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The World Bank

1818 H Street NW

Washington DC 20433

Telephone: 202-473-1000

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Preston Travel to South Africa
(Brief) Feb 13-15, 1992

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President Lewis T. Preston Travel (Gisu Mohadjer): Zimbabwe, South Africa February 1992 - Briefs, South Africa

SOUTH AFRICA

BRIEF FOR MR. PRESTON'S VISIT

FEBRUARY 13 TO 15, 1992

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PROGRAM FOR MR. PRESTON'S VISIT TO SOUTH AFRICA
FEBRUARY 13 TO 15, 1992

Thursday, February 13, 1992

- 16.45 - Arrival in Johannesburg
Jan Smuts Airport (no official ceremony)
- 17.30 - Arrive at Sandton Sun Hotel
- 19.30 - Briefing on recent developments by
Messrs. Isaac Sam and Alun Morris of
the Bank's South Africa Country Team
- 20.00 - Dinner with Mr. Nelson Mandela and
senior ANC colleagues at the Sandton Sun

Friday, February 14, 1992

- 07.30 - Breakfast with Mr. Barend du Plessis, Minister of Finance, who plans
to fly from Cape Town overnight for the breakfast. Also
attending: Professor Owen Horwood, acting Chairman of the
Development Bank of South Africa; and Mr. Andre Le Grange, chief
executive of the same bank.
- 9.00 - End of breakfast
- Mid-morning - Meeting with Mr. Derek Keys, newly-appointed Minister for
Economic Cooperation, formerly a leading figure in the corporate
sector, at the Sandton Sun
- 12.30 - Lunch hosted by Dr. Christian Stals, Governor of the Reserve Bank of
South Africa, and Governor of the Central Bank; to be attended by
leading figures from government, business and finance. In Pretoria or
Sandton Sun.
- 14.30 - End of lunch
- 16.00 - Meeting with Julian Ogilvie-Thompson, head of the Anglo-American
group. At the group's Johannesburg headquarters.
- 17.30 - Arrive at Sandton Sun
- 18.15 - Check out

18.45 - Meeting with Mr. Frank Mdlalose, Nation Chairman of Inkatha, and senior colleagues in VIP Lounge at Jan Smuts Airport (he plans to fly from KwaZulu in a chartered plane)

19.45 - Board flight for 20.15 take-off

Note: If Mr. Mandela cannot meet Mr. Preston for dinner on February 13, Mr. Preston would instead have dinner with Mr. Cyril Ramaphosa, General Secretary of the ANC, and Thabo Mbeki, Secretary for International Affairs; and then pay a short courtesy call on Mr. Mandela during the Friday.

20.15 - Departure for London
(British Airways flight 234)

Saturday, February 15, 1992

06.45 - Arrival at London Heathrow

SOUTH AFRICA AT A GLANCE

(numbers for 1990 unless stated otherwise)

Population/Poverty

Total population: 39 million

- of which: 33 m. blacks, 5 m. whites, 1 m. Asian.

Population growth rate: 2.9 % a year.

Proportion of blacks below poverty line: 57 %

Economy

Average GNP per capita: USD 2,525 (whites USD 7,700; blacks USD 850).

Average annual growth per capita income (during 1980s): - 1.6%

GDP growth rate: - 1.0 % (+5.5 % through 60s, +3.3 % through 70s).

Current account surplus as proportion of GDP: 2.2 %

Debt as proportion of GDP: 19 % (Argentina 60 %, Mexico 51 %, Brazil 24 %).

Debt service ratio: Below 10 %.

Annual inflation rate: 14 %

Education

Matriculation passes as proportion of candidates (1989): whites 90 %, blacks 36 %

Pupils to teachers: whites 17, blacks 42.

Annual education spending per pupil (89): white USD 1,140; black USD 280.

Teachers required to bring black teacher-pupil ratios on par with white: 40,000.

Urban

	<u>1970</u>	<u>1985</u>	<u>1990</u>	<u>2000</u>
Urban population as proportion of total:	48 %	56 %	65 %	75 %

Proportion of housing stock in form of shanties: One third.

Proportion of urban households without connected water: 40 %

Black locations

Number of blacks removed by force to new areas (1960-83): 3.5 million.

Average daily one-way commuting trip for blacks: 37 km.

Annual subsidy for black urban transport: USD 520 million (USD 700 million in 92).

Labor

Proportion of black labor force without wage employment: One half (19 % in 70).

Land

Total land area reserved* for 5 m. whites: 85 % (16 m. hectares arable);
for 33 m. blacks: 13 % (2 m. hectares arable).

Health

Infant mortality (1987) (deaths per thousand, first year): blacks 63, whites 9.

* Repeal of the Land Acts officially removed distinctions, which remain in practice

POLITICAL DEVELOPMENTS

Multi-party talks to negotiate a new constitution began successfully on December 20, 1991, under a process known as the Convention for a Democratic South Africa (CODESA). Agreement is being sought on: (1) multi-party interim government or interim arrangements, preferably by the end of 1992, and (2) the mechanism for drafting and approving a new constitution. Working committees hope to report back to the main conference in March 1992.

Strong forces are impelling the main contenders, i.e. the Government and ANC, to find compromise. The economy and social fabric are disintegrating, the accord to halt township violence is tenuous, and progress towards a "coalescing center" is threatened by extremists on both sides, including members of the security forces. The governing National Party is losing votes to the Conservative Party, which favors a segregated confederacy. And potent influences, like the Conservative Party, Chief Buthelezi and the Pan Africanist Congress, have put themselves outside CODESA, planning to attack it from outside.

