment Bill. "There is no chance that the blacks are going to heed the ban and allow June 16 to pass without any commemoration, so all it will do is create an extra element of conflict."

Meanwhile, the far rightist Conservative Party criticized the government for creating a constitutional situation in which nonwhite representatives could render it "powerless" by holding up security leg-

islation.

"Who is *baas* [master] in South Africa if the government cannot proceed with legislation without the consent of the Coloreds [people of mixed race] and Indians?" asked Casper Uys, a Conservative legislator.

June 16, the day on which schoolchildren in Johannesburg's black satellite township of Soweto began a wave of demonstrations in 1976 that eventually resulted in more than 600 young blacks being shot dead by police, has become the most emotive date in the black nationalist calendar.

Black activist organizations and labor unions have decided to make this year's 10th anniversary the high point of their anti-apartheid campaign. They called for nationwide commemorative rallies on June 16 itself and a total work stoppage from then until June 18.

While business is worried at the prospect of a general strike at a time of deepening economic recession, some businessmen have expressed understanding for the way blacks feel about the anniversary and have said they will not penalize employees who do not come to work.

Two of the most influential, the giant Anglo-American Corp. and an industrial conglomerate called Premier Milling Group, have announced that they will treat June 16 and May 1, international workers' day, as public holidays.

President Pieter W. Botha and his ministers have made a series of speeches warning that they intend to crack down more severely than ever on the people they believe are behind the continuing racial strife in the segregated townships.

A week ago Le Grange produced the two new bills, which add to an already formidable armory of security legislation.

To become law, a bill must pass through all three houses, but if one votes it down the veto can be overridden by referring the bill to a President's Council of nominated members where the government has a built-in majority.

In light of the nonwhite legislators' stalling maneuver, observers said, the bills probably would not become law until after June 16.

Clerics Vow to Defy Pretoria Protest Ban

By ALAN COWELL

Special to The New York Times

JOHANNESBURG, June 5—Bishop Desmond M. Tutu urged the nation's churches today to defy a newly announced Government ban on commemorations of the 1976 Soweto uprising.

Political commentators here said the Bishop's call seemed to set the stage for a confrontation between the church and the Government.

"I will instruct my clergy to organize church services on June 16th and I will certainly participate in such services," the Bishop, a leading anti-apartheid figure, said in a statement. "I hope that other denominations throughout the country will likewise arrange services of commemoration."

The 1984 Nobel Peace Prize winner, who is the Archbishop-elect of Cape Town and head of the Anglican Church in southern Africa, returned to South Africa on Wednesday from visits to Europe and North America.

Growing Defiance of Authorities

Since the start of the nation's most recent protests, Bishop Tutu has steadily intensified his criticism of the authorities. Earlier this year, he courted prosecution by calling for economic sanctions against South Africa. His comments today seemed to underline his readiness to defy the authorities and to throw the weight of the church behind his protest.

The Bishop's political stance has reportedly cost him the support of some of the Anglican church's white laity. However, the Bishop maintains that he has risked losing support among his black constituency by arguing against the violence used by some black protesters in the segregated townships.

Meantime, South Africa's currency, the rand, slipped below the psychologically important level of 40 American cents as a result of what dealers said were fears of widespread violence on June 16, the 10th anniversary of the start of a wave of unrest centered on Soweto, Johannesburg's black satellite city, in which over 570 lives were lost.

On Wednesday, Louis LeGrange, the Minister of Law and Order, announced a ban on all meetings called to commemorate either June 16, 1976, the most emotive date in the calendar of black resistance, or June 26, 1955, the day the Freedom Charter was adopted.

The Freedom Charter is the manifesto of the outlawed and exiled African National Congress. It calls for a democratic South Africa and the elimination of racial discrimination and privilege.

Referring to Mr. LeGrange, Bishop Tutu said the Cabinet official appears "bent on provoking blacks to defy his ill-advised ban to give policemen yet another excuse to get at black people."

In Amsterdam, the Rev. Allan Boesak, President of the World Alliance of Reformed Churches and a leading South African anti-apartheid campaigner, told reporters: "The church must not submit to such a ban by the

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Divesting in S. Africa need not pinch portfolios

By David Clark Scott

Staff writer of The Christian Science Monitor

New York

Who could be for apartheid?

University officials and money managers often get branded as pro-apartheid for not joining the divestment bandwagon. But these officials frequently find themselves unable or unwilling to sell stock of United States companies in South Africa.

They're caught between moral beliefs and a legal responsibility to produce the best investment return for college endowment or public pension funds. And divestment knocks more than 100 of the largest blue-chip companies in America out of a stock portfolio. Many money managers see that as a severe handicap to performance.

Now there is some evidence (albeit short-term) to show that a portfolio free of South African-related US stocks does not produce diminished returns.

Investment performance of South Africa free index* vs. S&P 500

Percentage increases from previous year

	1980	1981	1982	1983	1984	1985	1986**
SA free	32.4	(5.3)	21.4	22.5	6.2	29.1	13.1
S&P	32.4	(5.1)	21.1	22.4	6.1	31.8	14.1
Net difference	0.0	0.2	0.3	0.1	0.1	2.7	1.0

*South Africa free index comprises all US companies in the Standard & Poor's 500 index that have no employees or assets in South Africa. Companies are named by Investor Responsibility Research Center, Washington, D.C., and tracked by Wilshire Associates.

**First quarter

The Boston Company, a subsidiary of American Express, has compiled a stock index of US companies that don't do business in South Africa. Since mid-1984, this index has outperformed not only the Standard & Poor's 500 index but also a narrow-gauge index of US companies doing business in South Africa.

"Going back 2½ years, the SAFE (South Africa Free Equity) index has outperformed the S&P by about 2 percent per year," says Richard Crowell at Boston Company. Specifically, the SAFE index was up 60.98 percent from Jan. 1, 1984, through March of this year, while the S&P 500 was up 54.66 percent.

Is the divestment drive succeeding in pushing down the price of South African-related stocks? Are more people buying South Africa-free stocks?

Probably neither, Mr. Crowell says. "The SAFE index has done better because it doesn't include mainframe computers and international oil stocks." IBM is a major

component of the S&P and until recently its stock has been depressed by lackluster sales. At the same time, oil prices have plummeted, which has hurt the investment picture for oil companies.

By eliminating these major industry groups, the SAFE index ends up with a heavy weighting of utility stocks, which do well when interest rates fall — as they have done of late.

So it's not clear how long the SAFE index can outperform the market. For instance, if interest rates should drop, oil

South African Opposition Splits Over Divestment

By ALAN COWELL

Special to The New York Times

JOHANNESBURG, June 2 — When they meet students on the campuses of American universities, white opposition figures here say, they encounter a debate that offers no easy agreement and, more often, a mutual bewilderment.

If they are opposed to apartheid, American students are said to ask them, how can they also oppose the divestment of foreign holdings in South Africa as a means of pressing this country's Government into racial change?

The automatic linkage of opposition to apartheid and support for divestment does not carry over to South Africa, where the debate on the value of withdrawing investments transcends racial lines.

Helen Suzman of the white opposition Progressive Federal Party asserted in a recent interview at her Johannesburg home that in the United States "a simplistic equation has been evolved that unless you are pro-sanctions, you are a racist."

In New York on Sunday, Miss Suzman told the graduating class of Hebrew Union College-Jewish Institute of Religion that "I understand the moral abhorrence and pleasure it gives you when you demonstrate. But I don't see how wrecking the economy of the country will insure a more stable and just society."

Blurred Distinctions Seen

Frederick van Zyl Slabbert, the former leader of the Progressive Federal Party, said in a recent conversation that he, too, had found that support for divestment on American college campuses seemed synonymous with opposition to apartheid. Students he had spoken to, he said, were surprised to find that he did not support their views.

For Mrs. Suzman and others from white opposition groups racked by debate over how best to oppose apartheid, the attitude on American campuses evokes irritation and bewilderment at what they perceive as ignorance, and apprehension that the activism of American college students will end up

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prices rise, and computer sales pick up, the SAFE index might end up on the short end of the stick.

Indeed, another firm has compiled an index showing that South Africa-free stocks are not outperforming the market now.

The index, put together by Wilshire Associates, an investment firm based in Santa Monica, Calif., lagged the S&P 500 total return by 2.7 percent last year and trailed it by 1 percent in the first quarter of this year.

The difference between the two indexes seems to be a matter of discerning which US companies are involved in South Africa.

The Wilshire index excludes any US companies doing business in South Africa based on a list by the widely respected Investor Responsibility Research Center, a Washington, D.C., nonprofit research group.

The Boston Company uses the same list, plus several others and information from clients. As a result, it may list more companies than IRRC does. Also, the Boston Company updates its screening of South African-related companies monthly; Wilshire updates annually.

In any case, Crowell says the point is that "it's possible to have a well-diversified portfolio with a good performance without having companies in South Africa."

Wayne Wagner, chief investment officer at Wilshire Associates, agrees: "Our performance is not significantly different. I would not be surprised in the least if the South Africa-free index outperformed the market over the long term."

He notes that a South Africa-free fund eliminates the stable, slower-growing multinational companies. "That leaves you with smaller companies, which are more volatile. But over the long term, small companies tend to yield a higher return."

US companies edging out of South Africa

By Barbara Bradley

Staff writer of The Christian Science Monitor

Washington

What does it take to get a company out of South Africa?

Does it take South Africa raiding three neighboring countries? Diplomacy ratcheting ever lower between the Reagan and Botha administrations? Shantytowns and protests on American college campuses?

More likely, it is a recession in South Africa.

