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A survey of Rus{siar

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Australia : ..A\$5.90 GermanyDM7.00 Ireland:qw St .IRÂ£2.10 JapanÂ¥85
0(#14825) Singapore B SS7E50)
France ... FFr23 Hong Kong.....HK\$30 Ralyie s Lire6,200 Switzerland.... ...SFr6.50
USABERIES =500

THE WORLD THIS WEEK

The
Economist

Oriental oscillations

Hang Seng index

July 31st 1964=100

6,400

6,000

5,600

5,200

4,800

Oct " Nov. Dec 7

Source: Datastream 1992

Anxiety in Hong
Kong about Chi-
na's fierce rejection of proposals
by the governor, Chris Patten,
to introduce more democracy sent the stockmarket
plunging. Li Peng, China's
prime minister, blamed Hong
Kong for the panic.

China and Vietnam signed
agreements for economic co-
operation. The occasion was a
visit by Li Peng to Hanoi, the
first trip to Vietnam by a
Chinese prime minister since
1971.

Six United Nations peace-
keepers in Cambodia were
seized by Khmer Rouge guer-
rillas, claiming they were
spies. Earlier, the Security
Council had banned border
trade between the Khmers
Rouges and traders in Thai-
land. The good news is that
the Khmers Rouges have
formed a political party to
take part in a general election
planned for next year.

Squabbling Europe

Britain is to call a second international conference on December 16th to discuss the western response to the war in Bosnia & Hercegovina. Representatives of Muslim countries, meeting in Jeddah, called for the use of force against the Serbs and to defend Bosnia's Muslims.

Politics and Current Affairs

After the murder of three members of a Turkish family, the German government banned a neo-Nazi organisation, the National Front. Two people have been arrested on charges of murder. Violence against foreign residents and asylum-seekers continued.

Britain and Spain seemed set to quarrel about almost everything at next week's EC summit in Edinburgh.

Russia's constitutional court upheld Boris Yeltsin's decision, after last year's attempted coup, to ban the Russian Communist Party at national level.

As Russia's super-parliament prepared to meet in Moscow, Boris Yeltsin called for the founding of a new political party to defend reform, and offered to join it.

Francois Mitterrand unveiled his ideas for constitutional reform in France, including a cut in the presidential term from seven years to six. The idea is to curtail some of the president's powers, and beef up those of parliament. But this d'Aluge would be strictly apres lui.

IRA bombs exploded in Manchester and Belfast, injuring about 90 people.

France and Germany agreed that their joint Euro-corps, to

be set up by 1995, could be placed under NATO command for peacekeeping operations beyond the borders of the Atlantic alliance. This im-

plies for the first time that German troops could be used outside the NATO area.

The Irish, who in last week's general election snubbed their two biggest parties and doubled the Labour Party's share of the vote to almost 20%, settled down for weeks of haggling over a fresh coalition government.

Seen off

The president of Venezuela, Carlos Andres Perez, survived this year's second putsch by disaffected soldiers. Its leaders flew off to safety in Peru, where President Alberto Fujimori himself survived an attempted coup in November.

For the first time in America, a man was sent to jail for having unprotected sex with a girl when he knew he was infected with the AIDS virus. Alberto Gonzalez was sent to prison for 9 years.

The four new women in the American Senate said they had no interest in serving on the all-male Senate Judiciary Committee. Its members became notorious last year for their grilling of Anita Hill during the Clarence Thomas hearings.

Senator Bob Dole, the Senate minority leader, hinted that the filibuster, a legislative delaying tactic, could become a preferred Republican tool.

The space shuttle Discovery launched a spy satellite into orbit, the last large military payload booked on any of the shuttles. The Pentagon will now be sticking to old-fashioned expendable rockets.

More American Indians

identify themselves as Chero-
kees than any other tribe, the
Census Bureau reported. The

smallest tribe is the Siluslaw,
with 44 members.

Consolation prize: Ross Perot
was named one of this year's
ten best-dressed shorter men
in America by Bob Stern,
president of Short Sizes Inc.

Troubles in Africa

Amid a fresh
spate of murders,
the South African
government and
the Afrlcan National Con-
gress began talks about,
among other things, multi-
racial elections. The leader of
the Inkatha Freedom Party,
Mangosuthu Buthelezi, said
he would fight any interim
government that excluded
him, and threatened seces-
sion by his territory of
KwaZulu with Natal.

The UN Security Council hud-
dled over America's offer to
send soldiers to Somalia,
provided they remain under
American command. Armed
intervention is now the only
way to end the famine
quickly.

Angola's 220-seat National
Assembly held its first meet-
ing. The 70 members elected
for the rebel UNITA move-
ment stayed away, while their
leader, Jonas Savimbi, was
refused the cabinet posts he
claimed for his party. His
troops in the north won more

territory.