But the Government and ANC have fundamentally different views on the power relationships in a new political dispensation. The specific positions are described in the attached matrix. Essentially, the Government wants whites to **share power** with blacks even though they are outnumbered almost five to one. At the levels of Presidency, Cabinet, Parliament and regional government, the emphasis would be on government by consensus, with minority and regional interests promoted in a federalist structure and through decentralized local authorities. In reaching agreement on such an arrangement, **whites would have a veto** at key stages. De Klerk gave such an assurance to the white electorate before it handed him a mandate at the last general election to dismantle apartheid.

The ANC is willing to protect white interests through such instruments as a bill of rights and proportional representation, but believes **electoral power should rest with the majority** and government decisions should be made on a majority basis, with the center having most power.

So far CODESA has made little headway in deciding **what happens to the six homelands and five so-called independent states.** The leaders of two of the independent states, Bophutatswana and Ciskei, do not want to join a unified South Africa (Bophutatswana has platinum, and Ciskei is totally corrupt). The leader of the Transkei, General Bantu Holomisa, has thrown his lot in with the ANC, and has an army which he may try to trade for a position of power. Buthelezi's KwaZulu homeland, with its strong warrior traditions, will not **surrender power** to a strong central government without a fight.

The next six months will be the most crucial in South Africa's history, with both sides **having reached a psychological and political Rubicon.** The status quo cannot be maintained for long. Although the Government has repealed the so-called four pillars of apartheid (governing where blacks can live and own land and how they are registered at birth), **the fifth and main pillar of apartheid -- the constitution -- must be changed soon** to remove the basic structures of discrimination and black disempowerment.

a.morris/politics.brf/19jan92

MAIN POSITIONS ON CONSTITUTION

Party	Steps to Constitution	Final Constitution
ANC	<p>Interim Government. To be created by ongoing Convention for a Democratic South Africa (i.e. the multi-party talks). Life: 6 - 9 months. Main job: Organize open elections (on majority basis) for Constituent Assembly to draft constitution.</p>	<p>Presidency. President to be chosen in general election. Two terms of office, each 5 years. Appoints Prime Minister. Cabinet. Chosen by President. Parliament. <u>First house</u> elected on proportional basis. Decisions by majority vote. <u>Second house</u> less powerful than first, consisting of representatives of regions on proportional basis (i.e. similar to elections to US Senate). Second house can delay but not veto. Regional governments. Democratically elected, with some decentralized powers, but deferring to center.</p>
Government/ National Party	<p>Interim Government. Created through referendum in which blacks vote but whites have veto. If approved, all races would go to polls for interim parliament. Life: Years rather than months. Main job: Draft constitution, to be put to another referendum in which whites would have veto.</p> <p>(One possible compromise currently being discussed is a series of informal "interim arrangements" covering key areas of governance).</p>	<p>Presidency. 3 to 5 members with rotating chairman. Representing at least half of political parties. Decisions through consensus. Cabinet. Multi-party cabinet, with parties represented on proportional basis. Individual members appointed by President. Parliament. <u>First house</u> same as ANC. <u>Second house</u> consisting of representatives of nine regions with equal representation for each region, and each region's constituency divide equally among political parties. Second house as powerful as first, with veto. Regional government. Nine democratically-elected regional governments constitutionally-protected against interference from center.</p>

Footnote: **Inkatha's** position is broadly similar to the Government's, favoring a federalist model with strong minority representation in the second house of parliament and a high degree of autonomy among nine regional governments.

SOUTH AFRICA **WHO'S WHO**

The Hon. Barend du Plessis

**Minister of Finance;
Member of Parliament, National Party;
Governor of IMF**

Barend du Plessis has been Minister of Finance since 1984. He took over the portfolio as South Africa entered a period of unprecedented economic problems, which included a sharp drop in the gold price, the withdrawal of credit by international banks, and the disinvestment campaign. He negotiated a series of reschedulings of South Africa's debts, and shaped economic policies that produced a series of current account surpluses to service this debt. He is highly-regarded in the National Party, and -- in February 1989 -- came within eight votes of winning the election for the party leadership against de Klerk. Du Plessis was born in Johannesburg in 1940, son of a politically-active railway worker. After gaining a BSc at Potchefstroom University, he joined the administrative staff of the South African Broadcasting Corporation, where his interest in computers and data-processing led to an appointment with IBM and enrollment at the IBM Graduate School of Banking in Princeton. He began his political career with the National Party in 1972. At the end of 1991 his portfolio was reduced, with long-term economic planning being moved to another ministry while Finance retained revenue.

Professor Owen Horwood

**President and Acting Chairman, Development Bank of Southern Africa
Formerly Minister of Finance**

Owen Horwood, born in 1916, has had a distinguished career in academia and government. Graduating in economics from the University of Cape Town, he took up teaching posts in South Africa, Rhodesia and the United States (visiting professor of economics at Duke University), before becoming Principal and Vice-Chancellor of the University of Natal, and (later in his career) Vice-Chancellor of the Indian university of Durban-Westville. He served as a director of several leading South African companies, including the Rembrandt Group and Nedbank Limited. For six years he was financial adviser to the Lesotho Government. His political career began in 1970, when he was appointed a Senator in the South African Parliament. He entered the Cabinet two years later as Minister of Indian Affairs and Tourism, and in 1974 became Minister of Finance, serving in this capacity without break for nine years. He retired recently as Chairman of Nedcor Ltd. and a number of other major finance houses. He has been President of the Development Bank of Southern Africa since it was founded in 1983 to promote development of the homelands. In December 1991 he was appointed acting chairman of the bank because of the serious illness of Dr. Simon Brand.