"The straw that breaks the camel's back is a different straw for each company," says Alison Cooper, co-author of a study on United States businesses in South Africa released last month. But generally, she and others say, it is poor profits due to that country's weak economy, rather than political turmoil and American social pressure, that create the final straw.

South Africa is becoming like a sieve, with the smaller US companies slipping away and the larger ones remaining. Only four companies that left last year — Blue Bell, Carnation, General Electric, and PepsiCo — have 500 or more employees. And of the 267 that are left, many grace the Fortune 500 list, like General Motors, Coca-Cola, Goodyear Tire and Rubber Company, and Eastman Kodak.

"For the smaller companies that have found it hard

THE CHRISTIAN SCIENCE MONITOR

to make a profit in South Africa, the political pressure has made the grim economic situation seem hopeless," says Ms. Cooper, who works for the nonprofit Investor Responsibility Research Center (IRRC). "They can't afford to wait" for political changes to come, if they ever do come.

With the recession deepening and more shareholders withdrawing their support from companies in South Africa, some analysts think 1986 will see more big players closing up shop. They note that Xerox and IBM, which both have a large presence, are making noises about leaving.

But such decisions are not taken lightly, other companies say: They have poured capital into the country, which has the most developed market in Africa and which also provides trade lines for sales into neighboring African countries.

Last month General Motors announced it would no longer sell vehicles to the South African military or police. Many interpreted the decision as a first step toward GM's eventual exit. GM flatly denies that it will leave, saying, as do other companies still in South Africa, that they do more good for blacks there by staying and pressuring the government to ease apartheid than by leaving.

Operating there, however, is becoming less ap-

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Sanctions against South Africa

JUNE 2, 1986

By Robert I. Rotberg

THANKS to last month's bullying and unproductive raids on its neighbors, South Africa has provided a perfect justification for renewed comprehensive sanctions by the United States. A broad coalition of congressmen, Republicans and Democrats, has wanted for months to intensify US pressure on that apartheid-dominated country.

But will Congress pass legislation that could encourage South Africa to seek real change rapidly; or as before, appropriately enraged, will it simply attempt to punish the white regime?

Last year's congressional attempt to legislate a range of sanctions against South Africa was overtaken at the last moment by a presidential executive order to put in effect a less complete set of prohibitions. In September, President Reagan reluctantly banned the sale in the US of South African-produced gold coins, halted new bank lending, tightened restrictions on the sale of high-technology equipment, and established a prestigious commission (now meeting) to recommend a new policy toward South Africa. But the President refused to include a trigger that would be activated if conditions in South Africa worsened or the white government of South Africa continued to refuse to talk with representative Africans about their joint future.

The new congressional initiative wants to restore the trigger and demonstrate US

Will [the US] Congress pass legislation that could encourage South Africa to seek change rapidly; or as before, appropriately enraged, will it simply attempt to punish the white regime?

displeasure with the slow pace of change in South Africa by broadening and deepening the range of US sanctions. The proposed new measures include a ban on new US investment in private business there and a strengthened ban on bank lending. It would prohibit companies like Fluor and Bechtel from continuing to construct oil-from-coal plants, which give South Africa partial self-sufficiency in energy.

Individual investments in South African gold mines and other shares traded in US stock exchanges would be halted. So would US deposits in South African banks. Imports of coal, uranium, and steel from South Africa, all of which compete with US supplies, would be denied, but not imports of critical minerals like manganese and chrome, which are vital in steelmaking. In a move that could cause acute stress to South Africans, their national airline would be denied landing rights in the United States. Later such a ban could be extended to all airlines serving South Africa.

The trigger would consist of the mandatory withdrawal of US computer companies — principally IBM — if, after 12 months, South Africa had still not dis-

mantled apartheid. But like last year's congressional bill and the President's milder executive order, the proposals so far contain no substantial carrot for white South Africa. Other than the ability to avert the withdrawal of US computer facilities (and Japanese companies like Hitachi are already actively expanding in South Africa), the congressional proposals provide no calibrated incentives.

If the series of sanctions were staggered over a year, with different actions set for successive months, white businessmen in South Africa might have some hope of persuading their notoriously shortsighted government to begin meeting the political demands of South Africa's black majority. Positive reinforcements could also be added: Promises of financial support for black education, for example, could be contingent on moves toward real compromise.

Without substantial incentives, those realistic whites who have already weighed the consequences and begun to recognize the guerrillas of the African National Congress as a legitimate force will have more difficulty shifting a largely intransigent white political lead-

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Subcommittee Votes to Further Curtail U.S. Business Activity in South Africa

By ROBERT S. GREENBERGER
Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON—A House Foreign Affairs subcommittee voted to impose tough new economic sanctions designed to curtail sharply U.S. business activity in South Africa.

The measure, which was approved by a 6-4 vote, was scheduled to be taken up today by the full House Foreign Affairs panel. The bill signals the beginning of another congressional effort to use economic penalties to force Pretoria's white-ruled minority government to end its policy of racial separatism, known as apartheid.

In September the Reagan administration bowed to congressional pressure and imposed some sanctions on South Africa. But House Democrats, unhappy with what they consider a lack of progress by Pretoria, are intensifying the pressure. Rep. Howard Wolpe (D., Mich.), chairman of the subcommittee, said yesterday's action was meant to show South Africa that its "hope of weathering the storm . . . is pure fantasy."

The Reagan administration opposes the move. Secretary of State George Shultz said this week U.S. companies in South Africa are the "building blocks of our influence" on the Pretoria government.

The House measure would bar U.S. citizens and enterprises from making new

loans in South Africa, and prohibit new investments by companies already operating there. They could reinvest profits, though.

The bill also would deny landing rights in the U.S. for South African Airways, which flies to New York. And it would ban imports of South African coal, uranium and steel. Further, unless certain political prisoners were released and negotiations begun between Pretoria and black leaders within a year, the bill would force all American computer companies to cease South African operations and would prohibit exports of computers or computer technology there.

The administration sanctions imposed last year were aimed mostly at the South African government, rather than private enterprise. They ended most bank loans to the government and prohibited exports of computer technology to government agencies involved in enforcing apartheid, in addition to other penalties.

Violence has escalated recently in South Africa. And last month Pretoria launched military attacks against what it said were sites used by the African National Congress, the main black resistance group, in three neighboring countries. The White House strongly condemned the attacks.

Rights Leaders Seized By Zimbabwean Police

Special to The New York Times

HARARE, Zimbabwe, June 5—Zimbabwean policemen today arrested the leaders of the country's top human rights group, the Catholic Commission for Justice and Peace, a move that is expected to further strain relations between Zimbabwe and its Western aid donors, the United States and Britain.

The commission's chairman, Michael Auret, and its acting director, Nicholas Ndebele, were arrested for possession of prohibited documents and the police seized some papers from the commission office, according to commission personnel. The documents are believed to be reports about the use of torture and other human rights abuses in the country.

The two are understood to be held under Zimbabwe's sweeping emergency powers, which permit indefinite detention without trial.

Mr. Ndebele was arrested May 22, and the High Court ordered his release

Wednesday. The Home Affairs Minister, Enos Nkala, apparently overruled the court decision by ordering the rearrest of Mr. Ndebele and the arrest of Mr. Auret.

The Washington Times

JUNE 5, 1986

Standing against sanctions

Anyone who cares about black South Africans should take a close look at what congressional liberals are up to these days. In the name of liberation, they are trying to push an economic sanctions bill through Congress that will make blacks more miserable than ever.

Misery, some people think, is the cure for apartheid. The hope is that the South African government will be forced to capitulate. But by throwing blacks out of work, by creating scarcities in consumer goods, the American reformers make more violence unavoidable.

As for forcing a capitulation, South Africa's army is strong enough to pity its opponents, though no all-out battle is likely unless the liberals in this country get what they're after. South Africa is closing the window of opportunity for a bloody solution — slowly, but they are closing it.

As events of the past few weeks have shown, moderate South Africans occupy high positions in business and government, though they must feel their way. On one hand, they must contend with neo-Nazis, and on the other with the lovely people who brought us "necklace killing" (stuff victim through auto-

mobile tire, ignite). Necklace killings, Africa's version of walking the plank, are a specialty of the African National Congress, which American liberals portray as the instrument of salvation for South African blacks. ANC rule, in fact, would make South Africa worse than it is today.

Though the reforms adopted to date may seem insignificant, apartheid nonetheless is being dismantled. Dropping the pass laws, for instance, is comparable to having the Soviets remove the Berlin Wall — the analogy being imperfect only because South Africans are free to leave if they want. Repealing this odious aspect of apartheid was a significant event, not window dressing.

Sanctions are a way of showing disgust with apartheid, and in an election year they are more attractive than usual. Congressional conservatives and moderates, who say they have enough votes to sustain a presidential veto, nonetheless are willing to buck the sanctions measure. President Reagan need only say that his veto is a certainty for the true friends of the oppressed to stick their necks out.

Angolan Rules Out Contacts With U.S.

By David B. Ottaway

NEW YORK—Angolan Foreign Minister Afonso van Dunem Mbinda said here this weekend that his country will no longer have any direct contacts with the U.S. government for the purpose of discussing a peace settlement in southern Africa.

In mid-March, the Marxist Angolan government, furious about the Reagan administration's decision to provide military aid to anticommunist rebels, called on U.N. Secretary General Javier Perez de Cuellar to take over as chief mediator in the stalled southern Africa peace talks.

At the time, it remained unclear whether or not Angola was ruling out completely any further negotiating role for the United States. Reagan administration officials then suggested that the private Angolan position might be less categorical than the official one.