INTERNATIONAL

UNITA's men know how to fight

the battlefield what he failed to win in the elections on September 29th and 30th. UNITA now rules at least 70% of Angolan territory (but a far smaller proportion of its people). Its campaign has paralysed the government and humbled the UN's 18-month-old efforts to forge a lasting peace.

It is claimed that Mr Savimbi did not give the order to attack Uige. This is difficult to believe. Ever since he rejected the result of the election, claiming it had been rigged, Mr Savimbi's troops have systematically driven government forces from vast tracts of the countryside, and from two other northern provincial capitals. Uige was simply another notch on his gun.

The assault was well organised, and required the massing of at least half a dozen UNITA units. It must have been planned. The claim that Mr Savimbi lacked control over his troops sounds implausible, given UNITA's 25-year history of tightly-run military operations. And the attack was in Mr Savimbi's style. He has not let his military guard down since the first ceasefire was signed between UNITA and the government in May 1991. The government's army has largely collapsed since then, but Mr Savimbi has not allowed UNITA's men to be demobilised. His sole, huge miscalculation was that he would defeat Mr dos Santos and the government at the polls.

Now the UN is in a quandary. Its mandate has been extended to January 30th, but there is nothing to suggest that it will have any greater success over the next two months. True, both sides in the conflict say that a greatly expanded UN mandate, including the deployment of several thousand blue helmets, could help keep the peace. But peacekeeping cannot begin until UNITA stops fighting and allows the government to assert its authority over the entire country. There is no sign of that happening soon. Mr Savimbi seems little affected by UN con-

THE ECONOMIST DECEMBER 5TH 1992

demnations that are not backed by force. After Mr Savimbi rejected the election results, America, UNITA's former patron, decided to hold back recognition of the new government, hoping to play a more constructive role by remaining neutral. But

American contact and influence over UNITA seems negligible. Outsidersâ\200\231 only instrument against Mr Savimbi is to deny him political legitimacy. Yet if he can press his military campaign to its conclusionâ\200\224control over the whole interior of the countryâ\200\224 then he may present the world with a fait accompli, and split Angola into fragments.

South Africa
Necessary
conversation

FROM OUR SOUTH AFRICA CORRESPONDENT

WO days before leaders of the South Af-

rican government and the African National Congress set out for their three-day indaba (Zulu for conference) on December 1st, masked black gunmen smashed the plate-glass windows of a golf club in the Eastern Cape. The menâ\200\224the blame was laid

Tacky

FROM A SPECIAL CORRESPONDENT IN LOST CITY

â\202\26 J T HAS always been my ambition

to build the finest hotel in the world,â\200\235 says Sol Kerzner, South Africaâ\200\231s biggest casino magnate. He has spent 850m rand (\$280m) trying. On December 1st his Lost Cityâ\200\224an adjunct to the Sun City resortâ\200\224opened in Bophuthatswana, one of South Africaâ\200\231s black â\200\234homelandsâ\200\235. The publicists call Lost City â\200\234a wondrous site, the likes of which have never been seen beforeâ\200\235. It is hard to disagree.

The main hotel, a cross between Blenheim Palace, the Taj Mahal and an Indiana Jones film set, is clad in fake rock and built to look like ancient ruins; the architect was, he says, â\200\234recreating an architecture that never really existedâ\200\235. Visitors can play golf on two 18-hole courses, explore a 25-hectare (62-acre) â\200\234jungleâ\200\235 (its 7,000 species brought from Madagascar, America and the Philippines) and splash in the worldâ\200\231s largest man-made waterfall. Sidney Sheldon, Ivana Trump, Joan Collins and Jerry

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Lost and fod in Bop

Hall were all present at the opening.
Next week Lost City will play host to the
Miss World beauty contest, held for the
first time on African soil.

Mr Kerzner knows how to make
grandiose projects work. His Sun City al-
lowed white South Africans to gamble
and meet black girls in â\200\234foreignâ\200\235
Bophuthatswana when it was illegal to
do so at home. Through his Las Vegas
connections he persuaded celebrities,
including Frank Sinatra, to sing at Sun
City, and made a fortune. More than
1.5m South Africans go there every year.

As South Africaâ\200\231s racial politics grow
more relaxed, its economy gets much
worse. It may prove difficult to fill Lost
Cityâ\200\231s 350 rooms, at prices from \$150 a
night to \$3,000. Mr Kerzner is hoping
that the end of South Africaâ\200\231s interna-
tional isolation will provide new cus-
tomers. He is convinced that foreign
tourists will want to pay hard cash to ex-
perience his unique blend of Nevada
and Africa.