Derek Lyle Keys

Minister of Trade and Industry

Derek Keys was brought into the Cabinet late in 1991 to give a fresh view to industrial policy. Born in 1931, he trained in commerce at the University of Witwatersrand, later qualifying as a chartered accountant. In 1956 he joined the Industrial Development Corporation (IDC) of South Africa, which had been set up by the government to promote industrial development in the main industrial centers as well as the homelands. IDC created a number of state-directed industries and parastatals. Policies favoring import substitution were eventually reversed to promote export growth. Leaving IDC in 1965, Mr. Keys spent the next 21 years as a managerial and financial adviser to a number of international companies operating in South Africa and to certain large locally-owned groups. In 1986 he became executive chairman of Gencor, the second largest mining finance house in South Africa.

Andreas (Andre) La Grange

Acting Chief Executive of Development Bank of Southern Africa

La Grange assumed his present position in January 1990 after serving for four years as one of the development Bank's four General Managers. Born in 1950, he gained degrees in economics and commerce at the University of Pretoria before working with the government and the South African Reserve Bank as an economist and researcher. He served for three years as economic adviser to the Chief Minister of the homeland of Lebowa.

Nelson Mandela

President, African National Congress

Mandela was born in July 1918 into a chief's family in the Transkei. He attended a Methodist boarding school, and won a place at the (black) University of Fort Hare, from which he was expelled for leading a student strike. He took his articles at the office of a solicitor (attorney) and gained a BA degree by correspondence and a law degree at the University of Witwatersrand. Mandela helped found the ANC Youth League in 1944, and served as its national secretary and later national chairman, eventually rising to the position of deputy leader of the ANC. He helped lead the 1952 Defiance Campaign -- the first nationally organized protest against the pass laws -- and led his own defence and that of colleagues during the protracted Treason Trial of the late 50s. Mandela was eventually forced to take his movement underground, from where he split the ANC into a series of clandestine cells, and took over leadership of the military wing of the ANC, Umkhonto we Sizwe (Spear of the Nation). With the first attacks by the ANC against strategic targets in South Africa, Mandela received guerrilla training in Algiers. Back home, his plans for a prolonged guerrilla struggle were discovered when the police raided the farm at Rivonia where ANC maintained its secret headquarters. Mandela and other ANC leaders were sentenced to life imprisonment in 1964, and were moved to Robben Island off Cape Town. Over the years, the Government refused to release Mandela despite sustained protest from overseas. Within South Africa, he became

the symbol of black resistance to apartheid. In February 1990 de Klerk made his dramatic announcement unbanning the ANC and putting South Africa on the path to constitutional reform, and Mandela was released a few days later. He became President of the ANC in July 1991 after Oliver Tambo suffered a stroke.

Thabo Mbeki

Secretary for International Affairs, ANC

Thabo Mbeki is the ANC's leading international spokesman, travelling widely to put the ANC's case to governments and support groups. Back home, he is an important ANC channel of communication with the South African Government, drawing on his training in economics and his pragmatism. He was born in the Transkei in 1942, the son of Govan Mbeki, the ANC activist. Sought by the police for his leadership of student protest, he went into exile in 1962 at the instructions of the ANC. In Britain, he gained an MA in economics at the University of Sussex. He helped mobilize the international student movement against apartheid, and after military training in Russia, represented the ANC in Zambia, Botswana, Swaziland and Nigeria. He was appointed to the ANC executive committee in 1975, based in Zambia, and took over the organization's department of international affairs in 1989.

Frank Mdlalose

**National Chairman, Inkatha;
Minister of Education and Culture, KwaZulu**

Frank Mdlalose, a founder member of Inkatha, is a long-time anti-apartheid activist who played a prominent part in the defiance campaign of the 1950s -- the first organized uprising to confront the National Party government. Born in Zululand in 1931, the son of a small trader and a teacher, he studied at Fort Hare University, where he met Chief Buthelezi, and later at the University of Natal, where he qualified as a medical practitioner. His political career began in the ANC Youth League, and he remained loyal to the ANC for many years despite his concerns about the organization's growing links with the Communist Party. In the mid-70s he left the ANC to help Buthelezi revive the defunct, Zulu-based Inkatha movement as an alternative to the ANC, and soon rose to a position of leadership.

Cyril Ramaphosa

Secretary General, ANC

Cyril Ramaphosa was elected as Secretary General of the ANC at the party's conference in Durban in July 1991. He made his name during 10 effective years as General Secretary of the National Union of Mineworkers (NUM). Ramaphosa was born in Johannesburg in 1952, the son of a policeman. He went to school in Soweto and the Northern Transvaal, and began studies for a law degree at the black University of the North at Turfloop, completing his degree through a correspondence course with the University of South Africa. Although qualified to practice as an attorney, he decided to devote his political talents to the trade union movement. In 1982 he helped form the NUM to represent black

mineworkers, and in 1985 became a founder of COSATU, the trade union federation. Throughout the 80s – between periods of detention – he organized a series of miners' strikes. At first these appeared to fail, but the union's ability to sustain industrial action, and its impressive organization, led eventually to a series of agreements between the miners and the mining companies on substantially improved wages and conditions. During this period, Ramaphosa was a leading figure in the Mass Democratic Movement, developing strong links with the ANC. After his election as Secretary General of the ANC, he was asked to lead a small team to put the ANC's case at constitutional negotiations, drawing on his proven skills as a negotiator and communicator.