But Mbinda, in an interview Saturday, said flatly that "we are no longer [going] to have direct negotiations with the United States of America. We will play our role, make our contribution, directly through the secretary general of the United Nations."

Asked about a report that he has refused to meet with Chester A. Crocker, assistant secretary of state for African affairs, Mbinda replied, "I don't think there is any need to have any contact."

Mbinda also indicated that the issue of the withdrawal of the estimated 35,000 Cubans in Angola—long sought in unsuccessful U.S.-led mediation efforts—was no longer a part of the negotiations, which he said now concern only the holding of U.N.-sponsored elections in South African-administered Namibia.

The Reagan administration, which in 1981 took over the role of chief western mediator between Angola and South Africa, had sought to tie the issue of a Cuban troop withdrawal from Angola to a Namibian independence settlement. In 1984, Angola accepted this "linkage," but Mbinda said that now that the United Nations was in charge of the negotiations, "the question of linkage is no longer there."

He said Angola hoped that the U.S. government would put pres-

Angola Begins Offensive, Rebels Assert

LISBON, June 2—Angolan rebels said today that government troops led by Soviet generals and supported by Cuban Army units had launched a major three-pronged offensive against their strongholds in the southeast and center of the country.

A spokesman for the National Union for the Total Independence of Angola (UNITA) said the guerrillas were ready to defend their bases with "sophisticated weapons."

[Spokesmen at the U.S. State Department and the Defense Department said they had no independent confirmation of the offensive.]

Angola has not commented on the rebel claims, but officials have recently denied UNITA reports of preparations for an antiguerrilla offensive, and have charged South Africa with amassing troops in neighboring Namibia in preparation for a major incursion in support of UNITA.

The Angolan Defense Ministry has said South African forces crossed into southern Angola May 22, and killed 53 soldiers.

Rebel leader Jonas Savimbi, in a statement distributed here, said 19 Angolan brigades were involved in the operation, which allegedly began May 27. Some units were headed for the southeastern town of Mavinga, he said. Units based in the central-eastern region were pushing west into Bie Province and southeast into Moxico Province.

sure on South Africa now to go ahead with elections under U.N. supervision "without conditions" and without bringing in "extraneous issues" such as the withdrawal of Cuban troops.

Mbinda, a member of the 11-man Politburo of Angola's ruling party, was here for a special U.N. session on Africa's economic difficulties.

The Angolan government has avoided meeting with U.S. officials twice recently. The first time was in March, when then-Deputy Assistant Secretary Frank G. Wisner toured southern Africa but received no invitation to visit Angola.

Mbinda said renewed incursions by South Africa into southern Angola, and its raids on three neighboring black countries last month, had further complicated prospects for a peaceful settlement to the conflicts in southern Africa.

ANGOLA CHARGES S. AFRICA

ATTACKED PORT

Reuter

LISBON, June 5—Angola accused South Africa of sinking a cargo ship and destroying two fuel storage tanks today in a dawn missile and underwater attack on the southwestern port of Namibe, the official Angolan news agency Angop reported.

Angop said a South African warship armed with Scorpion missiles destroyed two tanks and damaged another while frogmen placed mines on three ships.

One of the ships was sunk and the other two were badly damaged, Angop reported. No word of casualties was given and the vessels were not identified.

Namibe, one of Angola's major ports, is about 150 miles north of Namibia (South West Africa), where nationalist guerrillas are fighting South Africa's disputed control of the territory.

In Pretoria, the South African capital, a spokeswoman for the South African Defense Force said she had no comment to make "on the spate of allegations that has come from Angola during the last couple of months."

Angop said the attack was another example of South Africa's "aggression" being directed against civilian rather than military targets.

Last year, Angolan troops reportedly foiled a South African commando raid against a U.S.-operated oil complex in the northern enclave of Cabinda.

Today's reported attack came as Angolan government forces, backed by Cuban troops and Soviet advisers, were said to be mounting a big offensive against rebel forces of UNITA, the National Union for the Total Independence of Angola.

UNITA said yesterday that government troops had retaken the strategic town of Cangumbe in Moxico Province in the east, although the retreating rebels said they had killed about 80 soldiers.

Two weeks ago, South African troops crossed into Angola and killed 53 men in what they called a sweep against Namibian guerrillas. Angola said the casualties were Angolan troops.

Angola's Marxist government accuses South Africa of using the guerrilla issue as a pretext to invade its territory in support of the UNITA rebels. Pretoria says the Namibian guerrillas, who have fought South African rule for 20 years, are given a safe haven and resupplied in Angola.

Still Struggling with Independence

MAY 26, 1986

Eleven years ago, in the euphoria of independence, their ambitions knew no bounds. Under the cry of "a luta continua" — the struggle continues — the Mozambicans were going to build the most advanced socialist state in Africa, in the process creating the "new African man." Their language was the pure poetry of Marxism-Leninism: They wanted "to make the building of heavy industry the decisive factor in breaking with misery and imperialist domination." Not only that, they were going to serve as a staging point for the liberation of neighboring Rhodesia and South Africa from white supremacist rule.

It did not quite work out that way. Today the former Portuguese colony is in grave trouble. Its 14 million people, of whom 9 million live in the countryside, have seen the gross national product decline more than 25 percent since independence. The country imports five times more than it exports. The currency — the metical — is barely worth the paper it is printed on. (The official exchange rate is 40 metical to the dollar. On the black market, it is 1,800 to the dollar.) Starvation is widespread.

The capital city of Maputo in its day was a favorite place for vacationing South Africans. It is now slowly decaying. The once splendid hotels are moldy and falling apart, the sewer system is ruptured, and the only place where the air conditioning still functions is the presidential palace.

Says one U.S. government official who recently returned from there: "The city of Maputo, with a million people, has a downtown area where all the stores and restaurants are required to be open. Yet they have no products. The restaurants have waiters and they have menus, but they have no food. You can sit down in a restaurant and eat nothing."

"And they have stores, department stores that are open to visitors and have absolutely nothing to sell. The food markets are in a similar way. It is something I have never seen in any African country, not even in the worst cases; in sub-Saharan Africa during the depth of the famine, you still had city markets, but in Maputo there was absolutely nothing. It was like a ghost town."

The current state of affairs is the consequence of matters historical, climatic and political. Like Angola on the opposite coast, Mozambique achieved its independence the year following the Portuguese revolution of April 1974. As with many African nations, it was ill-prepared for independence. Under Portuguese rule, even such jobs as driver, postal clerk and plumber were held by the Portuguese. Blacks could not become mechanics. Only one of every 20 Mozambicans could read or write. Of the 250,000 Portuguese in the country at the time of independence, only 10,000 stayed. Says one observer: "When the Portuguese left, they turned off the lights. No one has been able to turn them

back on again."

The difficulties were compounded by the economic management of President Samora Machel and his Frelimo government. They instituted collective, Marxist policies that ignored the traditional tribal practices of individual commerce. "It was arrogance bordering on hubris when they nationalized virtually every aspect of human endeavor, not only plantations and factories, but also the services of schoolteachers, missionaries and even morticians," says Thomas H. Henriksen, a senior research fellow at the Hoover Institution.

Because of government price controls, farmers lacked the incentive to grow more food. Last year oranges were rotting in groves 12 miles from Maputo because government-controlled prices did not cover the fuel cost of getting them to market.

Nor did the behavior of Mozambique's benefactor, the Soviet Union, improve matters. Fishing off the 1,500-mile coast of Mozambique, Soviet trawlers suck up everything in their wake. According to some estimates, they take as much as 85 percent of the catch, leaving the least-useful 15 percent to the Mozambicans. Mozambique prawns are now a rarity.

Then there was the drought of 1983-84, which brought famine to vast areas of Africa. Though the drought has now subsided, the inefficiency of the government and the presence of a long-standing anti-government insurgency have prevented cereal production from reaching levels adequate to feed the country's population.

The rebel forces, the Mozambique National Resistance (RENAMO), consist of 20,000 men operating in all 10 provinces of the country, according to their own figures. The movement was originally created in 1977 by the white Ian Smith government of Rhodesia to punish the Mozambican authorities for their support of Robert

Mugabe's guerrillas. After the switch to black majority rule in Rhodesia (now Zimbabwe) in 1980, RENAMO lost its bases there, and South Africa took over sponsorship of the guerrillas.

But to the dismay of other African states, a treaty was signed in March 1984 between Mozambique and South Africa — the so-called Nkomati Accord — according to which South Africa would stop supporting RENAMO if Mozambique would stop the African National Congress, which seeks to overthrow the Pretoria regime, from operating out of Mozambique. This did not put an end to RENAMO's activities, and Mozambican government spokesmen claim that the South Africans are violating the agreement by continuing to support RENAMO. South Africa denies the charge.

Fighting the war consumes an estimated 42 percent of Mozambique's national budget. President Machel's ill-trained and reluctant troops are supported by forces from Zimbabwe, estimated at 15,000 men. Without them, many doubt Machel could

survive. Their most important task is to keep open the oil pipeline and railway line from Harare, the capital of Zimbabwe, to the coastal port of Beira in Mozambique.

According to one expert's rule of thumb, it takes only 5,000 guerrillas to tie down an army of 50,000 men. But an accurate assessment of rebel strength is difficult, since accounts vary considerably. According to its own claims, RENAMO could capture Maputo tomorrow if it wanted to. The only thing that is holding RENAMO back, its leaders say, is that the group wants U.S. recognition in advance, though recognition usually only follows a successful takeover, not the reverse.

"You can put it this way," says Henriksen. RENAMO forces "are a lot more formidable than Frelimo wants to admit, but they are not as formidable as they claim themselves."