INTERNATIONAL

on the Pan Africanist Congress, the ANC's blacks-only rival murdered four white revellers at a wine-tasting party, lobbed grenades into the corners of the room, and escaped. The following day, Chief Mangosuthu Buthelezi, leader of the mostly Zulu Inkatha Freedom Party, hinted that the black homeland of KwaZulu and the white-run province of Natal might join together and secede from South Africa. Both events were direct attempts to sabotage the negotiations.

The Pan Africanist Congress is against the talks because it thinks whites have no place in building a new South Africa. Chief Buthelezi is against them because he fears free elections would leave him but a modest role in the new order. Never before has President F.W. de Klerk's need for an agreement with the ANC been so clear: he has no one else to negotiate with.

The two sides have come much closer to an accord in recent months. Broadly, both want to form a joint interim government and to hold non-racial elections for a new parliament, under a transitional constitution. They differ slightly on timing (Mr de Klerk wants an election in the spring of 1994, the ANC wants the vote before the end of 1993) and, more seriously, on the future relationship of regional and central government in South Africa.

Mr de Klerk wants South Africa to contain seven strong, autonomous regions. The ANC wants smaller regions, subject to the ultimate power of the central government. This issue, which has torpedoed negotiations in the past, is tailor-made for Mr Buthelezi. He says he will seek a referendum on the semi-independence of a new, multi-racial state called KwaZulu-Natal. His proposal appeals to some whites who dislike Mr de Klerk's friendliness with the ANC and want strong regions to balance a future ANC-led central government.

Even should an agreement be reached at the indaba, both sides will have to sell an accord to their respective partners. The

Breakaway Buthelezi

72

mood in Mr de Klerk's National Party is apprehensive; one pro-government Afrikaans newspaper has even spoken of revolt. Mr de Klerk's other allies, including the leaders of the self-governing homelands

of Bophuthatswana and Ciskei, seem determined to pursue their own agendas. A long period of bargaining and manoeuvring seems to lie ahead.

The need for an agreement grows stronger as South Africa's economy deteriorates. On the eve of the indaba, Derek Keys, the finance minister, said the current year's budget deficit was likely to turn out a record. The continuing, growing violence causes more foreign companies to pull out of South Africa. The government has tightened exchange controls in response, which is never a way to win investors' confidence.

Trinidad
Cleaning up

FROM OUR CARIBBEAN CORRESPONDENT

FORMER British colonies fairly often call in policemen from Scotland Yard to deal with an awkward scandal or murder. Trinidad currently has a team in from London checking out the whole police force.

In May Rodwell Murray, an assistant commissioner of police, was accused of sexually molesting a female colleague. He said he had been framed for refusing to join a police drugs cartel which was keeping the island cocaine-friendly. Patrick Manning's People's National Movement government, then only five months old, appointed a retired judge and a preacher to listen to him. Their report convinced the government that it needed outside help.

Trinidad produces some marijuana. The local market for crack is sizeable. Cocaine comes by small boat from Venezuela, a few miles away, then moves on up the Caribbean towards North America, or Europe. As elsewhere in the Caribbean, drugs are not the only source of corruption. Nobody is surprised when low-paid customs officers drive fast cars or when politicians get rich. Few people talk to the police if they see a mystery boat unloading on their local beach. They assume that informing will win them powerful enemies.

Sorting out the police demands more than rooting out a few bad cops. Too many officers spend their time typing letters, running sports clubs or working as mechanics. There are police stations whose telephones cannot make outgoing calls, police cars off the road because there is no money to buy a fanbelt. Promotion goes with long service and a tendency to keep quiet. Officers who get energetic may find their lives made difficult, or may even find themselves taken to court by their colleagues. The government

Smart as paint, and underpaid

says it will try to put this right. There is talk of recruiting outsiders to senior management jobs.

The police are not the only public servants under scrutiny. Judges have been suing each other over professional disputes. The customs service should collect much more than it does. Back-door licences from the vehicle registry do not make for road safety. Water workers are not allowed to strike, but do disrupt the service. Officials who are unused to living on their salaries do not welcome change. And austerity is biting. The courts say public servants are owed \$500m in back pay.

The last time outsiders reported on the Trinidad police was in 1987, and it ended in farce. The police commissioner was prosecuted and acquitted; five magistrates and 52 policemen were suspended, then reinstated. This time the Scotland Yard team is determined that the right people should be identified and convicted. Some officers have refused to talk to them. They have had guns waved in their faces. But there is progress. Local people are often ready to tell an outsider things they would not dare say to a local policeman. Clean Trinidadian police officers find they can now arrest small villains and dealers who would formerly have been untouchable.

Trinidad is too well-off to qualify for aid. Next year's budget just announced makes depressing reading for those who want to keep up public-service morale. The visitors from Scotland Yard are expensive. If cleaning up the police means stemming the flow of drugs, the benefit would be felt well beyond the islands. Those working for a clean-up think it would be a nice gesture if somebody helped Trinidad pay for the job.

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