Albertina Sisulu

**President, Federation of South African Women
Head of ANC Women's League**

Mrs. Sisulu was for 27 years a "Robben Island widow", separated by her husband, Walter Sisulu, who was imprisoned for life as a leader of the ANC in the 50s and 60s. She showed qualities of leadership herself, helping to organize women's protests in the townships against the pass laws and other injustices; this earned her 10 years' house arrest in Soweto. In 1983 she was elected Transvaal President of the United Democratic Front, an alliance opposed to the new tricameral parliament and its total exclusion of blacks. As a representative of the UDF she visited the United States in 1989, and met President Bush. The visit was part of the US Administration's consultations with South African groups.

Dr. Christian Lodewyk Stals

**Governor, South African Reserve Bank;
Governor of World Bank**

Dr. Stals has spent nearly all of his 35-year career at the Reserve Bank, with a short term at the Ministry of Finance. Born in 1935, he is a Doctor of Commerce of the University of Pretoria, a member of the Economic Advisory Council of the State President and a recipient of the State President's Decoration of Distinguished Service.

Pronunciation of South African names:

Ramaphosa pronounced "Ram a poser" (i.e. the ph is like p)

Thabo pronounced "Tab-oh" (the h is not pronounced)

Mbeki pronounced like "Becky" with a slight mmm sound at the start

Mdlalose pronounced "Dlah-low-zee" with a slight mmm sound at the start

La Grange pronounced "La Gran-see" (the G has a guttural sound as in
the Scottish "loch")

SOUTH AFRICA'S STATUS AT WORLD BANK AND IMF

Bank Membership. South Africa is a paid-up member of IBRD and IFC, and a contributor to IDA. It is not yet a member of MIGA. In the early 1970s, South Africa lost its place on the Boards of the Bank and Fund when none of the Executive Directors would represent it. It contributes to major decisions through the usual Governors' vote. The Government is represented at the Bank and Fund by a Special Permanent Resident Representative, currently Frans Le Roux, who deals with management at an informal level.

Bank Lending. IBRD gave substantial assistance to infrastructure development in South Africa during the 50s and 60s, especially for power generation and upgrading of railways. The last loan was in 1966, when the Bank's constituency withdrew its support of Bank engagement with South Africa.

Eligibility for Future Lending. With a per capita income of about USD 2,400 (this takes into account the so-called independent homelands), South Africa is eligible for IBRD loans, subject to (a) maintaining its present creditworthiness, (b) satisfying the Bank's debt-reporting requirements, and (c) supporting acceptable procurement arrangements.

Bank Operational Status. The Bank carefully developed a dialogue with South Africans (e.g. the Government, ANC and public utilities) during the 80s in the context of South Africa's joint operations with Bank member-countries in the region. In the week following President De Klerk dramatic U-turn on apartheid in February 1990, we began a low-profile program of studies of the main economic and social issues -- although Black opposition groups opposed Bank lending. Our program was accelerated when Nelson Mandela (in his discussion with Mr. Preston and Mr. Jaycox in November 1991) gave the signal for us to start preparing projects for an interim government. **We have always maintained the position that we can start lending to South Africa only when there is sufficient consensus in the country for an expanded role.**

IMF Lending. The IMF gave financial assistance to South Africa during the early 80s, but was this stopped by the Gramm Amendment to the US Bretton Woods Act, which is still effective. The Fund is carrying out its customary Article IV surveillance in South Africa.

BANK COUNTRY ASSISTANCE PROGRAM

Main Objectives: Immediate poverty relief while supporting policy reforms to generate export-led, labor-absorbing economic growth as basis for redistribution of wealth and economic and social opportunity. Capacity-building will be key. Program subject to final discussion during February with Government, ANC and others.

Lending Program - Phase One. Series of three quick-impact Basic Services Projects to meet urgent needs for urban housing, water and sewerage supply and waste removal, educational essentials and household heating and lighting. Subject to available resources, these projects are being identified during the first quarter of 1992, and will be presented to the Bank's Board after only after we are satisfied that there is sufficient consensus in South Africa for an expanded Bank role.

Lending Program - Phase Two. Second series of projects will support longer-term adjustment in the industrial, urban and social sectors, with lending linked to agreed reform programs. Other projects will upgrade rural infrastructure, support small-farmer development, and promote small-scale businesses. Annual lending of about USD 1 billion is envisaged in three or four years.

Country Economic and Sector Work. This has been fashioned to support economic and sector adjustment. A key focus is on the underlying reasons for poor performance of the economy, and the policy measures needed to reverse a long-term trend towards inward-looking, capital intensive manufacturing.

Sharp-Focus Advice to New Government. As a byproduct of our mainstream economic analysis and data-base development, we plan a number of short and sharply-focussed papers on key issues that will immediately face an interim government. Subjects will include: Public Expenditure Alternatives, Sustainability of a Fiscal Deficit, Structure of Protection and Concentration of Corporate Ownership, and Employment Creation.