"What we are talking about is a rather inchoate organization which controls, let's say, 10 percent of the country. But — and this is the most important thing for a guerrilla organization — they deny the government control of 90 percent of the country. So in a way, they are more effective than any other insurgency in the world today," says Michael S. Radu, an associate of the Foreign Policy Research Institute in Philadelphia.

The rebels are constantly harassing government troops, cutting power lines and ambushing convoys, while the government only controls the main cities and the Beira coastal port region. The brazenness of the rebels is such that, according to one government spokesman quoted in the press, "They travel in groups of 1,000 or more."

Among their successes has been the repeated destruction of the pylons of the Cabora Dassa dam project in the Tete province. In February they also managed to capture the country's most important sugar refineries, in the town of Marromeu. After the attack, a spokesman for RENAMO declared, "This is the end of Mozambique's sugar industry." The rebels have also succeeded in retaking their headquarters, Casa Banana, in the Gorongosa area of central Mozambique. It had been captured by the government in a joint Mozambican-Zimbabwean operation last August. The rebel position has recently come under attack again.

In his attempts to respond, Machel has given added power to three of his top aides, and last year he recalled army Gen. Alberto Chipande — a former defense minister and folk hero who, according to legend, fired the first shot in Frelimo's war against the Portuguese — to lead the fight against RENAMO. So far, attempts at negotiations between the two sides have broken down.

Despite its successes, RENAMO has a largely negative image in the West. The organization has frequently been dismissed as a stooge, first of the Rhodesians and now

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UN plan for Africa

Africans see possible gains, but lament lack of aid commitment from West

By Mary Anne Weaver

United Nations, N.Y.

Many Africans were disappointed, others quietly accepted what were perceived as potential future gains, as the United Nations special session on Africa's critical economic crisis ended Sunday night.

Following the marathon session, a number of questions remain. Will Africa be able or willing to bring about major economic reforms, and will the financial support of the industrial nations be forthcoming? Just as important, is how the new Western guidelines will affect future relationships between the world's economic giants and impoverished Africa.

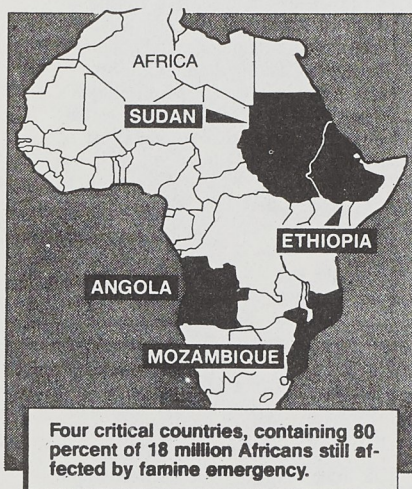
Essentially, the Africans and the world's major donor countries have agreed to disagree.

In a delicately worded compromise document, approved unanimously, the world's nations chartered a five-year program to revive Africa's devastated economies.

But the United States and the majority of the world's donor nations made no specific commitments on aid or debt relief. They simply agreed to commit themselves to "make every effort to provide sufficient resources" to support Africa.

The negotiations marked a major shift in strategy for both Africa and the donor states. Throughout the session, the industrial nations, led by the US, made it clear that increased aid would depend on major structural reform in the African continent's economies. An emphasis was placed, particularly by the US, France, and Britain, on private sector initiatives.

"Let's be candid, we asked for a commitment and it was not forthcoming," says Ide Oumarou, secretary-general of the Organization of African Unity (OAU). "We did not expect this to be a pledging conference, but what we have received in



the way of proposals is far less concrete than what we expected . . ."

Senegal's foreign minister Ibrahim Fall, disagreed. Stressing the fact that a compromise document had emerged, he told the press that "the African group is satisfied."

Although the document is not binding on member governments, it will serve as a focal point for future aid and debt relief for Africa. It includes measures to deal with food emergencies and drought, and it details a recovery program for agricultural production and for the continent's trade, finance, and educational needs.

The mere fact that the special UN session, the first such session devoted to a regional economic problem in the organization's 40-year history, did not fall apart in chaos was viewed as a triumph by some. For, from the beginning, the Africans and the donor nations were split on the session's goals.

At issue were the details of a 211-page document, prepared by the OAU, which outlined a comprehensive program for Africa's economic reform. The major stumbling block was the document's call for Western industrialized states to provide Africa with \$45.6 billion in additional assistance over the next five years, and to forgive debts amounting from \$35

billion to \$55 billion over the same period.

Officials from donor nations, led by the US, had made it clear that they would resist making specific commitments for additional aid. The \$45.6 billions requested by the Africans would amount to a 130 percent increase over present levels of aid. Debt relief would be considered case by case, one Western official said.

Notable exceptions were Canada, Denmark, and the Netherlands, all of which agreed to substantial African debt relief.

Even without external assistance, Africa's recovery program would not "go back into the cooler," says Bolaji Akinyemi, Nigeria's minister of external affairs. "We are not seeking to make Africa a charity case," he added, noting that more than 70 percent (\$82.5 billion) of the resources needed to solve Africa's wrenching economic problems was to be provided by the Africans themselves.

There was some skepticism among Western nations as to how Africa would be able to finance its share of the cost.

"Different states have different programs," Mr. Akinyemi said. Nigeria was reducing oil subsidies, imposing a surcharge on import levies, and channeling resources into agricultural. He also implied that a trade embargo could be imposed on the West.

Many African delegates were bitter at the role and the attitude of the US Secretary of State George Shultz stunned the gathering when he said — after calling on Africans to reject "discredited orthodoxies" about state planning and "give greater scope to individual initiative" — that "Africans have learned that responsibility for their economic well being rests squarely with themselves."

A number of Africans called the speech "totally reactionary."

"We do not need a lesson in Reaganomics," said one delegate.

Despite such private expressions, this special UN session — with the exception of statements from Soviet and East-bloc delegates — was remarkably free of ideological polemics and rhetorical debate. The session devoted extensive time to Africa's real challenges.

Talking Business | with N'Diaye of Development Bank

Aiding African Economies

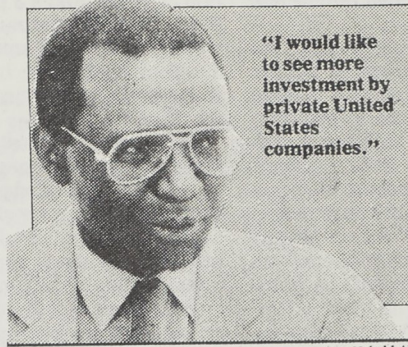
Babacar N'Diaye became president of the African Development Bank a year ago with a goal of coordinating the 22-year-old institution's lending policies more closely with the development plans of the African nations in which it was making loans. The bank and the related African Development Fund, which are based in Abidjan, Ivory Coast, have financed development projects in agricultural, transportation, power and communication investments in more than 40 countries while maintaining a double-A rating from Moody's Investors Service.

As Africa's economic problems have mounted in recent years, however, the bank has become increasingly concerned with supporting economic policy reforms that will make its projects more successful. In general, the bank's prescription has echoed that of other multilateral organizations, such as the World Bank and the International Monetary Fund: agricultural reforms, less governmental interference in markets and more support for private-sector investment.

Mr. N'Diaye was in New York last week to support the African nations' presentation to the United Nations of their case for increased international aid, and he discussed the economic prospects for the continent.

Q. To what degree will African nations, if they follow the development bank's advice, be turning their back on the Soviet Union and other Eastern bloc nations that advocate more extensive governmental control of economic activity?

A. Africa in the 80's is not taking account, as far as economics is concerned, of ideology. We are pragmatists. Countries that are on the moderate left or even left-left have recognized that too much



Soro Nehold-Abidjan

"I would like to see more investment by private United States companies."

centralization is a burden on the economy.

Q. What role do you see for United States commercial banks in future development?

A. Commercial banking follows investment. I would like to see more investment by private United States companies. Commercial banking activity has been reduced since 1981, firstly because the level of economic activity wasn't appropriate for lending. It's an important sign of recovery when we see more commercial banking activity in a country. There are examples today of new activity, such as the loan packages with the Ivory Coast co-financed by the African Development Bank and World Bank in which commercial banks also made loans to the Government on commercial terms. Also in Cameroon.

Q. One of the reasons that banks and American companies have been reluctant to go to Africa has been the difficulty of doing business there, not just because of transportation and communications problems but things like the legendary corruption in places such as Nigeria. Is there a cultural problem and if so is

there any sign that this is changing?

A. The corruption is more a sign of underdevelopment than cultural differences. But there is a cultural problem in determining how to associate the population with development, in what to do to get people to realize the amount of work to be done to break the vicious cycle of underdevelopment. We have in Africa a very extended notion of family structure. It's very good on a human basis but one could ask whether it is a brake on the development process. Do we try to build development around that structure or to reduce the pressure of the family on individuals? How can you model development around a person who might be trying to stretch his salary to take care of 10 or 20 people? The debate is still open.

Q. Do you ever find the African Development Bank disagreeing with the World Bank or other banks on what the next step should be?

A. Over all, what the World Bank and the International Monetary Fund have been doing in Africa is very commendable. It's very difficult to disagree on the treatment. How it is given is where we may differ, such as how much devaluation or what steps should be taken to liberalize trade while protecting infant industries. There may be a recommendation to reduce salaries for civil servants to a market level. That's very good, but if you try to apply it in some countries, where there is no subsidy for staple foods, people would be starving.