Bank/Country Dialogue. This is expanding rapidly with a wide range of political and special interest groups. Bank-supported workshops are under way or planned on educational policy, land reform, and small-business promotion. We are also planning seminars at which South Africans learn more about the Bank and how it works.

Capacity-Building. The Bank's Economic Development Institute (EDI) has begun an assessment of how the Bank can build up in-country capacity for training South Africans in basic economic and project management. With donor support, the Bank will soon begin a program of six-month internships in which future development managers from South Africa will work with Bank country departments. And the African Capacity Building Facility will support an economics training project at the University of Cape Town.

Impact on Region. A growing, outward-looking South African economy will be good news for the smaller countries of the region, and could pull in labor, goods and bulk commodities like water supply, as well as export investment. But for such benefits to be felt, it will be necessary to develop more effective mechanisms for trade intermediation and cross-border investment. The World Bank, in cooperation with the African Development Bank, is carrying out studies to help identify such mechanisms.

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THE ECONOMY AND ITS PROSPECTS

South Africa's **USD 100 billion economy** dwarfs the other countries of Southern Africa (USD 30 billion combined GDP) with which it has crucial links. It is the most industrialized economy in sub-Saharan Africa, with manufacturing accounting for 26 percent of GDP compared with 11 percent for mining and 5 percent for agriculture. The rapid expansion of manufacturing has been encouraged by import-substitution policies.

Economic growth has been poor in the past 15 years. A gradual decline in growth performance culminated in 1990 in a drop in real GDP (see attached economic indicators), with investment as a proportion of GDP also falling. As recent population growth in South Africa has been about 2.9 percent a year, **per capita incomes have fallen** at about 1.6 percent a year over the past decade.

There are several causes to this poor performance. On the **political** front, growing social unrest, beginning with the Soweto riots of 1976, and a harsh government response, led eventually to declining investment and financial and trade sanctions, while military expenditures reached record levels in the 1970s during the war with Angola. Other causes are **structural**. Chronic neglect of the country's human capital has left the economy seriously short of skills, and the location of workers far from their workplaces has proven costly in human and efficiency terms. The policy of import-substitution has largely exhausted its possibilities, while the high capital intensity of industry has contributed to a situation in which only 50 percent of the black labor force have wage-paying jobs. Costly strategic investments in such industries as chemicals and steel have had a low return.

Over the years, a high gold price helped cushion the impact of an underperforming economy, but the **decline in the gold market** in the 80s, and rising costs of gold production in the older South African mines, have reduced corporate profitability, employment levels and government revenues.

The Government has dealt with its growing economic problems through **short-term strategies**. To match substantial net disinvestment, a current account surplus has been maintained since 1985. External debt as a percentage of GDP fell from 45 percent of GDP in 1985 to 19 percent at the end of 1990. Inflation has remained at about 15 percent a year over the past decade.

The need now is to evolve **long-term policies** to change the structure and growth path of the economy. The main objective should be to **revive economic growth as a means toward more equitable income distribution and wider access to public services**. Improved economic growth can only be achieved if there is a marked turnaround in industrial performance, **calling for an outward-looking, labor-demanding growth path**. Existing systems of trade protection and incentives should be reevaluated. And a new government must give **unambiguously favorable signals to investors**.

The government budget will be the **main tool for achieving redistribution**. There is tremendous pent-up pressure for improved education, housing, health care and other public services, while rural poverty in the poorly-endowed homelands is abject. If these pressures on a new government result in a sharp increase in the fiscal deficit, the result will be some combination of increased inflation, balance of payments difficulties and mounting external debt. For this to be avoided, public expenditure must be reallocated, the delivery of publicly-provided services improved at given cost levels, revenue increased through taxation and user charges, and subsidization policies prudently designed.

SOUTH AFRICA

Economic Indicators

Estimated pop growth rate: 2.9 1/ (1990)
 Population: 38.7 m 2/ (1990)
 GNP per Capita US\$ 2525 2/ (1990)

Summary Data	1970-80	1980-85	1985-90	1990
GDPfc growth	3.5	1.4	1.3	-1.0
GDPmp growth	3.5	1.3	1.5	-0.9
Exports GNFS growth	3.1	2.6	3.2	3.4
Imports GNFS growth	4.1	-4.1	3.6	-3.1
Current account surplus % GDP	-1.7	-0.8	2.8	2.2
Debt Service Ratio
Debt/GDP	27.2 3/	28.9	29.0	19.1
Annual Inflation Rate	10.0	14.0	15.5	14.4

.. Data not available

1/ Development Bank of Southern Africa (DBSA)

2/ Staff estimates

3/ Average for 1975-80 period

Source: South Africa Reserve Bank, Quarterly Bulletin.

CRISIS IN THE INSIDE-OUT CITIES

Nearly all economic growth in South Africa occurs in the cities. With the removal of restrictions on human movement, a **massive migration to the urban areas** has been taking place, creating squatter settlements that now constitute a third of the country's housing. About 65 percent of the population lives in the urban areas, and this will increase to threequarters by the turn of the century.

The urban sector is **inefficient on a grand scale**. Cities and townships were designed to keep blacks far apart from whites. Costs of the policy are unsustainable in human as well as efficiency terms. The average one-way commuting distance for black workers is 37 km. Some workers and domestics leave the homeland of KwaNdebele at three in the morning to reach their workplaces in the Pretoria area. The transport subsidy for urban commuters is expected to reach USD 700 million in 1993. Commuters spend 10 percent of their incomes on public transport, and high transport costs are translated into higher food prices.