Q. What has been the impact of the past week's United Nations conference on Africa's problems and the bank's efforts?

A. The conference has mobilized the whole world at a high level to discuss Africa. That has sensitized people about the problem. It's like a road show for the capital markets. You make your presentation without thinking to make a transaction at that moment. The second step is to capitalize on the good will created.

Barnaby J. Feder

THE CHRISTIAN SCIENCE MONITOR

JUNE 2, 1986

Mali's plans to go high-tech

By Christopher Smart

Special to The Christian Science Monitor

Bamako, Mali

With the help of Western donors, this struggling corner of the third world is going high-tech. One focus in the new drive to streamline the Malian government includes a limited attempt to put the country on computer.

For many years now, the government has relied on a single large system in the Ministry of Planning to do much of its computer work.

The budget, the payroll, and the tax calculations are all done on the same aging machine. There are perhaps another 80 desk-top computers distributed throughout the rest of the administration.

But over the next few years, with equipment provided by France, the United States, and the World Bank, the Malians hope to do more and more work

on computer.

Several hurdles remain. Ask Kalilou Diakité, chief of data processing at the Ministry of Planning, just how many computer experts there are in Mali. "In the whole administration? In public service? Oh, let's say about 20 managers," he estimates. "We really need people."

Beyond a serious shortage of qualified technical people, there is also the problem of adapting the slow and awkward bureaucratic structure already in place to the computer age.

Raw data and results from the field for the computers to analyze are often wildly inaccurate, according to Western aid workers. The computer results are no better.

"We're trying to sensitize people to show them that what you put in the computer is what it will give you as a result,

says Mr. Diakité.

Before putting its employee payroll on computer, for example, the government has had to check it to eliminate identification numbers that appeared twice, as well as ID numbers of people who weren't actually employed.

Computers in Mali must operate with dust that fills Bamako's streets. And, the electricity is not always reliable, although most machines are equipped to handle power cuts.

Finally, Malians are confronted with the problem that occurs all over the world when people and computers first meet — a rapid heartbeat, sweaty palms, glazed eyes.

"If it exists in developed countries, it's the same thing here," says Diakité with a broad smile. "People are scared of the machine."

New ways to feed Africa's hungry

THANKS to rain, improved crops, and a generous outpouring of emergency aid from all corners of the world, the severity of the African famine and its effects has been greatly eased.

But for more than 700 million people around the globe, by World Bank estimates, the problem of hunger persists as a daily challenge. Those most able to help must continue to do so. It is heartening to realize that, long past the time when many had predicted a burnout in the global compassion quotient on this issue, outward signs of such concern still surface. The freshest evidence: the turnout a week ago of millions joining hands across America to raise funds for the hungry within United States borders and the estimated 20 million runners from Britain (with 1 million, the largest contingent) to Budapest to Burkina Faso, in West Africa, who took part in Sport Aid, raising funds once again for Africa's hungry.

As the earth's poorest continent — with substantial debt — Africa deserves the spotlight on this issue in a way no other region does. It had it last week as the 159 members of the UN, gathered in an unprecedented special session requested by Abdou Diouf, chairman of the Organization of African Unity, debated how best to help Africa recover and do better in feeding its own.

Perhaps the most important theme to emerge from the conference was the widespread recognition that a number of African countries could fight hunger more effectively by radically revamping their internal economic policies. In many, state marketing boards have kept prices of crops artificially low, leaving farmers little incentive to produce beyond their own needs. Often, too, centralized government planning has emphasized inefficient state-owned industries at the expense of solid development of the agricultural sector. Some changes are already under way. Kenya, which set a higher, more realistic price for its maize last year, for instance, has had an almost 50 percent increase in production. Zambia has had similar gains.

In Ethiopia, Sudan, Mozambique, and Angola, where

the need for food remains strongest, civil wars continue to interfere with the planting, harvesting, and distribution of crops. And a 3 percent population growth rate on the continent continues to outpace food production, which has declined annually for the last two decades. At a recent conference in Zimbabwe, 29 African leaders supported a resolution urging stepped-up efforts in family planning.

It is heartening that many African leaders themselves recognize that the hunger problem has a complex web of causes and have pledged internal reforms, even as they continue to press for sharp increases in actual aid.

Despite such pleas, help for Africa's hungry from the rest of the globe is expected to continue at the current rate of about \$7 billion a year.

Some nations will do more than they have. The Netherlands, already in proportion to its wealth one of the top foreign aid givers in the developed world, said last week it would extend an additional \$80 million to Africa in debt relief. And Canada has offered a 15-year moratorium on African repayment of development loans.

The US, now helping Africa with \$1 billion in annual aid, would do well to increase its share. The development and humanitarian portion of American aid, which was once its sole aim, has been declining in proportion to increases in military aid to strategic allies. The merits of humanitarian aid — vital help for help's sake — must not be forgotten.

The new stress in Africa on policy change is welcome. A move toward free-market economies has certainly helped improve production in some communist states. But Africa will need strong international support during that transition and a generous helping hand.

That help can come in a variety of ways. As President Reagan observed in a statement read at the UN special session: "It is the prayer of the American people that peace will come with prosperity so that the great continent of Africa can realize its vast potential." The point is well taken internationally, just as at home.

THE NEW YORK TIMES,

JUNE 5, 1986

Something Better Out of Africa

Unanimous resolutions of the United Nations are usually meaningless. An exception is the landmark document on Africa's economic calamities just approved by the General Assembly. It forsakes jargon about New International Orders and neocolonialism to address, in practical terms, the need for self-help, price incentives, reforestation and monetary reforms. It speaks positively even of "the private sector." It's an approach that Americans can applaud, and nourish.

A single, cruel statistic helps explain the changing mood in Africa. Of its 50-odd states, 29 are poorer today than they were in 1960. They suffer from drought, disease, dependency, demographics and debt. A new generation of leaders exemplified by Senegal's President, Abdou Diouf, is therefore looking inward as well as out, at failed policies that beggar farmers and swell urban slums. It is their voice that carried the day at the U.N.

The Reagan Administration deserves some credit for its tireless advocacy of market incentives and structural reforms. Having won converts in Af-

rica, it now needs to win votes in Congress for its \$1 billion aid request for the sub-Saharan region. But a Congress that responds emotionally to disaster sees few votes in development. It threatens major cuts in foreign aid even though the current request for Africa is 10 percent less than the amount spent last year.

Slashing that aid would be heartless and foolish. Moving away from centralized marketing systems imposes short-term political costs. One way to soften the blow is through direct aid; another is by restructuring foreign debts in return for commitments to structural reforms. The United States cannot in conscience respond to a plea for "partnership" with more lectures about the magic of the marketplace.

But Congress will not respond only to the State Department. President Reagan has yet to raise his voice for Africa — or foreign aid. And the millions of Americans who join in live-aid concerts for famine relief have yet to speak out for sending seeds and tools. They now have their chance.

New Game in Africa

Some of our more cynical friends might call the words "serious United Nations session" an oxymoron, a phrase that combines contradictory thoughts. But the U.N. has just concluded a truly serious special session on the problems of Africa. The mood change is owed importantly to more self-assured U.S. leadership.

Third World delegates to the special session laid aside, for the most part, their defiant anti-colonial rhetoric. Gone as well was goody-goody First World soft soap. The Communists, short on both cash and ideas, were mainly bystanders. A new realism prevailed.

Africans agreed in a draft report that they must take responsibility for their own development, which is another way of saying that there are no longer any illusions about vast wealth transfers from the industrial world. The document stressed the importance of rebuilding agriculture, which has suffered badly from the stranglehold of price controls and hapless central planning. Most significant of all was a commitment from Africans to rely more on the private sector.

None of this happened by accident. Ronald Reagan, when he became president, shared the skepticism of many Americans about the past achievements of U.S. foreign aid. One of his first acts was to face down world-wide pressure for "global negotiations," which he recognized as a euphemism for letting General Assembly have-nots permanently tap the public treasuries of productive nations. He also scuttled the U.N. Law of the Sea initiative, another attempt at pocket-picking.

A counteroffer to these demands for a free ride came in last year's "Baker plan." Debtor countries would have to adopt policies to foster their own growth if they wanted aid from the U.S., the IMF and the World Bank. U.S. policy was brought up to date for the Africans last week with these words to the General Assembly from Secretary of State Shultz:

"Some of our assistance has been counterproductive, contributing to stagnating public sectors rather than to vital private enterprise. As a result, we are starting to shift more assis-

tance from public to private entities. Two years ago, through the Economic Policy Reform Program, we began using our foreign-aid resources to give incentives and support to countries that had undertaken such internal reforms. In 1985, we gave \$75 million to five African countries—Malawi, Mali, Mauritius, Rwanda and Zambia. This year we are engaged in discussions with four other African countries who may join our program. We can do more for Africans who are trying to reform their economies, and we will."

Mr. Shultz went on to say that if countries want investment, they had better find ways to build investor confidence. They can best do that with policies that secure individual rights, social justice and political stability. If you want a development model to follow, he suggested, you might consider the United States of America.

Did the Africans bridle at this forthright talk? Did they turn instead to advice from the Communist camp, to renounce their foreign debts and go it alone? They did neither. Their leaders now know that the game has changed. They will have to get their money through productive reform rather than by playing on the residual guilts of liberal elites over the alleged sins of the colonial era. Mr. Reagan, Mr. Shultz and Mr. Baker are not guilt-ridden.

The new rules say that if you want to draw on the public treasuries of the developed world, first demonstrate that you can attract private investment. Public money shouldn't be squandered on bad investments.

Are African leaders insulted? Perhaps some are, but not many. Most are too proud to have enjoyed mendicant status. Will all of them be able to meet the new terms? Clearly not. Some are so burdened with corruption and despotism as to seem, for the moment at least, irredeemable. Only humanitarian aid for their peoples will be justifiable.

But those who accept the bargain and sincerely try to abide by it can look forward to a brighter future. The bargain is based in realism, and as a forum to advance it, the U.N. has actually served a serious purpose.

Partnership With Africa

THE UNITED NATIONS General Assembly, so often denounced as a ~~sinkhole of~~ anti-Americanism, has given the United States an extraordinary triumph. After a debate of a businesslike sort that many ~~thought had gone~~ out of style in that forum, the assembly voted as one for an African development plan based substantially on principles proclaimed by the Reagan administration. "The United States firmly believes that our own development experience is a useful guide," Secretary of State George Shultz told the assembly's special session on Africa. The assembly largely agreed.

In their first generation after winning political independence, Africans tended to reject the free-market approaches identified with the West, to turn toward policies emphasizing state direction and the Soviet example, and to call upon the former colonial powers to provide something very like reparations. But calamity forced on Africa a deep policy review, which happened to coincide with the advent of an American administration preaching "the magic of the marketplace." Not so much perhaps under American pressure as under the power of American ideas—an especially relevant view, by the way, in China—Africans have moved the American way.

The U. N. special session, however, did more than agree that policy reform and self-help, especially in agriculture, are the essentials of African progress. It detailed the external causes of Africa's despair—recession, low commodity prices and so on—and endorsed a development "partnership" between Africa and the industrial world. Reform is the intended African contribution; it is already coming, although not everywhere with equal vigor and effectiveness. The intended Western contribution is aid—debt relief, food, development assistance, trade access.

Black Africa is at a historic place, poised to embrace Western economic principles and, with them, a continuing, voluntary, ever-closer association with the West. It is a moment of rare promise in the struggle between communism and the noncommunist world—a moment the Reagan administration, badly in need of successes in Africa, is entitled to savor.

There's one hitch: Congress is in the throes of decimating foreign aid for Africa. This was reckless before the special session. It is doubly foolish now. American support is the key to contributions by others; the whole package is needed to give the new partnership a chance. The United States, if it does not find the funds somewhere, will be defaulting on its commitment at New York. It will be throwing away a rich opportunity for long-term American advantage. It will be robbing Africa of hope.

Aid for Africa

It would be folly at this late date to suggest that the United Nations has finally begun to work the way that was intended four decades ago, but the "U.N. Program of Action for African Economic Recovery and Development 1986-90" is a remarkable document because it is a reasonable and cooperative approach to economic problems of daunting magnitude and worldwide import.

The first U.N. General Assembly special session on a single region seemed destined to descend into still another blame-throwing orgy of the Third World egged on by the Communists against the West. But the long sessions presided over last week by Canadian Ambassador Stephen Lewis avoided confrontation for the sake of confrontation. The document adopted by consensus Sunday evening provided a framework for aid with which Africa and the donor nations can live.

It is a nonbinding document that commits African countries to reform and greater efficiencies, especially in food production, and the developed countries to new infusions of aid and a recognition of the need of poor African countries for debt relief. No price tag is put on the package, though it quotes an agricultural investment target of \$57.4 billion. It calls for reforestation, price incentives to farmers, encouragement of the private sector, pop-

ulation control policies and public sector spending restraints — all reforms in Africa sought by international development agencies and the donor community of the West.

Nothing in the document commits the United States to any specific level of aid. But, in the words of M. Peter McPherson, chief of the U.S. Agency for International Development, "The Africans have made a strong case indeed to Congress."

The economic problems of Africa are legion: expanding deserts due to persistent drought, social breakdown, political failures especially in the civil warfare of Ethiopia, the creation of refugee problems of enormous magnitude, the price of oil paid by the poorest countries in the past decade, and the mountain of debt accumulated while prices were dropping for the export commodities that were intended to pay it off.

The U.N. special session amounted to a practical African pledge of reforms linked to requests for assistance. No one disputes the need for aid, only the effectiveness to date and the capacity of the West to provide it. Mutual distrust between Third World and developed nations was ameliorated rather than exacerbated during the special session. Whatever is accomplished economically, that was a remarkable political achievement.

The Washington Times

JUNE 4, 1986

What Africa really needs

Hundreds of thousands of Africans face starvation, and it is unlikely that the continent's emaciated millions will get much help from the United Nations, despite its grandiloquent talk. A special U.N. General Assembly session this week called for \$128.1 billion in international programs, \$32 billion of it from Western nations.

The new plan is called the Program of Action for African Economic Recovery and Development 1986-1990. But because nearly all the aid money will go directly to local officials, some of it moving on to foreign bank accounts, the plan might better be called the Swiss Bank Assistance Program. Also consider how the remainder would be spent:

- "Drought and desertification programs." This is fine, but finesses the fact that African drought has been hastened by government agricultural bungles and, in Ethiopia, used deliberately to liquidate the political opponents of the country's Marxist junta.

- "The role of the private sector also is to be encouraged through well-defined and consistent policies." At first this appears to be a call to the free market; a second reading suggests that it is the same old "well-defined" socialism.

- "Adoption of price incentives for agricul-

tural products." This sounds more like centralized planning than capitalism.

- "Primary focus will be on women farmers," as if a continental economic collapse could be averted by an African Equal Rights Amendment, suggesting that the U.N. plan serves not so much to help Africans as to assuage liberal guilt.

- "Development of transport and communications." Roads are necessary, but it is no comfort to remember that in the Congo, for example, a modern road system went rapidly to pieces under Gen. Joseph Mobutu.

All this would be laughable but for Africa's immense suffering. As Lord Peter Bauer has insisted for 40 years, Africa and other impoverished regions will develop prosperous economies only when they shed the twin evils of socialism and economic "aid," adopting instead free markets and the rule of law.

The United States can best assist by (a) aiding such anti-Marxist movements as RENAMO in Mozambique and UNITA in Angola, (b) dropping all trade barriers to African imports, and (c) prodding the continent's governments to adopt free markets and due process — actions that would accomplish far more than highfalutin language and good intentions, which only raise false hopes.

Running for Africa

Pass the baton from food
aid to long-term development

A brisk trot on a spring day makes the body feel brighter. Jog it for a good cause and the soul feels lighter too. The Race Against Time, in which some 20m people sped non-competitively through the world's streets last Sunday, was a credit once again to the scruffy Dublin charisma of Mr Bob Geldof. His Sport Aid seems likely to gross rather more for African charity than the amazing \$70m-plus raised by his Live Aid concert last summer, even without the Americans, who were this time holding hands across their continent for the charity that begins at home.

Be proud for the donors, but understand some recipients' qualms. Africans are rightly irritated by the latest appeals to feed the starving, partly because not many of them are starving this year, except because of wars (Sudan, Mozambique) or Marxist idiocies (Ethiopia). Africa is a continuing potential disaster but, for most of it, disaster looms tomorrow rather than today. The past year's rains have been good almost everywhere. Presents of cheap grain can depress the local market, ruin local farmers and reinforce the taste for foreign produce. Too much of the rich world's publicity about Africa—the long muddle summed up in one photograph of a starving child—is guaranteed to put off the hard-headed foreign investors and traders that Africa needs in the longer run.

It can be a prosperous continent

Mr Geldof and many of his friends are also keener on long-term cures—seeds, schools, clean water, clinics, roads, power—than on palliatives like food aid. Contemptuous of all governments, they agree that new domestic policies are needed in dozens of Africa's tiny countries, and some large ones (Nigeria, Zaire) whose mistakes match their size.

Many African governments are inching away from these mistakes, but some are still asking to be aided to continue to perpetrate them. At the United Nations special session on Africa, official spokesmen are once again arguing that all the trouble is caused by the wickedness of outsiders, past and present, under the heading of imperialism (post-, neo-, racial-, put your own prefix). This supports their claim that the cure is to give more money to the governments they are part of. The more incompetent the government, the more it wants money to help it go on being incompetent. The UN is asked to back a policy of woolly benevolence, even the reasonable parts of which (such as a general reassessment of debts that are anyway unpayable) would perpetuate foolishness and reward some thieves, not just the unlucky. The worst aid is that which enables a government to prop up an overvalued exchange rate, which has the effect of keeping down the prices paid to farmers (thus cutting their output) and subjecting imports to local licences (which the politicians' brothers-in-law sell).

Most of Africa's errors are home-made. But so are

Gambia

Local money for local colour

BANJUL

Gambia has a population of 700,000, one road and few natural resources except groundnuts—and they are not selling well. Like many a similar hot poor country with a coast, Gambia has tried to turn itself into a third-world paradise for first-world tourists. With some success. In the year to April 1985, 65,500 tourists visited Gambia, 56% more than the previous year. Over half of these visitors came from Britain, most of the rest from Scandinavia.

The Gambian government wants to keep more of the benefits of tourism for itself. At present, only about 3% of its GDP comes from hotels and restaurants. About 90% of tourists come into Gambia on charter flights with their tickets and hotel bills paid abroad, mostly to foreign airlines and to foreign-owned hotel groups. The gain to Gambia in foreign exchange comes mainly from the airport tax and from supporting services like

taxis, street vendors or local restaurants (of which there are few in Banjul, the capital). Charter tourists are reckoned to spend little more than \$50 each in the country. An average package holiday for a fortnight costs \$900, which includes flight, bed, breakfast and dinner.

Gambia has four big hotels, all of them foreign-owned. Together, they are said to have created around 2,000 jobs. The hotels buy most of their supplies from abroad. Food is imported in huge container lorries, even though Gambia could supply both fish and livestock. The Hotel Atlantic, owned by Copthorne Hotels, a British company, welcomes about 8,000 holidaymakers a year. All of them come on package tours paid for outside Gambia. Around 60% of the hotel's daily expenses go abroad. The hotel pays about \$300,000 annually in local taxes.