Small-scale businesses are handicapped by inside-out urban profiles. Unlike urban structures in other countries, South African cities have their greatest densities on the periphery, and most economic activity at the center. These distortions, affecting workers' productivity and spending power, have resulted in a **depressed housing sector**, with investment in housing less than half of that in countries with comparable GDP (2.55% of GDP compared with between 4% and 7.5%). And the pattern of dispersed settlements has resulted in **high-cost provision of urban infrastructure and services**.

To deal with these distortions and inefficiencies, **greater integration of urban communities is essential**. This must be achieved at the physical level (in the location of housing development and provision of services) and at the institutional and fiscal levels (the merger of municipal and other local authorities and creation of joint fiscal bases).

Progress toward the creation of new metropolitan structures must wait ultimately for resolution of the **central political debate on the question of decentralization**, which is politically sensitive because of the perceived risks of political or racial gerrymandering.

However, escalating urban poverty has led to the evolution of effective **community-based "civic associations"** which are working with authorities, or in the absence of them, to **provide basic services** while engaging in the debate on national urban policy. In some areas, such as the Greater Witwatersrand around Johannesburg, the civics have joined with governmental and other groups to design urban development strategies. This process is **outpacing progress with national negotiations**. These forums provide a unique framework for planning urban reconstruction, and most of the World Bank's work in the urban sector is now being conducted within their ambit.

EDUCATION AND THE LOST GENERATION

Most black South Africans under the age of about 45 are victims of a bizarre experiment known as **"Bantu Education"**. Introduced in 1953, the system consciously sought to give blacks an inferior education to whites by training them for menial work and denying inquiry into any branch of study capable of undermining apartheid.

The Soweto riots of the 70s signalled a massive rejection of the system by the students; the resulting **politicization of education** in townships throughout the country created a "lost generation" of some 4 million unschooled and illiterate young people who will form much of the human resource pool of a post-apartheid South Africa.

Despite marginal reforms in recent years, the education system is still largely segregated along racial lines. White and Indian education is First World. For blacks and "coloureds", standards are at the low end of Third World. To administer such a variegated system in the cities and homelands, **there are 19 departments of education**.

Most white students (90%) matriculate. Only half of black students make it past primary school, with frequent repeating of grades. There are 17 white students to a teacher, while the ratio for black children is over 40:1. **Spending on education for whites is four times that for blacks** -- an improvement on the sevenfold difference 10 years ago, before the recent crash spending program for blacks by the government.

This discrimination has resulted in **daunting backlogs**. The cost of providing classrooms to accommodate all school-age children is estimated at USD 2.2 billion, not counting the recruitment and training of teachers and managers and the provision of instructional materials.

Satisfactory reform of the system must address a number of key issues. (1) Political leaders will need to redirect the energies of the **anti-learning culture** into more positive channels. (2) Given the unsustainable cost of bringing all education up to white standards in the medium-term, innovative ways are needed to **provide rudimentary access to education while aiming for high quality of instruction**. (3) Leaner and more rational administrative structures must be developed. (4) A present Government proposal to vocationalize the curriculum should be treated with caution, given the poor return to such an approach in other countries.

The internal debate on education policy has been highly fragmented. The Government recently issued an **"Educational Renewal Strategy"** which envisages a non-racial system under a single authority with a reformed curriculum and improved standardization. An opposition group, the **National Education Policy Investigation (NEPI)** is struggling to produce a coherent policy. A multi-party **Joint Working Group** has disbanded with mixed results, although participants learnt enough from the process to propose a national **Education Forum** to design a new system.

WOMEN AND THE "REMITTANCE ECONOMY"

Apartheid has separated not only white from black but has torn families apart.

The great majority of inhabitants of the homelands are women, children and old men. When black families were uprooted during the forced removals of the 60s and 70s, they found themselves in such poorly-endowed rural areas that the able-bodied men had to leave for jobs in the industrial centers to sustain their homesteads. They sent most of their wages home, and returned at Christmas and Easter to see their wives and children.

Over time, the separation became permanent. Men found new wives in the cities (polygamy is traditional among some tribes), and **failed to keep up the remittance transfers.** Growing unemployment in recent years has sharply worsened the situation. Typically, middle-aged women in the so-called independent state of Transkei use their small state pension to pay for food and education for their grandchildren. Pension payments are now drying up because the Transkei government is broke. The result: alarmingly high infant mortality rates in rural areas.

In the black settlements closer to the industrial centers, **family relations are strained by excessive commuting.** The average one-way commuting trip for blacks is 37 km (see Crisis in the Cities brief). A significant proportion of commuters travels over 50 km per trip.

In the urban areas, **many men are trapped in a cycle of political violence, crime, drink and sexual promiscuity.** The murder rate in South Africa is five times that of the United States. The number of daily murders in the slums around Cape Town (like Crossroads and Kayelisha) has reached unimaginable proportions. The spread of AIDS is serious.

During the "children's revolution" of the 70s, which began in Soweto as a protest against so-called Bantu education, **many women found themselves alienated from their teenage children,** who looked on their parents as collaborators of the apartheid system.