Gambia wants to foster local investment in the tourism industry and to encourage hotels and restaurants to buy local produce. Last year, Mr Saihou Ceesay, a local businessman, bought the Palm Grove Hotel. The government now has five outstanding applications to build big hotel complexes, including two for time-sharing facilities. It has another five applications for restaurants and night clubs; and two for a bevy of bungalows.

The Washington Times JUNE 3, 1986

Nigeria urges unions to back down

LAGOS, Nigeria — The military government made a final appeal to labor unions last night to avoid confrontation with the armed forces and cancel demonstrations called to mourn students killed by police in clashes 10 days ago. The clashes at Ahmadu Bello University in the north sparked a wave of violent campus protest across the country, prompting the authorities to close over half of Nigeria's universities. A Cabinet Office statement said a planned nationwide protest tomorrow by the Nigerian Labor Congress (NLC) was a direct challenge to the authority and legitimacy of the government and declared: "The federal military government has therefore decided to meet that challenge with all the resources at its disposal."

the often forgotten things that have been done right: Zimbabwe's farming, Tanzania's literacy, Cameroon's growth rate. Official help from outside has been most effective where tough advice has been taken by African governments (Malawi and Botswana in the 1970s, Ghana and Zambia recently). The kind of aid discredited by recent experience is that given regardless of merit, to governments bound to misuse it.

The great virtue of private-sector help, as mustered by Sport Aid and the longer-term fund-raising charities, is that it can and should be spent selectively, to back small initiatives that really do good. It can also remind the big aid donors of how to get value for money. But these advantages will be lost if Africans continue to be portrayed as the starving ones, mouths open, hands idle. That is a false image. Those who wish Africa well should run it out of town.

AFRICANS MAKE CASE FOR AID (Continued)

nearly \$1 billion foreign aid request for Africa, the specialists said yesterday. The prospect of increased African aid, they added, is dim.

"The administration's disposition continues to concentrate [potential] cuts on countries that are not Israel, Egypt or countries where we have military bases," said a House staff member who asked not to be named. "As a result, African aid is not likely to pick up all that much. In fact, it's likely to decline significantly."

The White House has asked Congress to appropriate \$974 million for Africa for the coming fiscal year, including \$340 million for development assistance, \$410.5 million for economic support, and \$223 million for the Food for Peace pro-

gram. An additional \$47 million for the Peace Corps would bring the total to \$1.021 billion.

That figure would be up from \$872 million appropriated for 1986.

The U.N. action, said the House aide, "is kind of a marker point. The question is whether Congress in the end will summon up the political will to make hard choices and put more into Africa."

Now, said Berg of the Overseas Development Council, "The Africans have thought more about the problems than the donors have. The donors started this. They said last year, 'You have to do major reforms.' The Africans have been reforming like mad out of great necessity. The donors are now falling behind in the implicit bargains they struck."

CLERICS VOW TO DEFY PROTEST BAN (Continued)

Government."

"I am afraid that this will lead to a new confrontation with the Government, which will not hesitate to use police and tear gas against churchgoers," he said.

The comments from the two leading clerics seemed to deepen the looming confrontation. Already, the major black labor federations and anti-apartheid groups such as the United Democratic Front and the Azanian People's Organization have urged their followers to stay away from work on June 16 in what amounts to a general strike.

The authorities, thus, seemed pitted against some of the most powerful forces among their opponents — the church, organized labor and protest organizations — in seeking to prohibit observances on June 16.

"I hope and pray that the Minister will realize the serious danger of possible confrontation into which the churches may be forced," said the Rev. Beyers Naude, General Secretary of the South African Council of Churches.

On the foreign exchange markets, the rand sank to 38.7 American cents, one of its lowest values since part of the country's foreign debt repayments were frozen last year.

It later recovered most of its losses, but foreign exchange dealers attributed its fall to growing uncertainty over June 16.

In central Johannesburg, meanwhile, blacks stoned a supermarket after the police stopped the first political meeting scheduled since yesterday's ban was announced.

US COMPANIES EDGING OUT OF SOUTH AFRICA (Continued)

pealing each year. GM sold only 305,000 vehicles last year, vs. 453,000 in 1981. (It won't give sales or earnings figures.) It reportedly hasn't turned a profit in three years. In fact, the auto market is so slow, and the competition so fierce among the 14 companies (including Japanese) manufacturing there, that there is a major shakeout going on; Ford, for example, has merged with a South African competitor.

GM and Ford are not alone. All US companies face a daunting set of statistics. Before the 1980s, South Africa's economy grew by 6 or 7 percent a year. But since 1982, the increase in gross domestic product has averaged only 0.7 percent a year (after inflation), according to the International Monetary Fund. Unemployment stands at around 30 percent, making it difficult for companies to sell their products, even if political unrest doesn't preclude the products from being made.

The rand, South Africa's currency, is worth less than half what it was in 1982. While that makes South Africa's exports more attractive, it also makes imports more expensive and throws a damper on growth.

That spells ever declining profits for US companies there. They have watched their after-tax return on investment go from a robust 31 percent in 1980 to 7 percent in 1983, according to the IRR. In 1984, companies lost nearly \$1 for every \$10 in direct investment, in part because of exchange-rate fluctuations, but also because of poor sales. Most analysts expect the situation to get worse before it gets better.

These grim figures have persuaded US companies to quietly withdraw their investment dollars, even as they have publicly denied doing so. According to the Bureau of Economic Analysis, US

investment in South Africa dropped from a peak of \$2.6 billion in 1981 to an estimated \$1.3 billion last year.

Until last year, few US companies had left, although there has been a campaign in the US to get them out since the Soweto uprising 10 years ago. But last year that changed, as 38 companies closed up shop. Ten have followed suit this year, according to the IRR study. That compares with seven companies in 1984. And of the 105 largest United States banks, 55 now explicitly prohibit loans to the public sector and 26 ban loans to either private or public borrowers — twice as many as in 1984.

Many companies that have technically withdrawn from the country are keeping their feet in the door. Sixteen, including American Express, General Foods, Motorola, PepsiCo, and Trans World Airlines, have retained licensing, distribution, or franchise arrangements.

Daniel Purnell at the International Council for Equality of Opportunity Principles Inc., which monitors corporate compliance with the Sullivan Principles, thinks franchises may be the politically smart way out of South Africa for more and more companies. Japanese automakers, which have twice the South African market share of US producers, sell cars through franchises, he says. Such an arrangement insulates a company from economic tumult, he says, since it merely gets a percentage of sales and does not have to worry about protecting its machinery.

Because of political risk, no additional US companies have invested in South Africa since the beginning last year. The seal was tightened last summer by Frost & Sullivan, which analyzes the risk of operating in various countries. Just after the Botha government declared a state of emergency, Frost & Sullivan lowered

South Africa's five-year rating from B ("limited but possibly dangerous turmoil") to D-plus ("serious security concerns," where "foreign business becomes a handy scapegoat in politics"). That impelled many banks, including Chase Manhattan, to call in their loans.

And the situation has heated up since then, most recently with South Africa's raid on neighboring countries last month and the Reagan administration's request for the South African defense attaché to leave the US.

The 1985-86 school year was a banner year for student protests. Campuses that had not seen anti-apartheid activism found themselves engulfed in protests or dotted with symbolic shantytowns.

In response, colleges and universities divested \$410 million worth of stocks in companies dealing with South Africa, according to Chris Coons, who surveyed 172 colleges for the IRR. But that represents only about 1 percent of total South Africa-related endowments.

Campus protests, however, are tarnishing images of corporations that formerly escaped criticism by signing the principles outlined by the Rev. Leon Sullivan, which work to improve the living and working conditions of black employees in South Africa. Protests have spurred 18 states and many more cities and counties to screen out companies that operate in South Africa.

Laws in several big cities like Boston, San Francisco, Los Angeles, and Miami, for example, restrict dealing with financial institutions that deal with South Africa. That reportedly persuaded the investment banking firm Phibro-Solomon, which underwrites municipal bonds, to pull out of South Africa. It was losing more money in its American contracts than it was making in South Africa.

AFRICANS MAKE CASE FOR AID (Continued)

\$128 billion over the next five years. The U.N. resolution, adopted late Sunday after all-night discussions Saturday, is not binding, and donor nations, including the United States, did not pledge specific amounts of aid.

U.S. officials said yesterday they were highly pleased, however, that for the first time the African nations had pledged themselves to raise huge amounts to spur long-term development and acknowledged past errors in administering their economies and applying foreign aid.

"That forthrightness of taking their own future in hand is something that on this scale I don't re-

member ever happening," said M. Peter McPherson, head of the U.S. Agency for International Development. He cited recent economic changes in many African countries, including a decline in centralized planning and a willingness to rely more on free-market incentives for agricultural production, as evidence that many African states may have lost interest in blaming their problems on outsiders.

McPherson said he believed the new, unified African stance was motivated by "realism. The international recession, followed by drought and famine—there have been a series of failures. . . . The statism that followed their independence in a vast majority of countries simply hasn't worked. . . . It's a pragmatic thing."

SANCTIONS AGAINST SOUTH AFRICA (Continued)

ership into assuming anything other than a posture of bitter resistance. White businessmen have welcomed their government's conciliatory talks with a Commonwealth negotiating team, along with the possibility that those explorations would lead to official negotiations with the African National Congress.