In an unstable environment, the women strive to provide a sound family base - but the cost can be high. Health workers in the Northern Transvaal homeland of Lebowa told World Bank staff of **unusually high levels of mental illness among women,** who blame themselves for the death of their children from malnutrition and disease.

There is no quick fix. Unmuddling the locational tangle of apartheid is a long-term task. Nor can a significant increase in employment be achieved at once. Meanwhile, **the present efforts by NGOs like Operation Hunger and some of the development trusts need to be massively expanded** within the context of a national program of poverty-alleviation **as soon as an acceptable democratic government is installed.** In the rural areas, cultivation of food lots by women has proved successful, and can be expanded, and pilot programs for women-centered rural industries in some of the homelands are promising.

Increasingly, the woman's voice is being heard. In a country of brotherhoods, the ANC for example is evolving as a non-sexist party with an influential Women's League. With the arrival of a parliamentary democracy in South Africa, **politicians will discover the potency of the "women's vote".**

MIGA

Briefing for Mr. Preston's Visit to South Africa

MIGA has received a number of inquiries from South African investors seeking investment insurance for projects in other developing countries. South Africa has its own export credit agency -- Credit Guarantee Insurance Corporation of Africa, Ltd. (CGIC) -- which can offer investment insurance, but actually has done very little. Mr. Preston should encourage South Africa to join MIGA.

MR. AND MRS. PRESTON'S VISIT TO SOUTHERN AFRICA
USEFUL ADDRESSES AND TELEPHONE NUMBERS 1/

LONDON

Mrs. Janet Hickman

Resident Administrative Officer

World Bank

New Zealand House

15th Floor

Haymarket

London, SW1 Y4TE, England

Telephone: (44-71) 930-8511

Cable Address: INTBAFRAD, London

Fax Number : (44-71) 9308515

CLARIDGE'S HOTEL

Brook Street

London W1A 2JQ, England

Telephone: (44-71) 629-8860

1/ Additional information to be provided as soon as available.

TANZANIA

Mr. Ian Porter

Resident Representative

World Bank

N.I.C. Building, 7th Floor, B

Dar-es-Salaam, Tanzania

Telephone: (255-51) 46447

Cable Address: INTBAFRAD, Dar-es-Salaam

Fax Number: (255-51) 46450

Telex Number: 41273

Home Address:

Plot 82, Kawe

Old Bagamoyo Road

Dar es Salaam

Tel. (255-51) 47764

MAWIMBINI HOTEL VILLAGE

Zanzibar

Telephone: (255-54) 31163

Telex Number: 57382

NEW MWANZA HOTEL

Mwanza

Telephone: (255-68) 3202

Telex Number: 46284

NGORONGORO LODGE

Ngorongoro, Arusha

Telephone: #3 (Ngorongoro)

or:

Ngorongoro Crater Lodge

c/o Windsor International Hotel

Arusha

Telephone: (255-57) 8078

Telex Number: 50007

ZAMBIA

Mr. John A. Innes
Resident Representative
World Bank
CMAZ Buildin
Ben Bella Road
Lusaka, Zambia
Telephone: (260-1) 226774, 229046, 222374
Cable Address: INTBAFRAD, Lusaka
Fax Number: (260-1) 225749
Telex Number: 44530

Home Address:
No. 31 Kudu Crescent
Kabulonga
Lusaka, Zambia
Tel. (260-1) 264155

Mrs. Roma Kamana
Sr. Admin. Asst.
19, Poincentia Ave.
Chelston
Lusaka, Zambia
Tel. (260-1) 281238

INTERCONTINENTAL HOTEL

Haile Selassie Avenue
Lusaka, Zambia
Telephone: (260-1) 260000
Telex Number: (965) 41440
Fax Number: (260-1) 251880

ZIMBABWE

Mr. Christiaan J. Poortman
Resident Representative
World Bank
CABS Centre, 11th Floor
Jason Moyo Avenue
Harare, Zimbabwe
Telephone: (263-4) 729611, 729612, 729613
Cable Address: INTBAFRAD, Harare
Fax Number: (263-4) 708659
Telex Number: 708659

Home Address:
2 Tudley Road
Mount Pleasant
Harare
Tel. (263-4) 308137

VICTORIA FALLS HOTEL

Telephone: (263-113) 4203/4/5
Fax Number: (263-113) 4586
Telex Number: 51651 VCFHTL or
51672 VCFHTL

SHERATON HOTEL

Telephone: (263-4) 796678
Telex Number: 26573 SHEREX

SOUTH AFRICA

Contact Persons:

Mr. Alun Morris

Carlton Hotel

Main Street

Johannesburg, So. Africa

Telephone: 3318911

Telex Number: 489045

Fax Number: 3313555 JNB-01

Dr. C. Stals

Governor of World Bank

SANDTON SUN HOTEL

5th St.,

Sandhurst

P.O. Box 784902 Sandton

2146 Johannesburg

Telephone: (27-11) 783-8701

Telex Number: (960) 430338

Fax Number: (27-11) 783-8701

COUNTRY PROFILE

SOUTH AFRICA

Here is a profile of your destination country. The profile will enable you to read about the latest business trends, the local customs, and the current political environment. Please keep in mind that some of the information may have been intended for readers of one nationality. Use your own good judgment when generalizations have been made. The intent of this profile is to make your trip as pleasurable and worry-free as possible. Bon voyage!