South Africa's raids were intended to strengthen the white government's bargaining position and internal image at a time when 22 months of continuous pro-

test by blacks, and the failure to quell violence by both the mailed fist of repression and the velvet glove of tepid reform, have substantially weakened its image locally. The talks with the Commonwealth team were hurting the government on its right wing, too.

Renewed pressure on South Africa from the US is timely, and much more likely to be effective psychologically, if not necessarily economically, than anything that can be achieved solely by university divestment or corporate disin-

SOUTH AFRICAN OPPOSITION SPLITS OVER DIVESTMENT (Continued)

doing more harm than good in the land it is supposed to benefit — South Africa.

Opposition to divestment is not universal in this splintered land. Bishop Desmond M. Tutu, winner of the 1984 Nobel Peace Prize, reflected a widespread view among black opponents of apartheid by publicly advocating punitive sanctions.

Opposed by KwaZulu Chief

Such views are frequently expressed by, black labor unionists, but do not seem to have universal black support. Chief Gatsha Buthelezi, leader of KwaZulu, so-called homeland for the nation's 6 million Zulus, opposes divestment and other sanctions on the grounds that blacks would be the first to suffer from the destruction of the economy.

Mrs. Suzman, a veteran of white opposition to apartheid, has her own perspective.

Divestment, she said, was "self-defeating because it blunts the one weapon that blacks are able to use to insist that their demands be accommodated — that is if they have the power to withdraw skilled labor" in a powerful economy increasingly dependent on black skills.

The withdrawal of investments, she argued, could not be seen as a measure that could be lifted after it had achieved its effect. "Once people disinvest," she said, "they don't come back."

Disappointment in America

On American campuses, she said, "I think people were probably rather disappointed by my attitude" and, at the

The African initiative follows decades of steep economic decline in many nations where subsistence farmers refused to try to grow more food to feed rapidly expanding populations. The farmers have lacked economic incentives in countries where food prices were kept artificially low to maintain political quiet.

The U.N. resolution praised recent African policy reforms, including exchange rate adjustments, debt-relief arrangements, wage and salary reductions and public employment freezes. "Though these tasks have been difficult and painful," it said, "African countries have recognized the need to bear the burden."

A congressional battle is looming, however, over simply holding the line on the Reagan administration's

Continued on page 2

vestment. But to achieve the maximum impact for good on a South Africa that is tense and volatile, the congressional legislation needs to give white South Africa the possibility of converting sticks into carrots, but without the whites' using the prevarications and obfuscations that will encourage the South African crisis to escalate indefinitely.

Robert I. Rotberg is professor of political science and history at Massachusetts Institute of Technology.

same time, the Government she opposes in Parliament seems so slow in offering tangible evidence of substantial reform that "I am not going to go on knocking my head against a stone wall" by opposing sanctions unless the Government reinforces the argument that change is coming.

That, she said, did not imply that she had dropped her opposition to sanctions, but rather that the Government was making the argument futile by offering no reformist ammunition for sanctions opponents.

From her experience in the United States, she said, divestment seemed "a wonderful moral cause and everybody feels good about it."

"But it's not going to bring down the rapid demise of the Government," she said. "The Government will plod on with its incremental changes, or, if things get really tough, you will get back into the laager attitude, close down the hatches, become self-sufficient and go into a situation approximating martial law."

The divestment campaign, she said, seemed based on the idea that change could be effected by "the short, sharp shove of sanctions."

But that conflicted with her own view that political change in this country would result from "a long process of attrition, growing repression and right-wing intransigence."

Should the withdrawal of foreign investment limit economic expansion so that budgetary planners in South Africa had to decide whether to increase spending, say, on the army or on segregated black schools, then the army

would have first claim, she said.

"If white survival is in the balance," she said, "I have no doubt which priority the Government will settle for."

Discussion Has Effects

The discussion of how apartheid should be combated has affected the Progressive Federal Party. Dr. Slabbert resigned as party leader earlier this year, arguing that Parliament and its politics were not capable of effecting real reform.

His resignation angered the party faithful, including Mrs. Suzman, who argue that, since the nation's racially segregated three-chamber Parliament is the only body capable of legislating change, then change should be sought within it.

Dr. Slabbert has argued that by seeking a role outside Parliament he might be able to promote change in other ways by mediating between the nation's many rival forces.

His resignation, and the Progressive Federal Party's continued presence in Parliament as a questioner and critic of Government policies, seem to sharpen the issue about the role of white liberals toward the ambition of a restive black majority increasingly ready to seek its own route to what is termed "liberation" from white rule.

But decisions affecting South Africa's future, the Rev. Beyers Naude, general secretary of the South African Council of Churches, said the other day, were no longer being made in Parliament, or board rooms or synods, but on the streets of segregated townships, by "those who are suffering."

STILL STRUGGLING... (CONTINUED)

of the South Africans. It does not enjoy the international respectability of Jonas Savimbi's indigenous UNITA rebels in Angola.

"That is a critique that hurts them," says Bill Pascoe of the Heritage Foundation. "But I would argue who originally created them and why is not relevant today." As for the common charge that they operate only through terror and lack popular support, Henriksen says that their very existence is evidence of some support: "You can't survive in Africa without it. It is like living in parts of New York City. If you stray into another gang's turf, you're in trouble."

Another common charge leveled against RENAMO is that it lacks a unified command structure and a unified program. "The underlying assumption is that no resistance movement is worth its salt unless

that movement has its own cadre of intellectuals who can put popular demands into a language that is intelligible to other intellectuals," says Lewis Gann, a senior fellow at the Hoover Institution. "What these local villagers say is, I presume, 'We don't want to pay taxes, we don't want party bosses, we want to adhere to our traditional customs, we want to be left alone.' However, this is not the sort of thing that makes headlines in The New York Times."

As far as neighboring South Africa is concerned, its interests in the conflict are somewhat ambiguous. At the moment, observers note, time is essential for South Africa — time to sort out the country's own internal problems. For that, the South African government needs quiet on the borders and a reduced Soviet presence in the region. "From a South African point of view, the ideal is to have a compromised and weak Frelimo in Maputo and a relatively, but not too strong, RENAMO in the hinterland, so that they can play both cards at no cost to themselves. This may not make sense from a conservative ideology, but remember, the South Africans are only ideologues as long as it suits their own interests," says Radu.

Says Henriksen: "I think at times the South Africans are torn in their outlook of

what is best for them. Some elements would like to see Frelimo destabilized and overthrown; others perhaps would like to keep Frelimo weak and somewhat dependent on them as a better course of action. It would call too much attention to themselves if they completely destabilized Mozambique.

"And as long as Frelimo does not allow its territory to be used by the African National Congress, they would probably be content with that for a time. But there may be elements in favor of a more forward policy that would like to undermine Frelimo. Realistically, the military are helping RENAMO. I don't think there is any doubt about that."

Finally, there is the U.S. policy toward the country. Despite the Reagan administration's stated policy of supporting freedom fighters around the world, the State Department, after what was characterized as a major change of policy, decided to give the government of Samora Machel \$40 million in aid in 1985.

Machel's government also sought \$1 million in nonlethal military aid — for example tents and blankets — but Congress blocked that request. This policy of trying to wean the country from Moscow toward a policy of nonalignment has been closely associated with Assistant Secretary of State for African Affairs Chester Crocker.

The State Department is encouraged by Mozambique's participation in the Nkomati Accord and a somewhat more "open" economy. As evidence of this more open economy, the State Department points out that the country has also agreed to submit its books to the International Monetary Fund, has joined the World Bank and has signed a trade agreement with the European Economic Community. In a recent television interview Crocker said, "They want to open up the country and move away from the Soviet Union."

State Department officials further argue that if Machel is ousted, the country would be ripe for a Soviet counter coup, the result being an even more hard-line Marxist government. That, they say, would likely increase the Soviet involvement in the area and the pressure on South Africa.

Others are less impressed. Says a congressional staffer: "If I were Mozambique, I'd join the World Bank and the IMF, too. Their economy is in absolute shambles." Conservatives have pointed out the irony in the United States' support of a Marxist government. Critics also claim that the administration's Mozambique policy tends to undermine its claim that it can't live with a Marxist government in Nicaragua.

As for the chances of weaning Frelimo away from the Soviets, some analysts remain doubtful. "The Soviet Union does not have the economic strength necessary to bankroll its empire. Therefore it is allowing a country like Mozambique or a country like Angola to accept massive amounts of Western aid," says Pascoe.

Henriksen agrees: "I don't think there is much prospect of winning over any government by killing them with kindness. For their own survival, they are not going to surrender their support structure. But they will certainly lean, and Moscow is encouraging them to lean toward the West for development aid. They'll be glad to take that."

"It is a bitch of a problem. Ideally, we should support RENAMO. The trouble is that there is nobody you can talk to in RENAMO and have a guarantee that he can deliver, because of the nature of the leadership," says a U.S. observer.

"If we don't feel we can support RENAMO, then the very least we can do is not support the established regime," says Henriksen. "I think our policy has to be consistent with the Reagan doctrine, that we try to roll these things [Marxist regimes] back where possible and not prop them up."

Meanwhile, there are signs that Machel is getting impatient with his new American friends. So far, the State Department has been unable to overcome congressional unwillingness to provide nonlethal military aid to a Marxist regime. Machel's U.S. visit last September did not change this.

His displeasure with U.S. tardiness may have been a factor in his recent trip to Moscow, where he met Soviet leader Mikhail Gorbachev to "renew the close ties of friendship and cooperation between the two parties, peoples and states." Since then, the anti-American rhetoric has once again started streaming full blast out of Maputo.

— Henrik Bering-Jensen

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