SOUTHERN AFRICA

Background Reading

- Becker, Peter **THE PATHFINDERS: THE SAGA OF EXPLORATION IN SOUTHERN AFRICA**
Two centuries of exploration, from the Dutch landings at Capetown in the mid-seventeenth century to David Livingstone's travels on the Zambezi River. Viking, 1985.
- Caute, David **UNDER THE SKIN: THE DEATH OF WHITE RHODESIA**
"Brilliant, atmospheric account of the last five years of Rhodesia before it became...Zimbabwe in 1980." (PW) Northwestern U. 1983.
- Coulson, David and Clark, James **THE ROOF OF AFRICA**
A journey through the mountain ranges of southern Africa..."terra incognita to most Americans...adventure and dramatic photographs...background in history, geology, and natural resources...a great trip." (PW) HR&W, 1984.
- Crapanzano, Vincent **WAITING: THE WHITES OF SOUTH AFRICA**
"Examination of South Africa...[focusing] on a village north of Cape Town...the village's white residents speak of their past and future; attitudes and expectations...feelings...experiences in Zimbabwe...reactions to criticism from abroad." (PW) Random, 1985.
- Luard, Nicholas **THE LAST WILDERNESS: A JOURNEY ACROSS THE GREAT KALAHARI DESERT**
An account of a 2,000-mile trip across the great Kalahari Desert (a region termed "the cradle of life") by a novelist-explorer. It is a celebration of the wild and a passionate plea that it not be destroyed, with fascinating portraits of those who live and visit there. S&S, 1981.
- Mallows, Wilfrid **THE MYSTERY OF THE GREAT**
A narrative structured like a detective story about the Stonehenge-like archaeological ruins in Zimbabwe. Norton, 1984.
- Morris, James **DESTINATIONS; PLACES**
Travel essays by a leading travel writer. Destinations includes essays on Rhodesia and South Africa: Places includes one on Swaziland. Oxford U, 1980; HarBraceJ, 1973.
- Ransford, Oliver **LIVINGSTONE'S LAKE: THE DRAMA OF AFRICA'S INLAND SEA**
The fabulous waters of Lake Nyasa and history of the surrounding Nyasaland (now Malawi). Transatlantic, 1977 (first published 1966). Also, Ransford's biography Livingstone in Africa (1973) and his David Livingstone, The Dark Interior (1978).
- Taylor, Jane and Van Der Post, Laurens **TESTAMENT TO THE BUSHMEN**
Story of the "tiny Stone Age people...once the sole occupants of the whole of Southern Africa and whose situation is now desperate." Van Der Post provides an essay on Bushman myth and folklore. (BL) Viking, 1985.

Van Der Post, Laurens **THE HEART OF THE HUNTER**
Story of the African Bushmen, and the aristocracy of spirit of this
aboriginal race. HarbraceJ, 1980 (first published 1961). Also, Lost World
of the Kalahari (1959) which continues the story of the African Bushman.

ANIMALS IN SOUTHERN AFRICA

Owens, Mark and Delia **CRY OF THE KALAHARI**
Memoir of a couple's seven-year stint in the central Kalahari on a
wildlife research project--"a thoroughly captivating account that should
attract animal lovers and armchair adventurers." (BL) Houghton, 1984.

HISTORY

Morris, Donald R. **WASHING OF THE SPEARS**
History of the rise and fall of the Zulu nation--"readable and lively
narrative." (BRD) S&S, 1969.

Wilson, Derek **HISTORY OF SOUTH AND CENTRAL AFRICA**
Cambridge U Press, 1975.

Novels

Gilman, Dorothy **MRS. POLLIFAX ON SAFARI (Zambia)**
The grandmotherly CIA agent is involved this time with discovering who,
on safari, is out to kill the president of Zambia. Doubleday, 1977.

Hardy, Ronald **RIVERS OF DARKNESS (Mozambique)**
Enjoyable and informative novel of Mozambique's struggle for
independence in 1973, with a cast of characters of various nationalities.
Putnam Pub Group, 1979.

Head, Bessie **A QUESTION OF POWER (Botswana/South Africa)**
The emotional breakdown and recovery of a daughter of mixed
African/English heritage. Pantheon, 1974. Also, When Rain Clouds Gather
(1969) about a black South African who teaches farming techniques to
village women in Botswana.

Rush, Norman **WHITES (Botswana)**
Six stories of whites in Africa "to help." Knopf, 1986.

Shannon, John **COURAGE (Malawi)**
Attempts of a white revolutionary to overthrow the government--a "Third
World thriller." (BRD) Norton, 1975.

Sithole, Ndabaningi **THE POLYGAMIST (Zimbabwe)**
An essentially autobiographical novel--a son returns to the Ndbele
tribe as a converted Christian. Third Press, 1972.

Smith, Wilbur **THE EYE OF THE TIGER (Mozambique)**
Adventure story of lost treasure off the coast of Mozambique.
Doubleday, 1976.

Smith, Wilbur THE LEOPARD HUNTS IN DARKNESS (Zimbabwe)

"A thriller of high-speed excitement" involving a former resident of Zimbabwe who is sent back by the World Bank to observe conservation of wildlife, only to find that the World Bank is a cover for the CIA. (FC) Doubleday, 1984.

Smith, Wilbur THE ANGELS WEEP (Zimbabwe)

The third volume of a family saga, set in Rhodesia (now Zimbabwe), in 1977, as the family is plagued by terrorist activity. (FC) Doubleday, 1983. Previous volumes in the saga are Flight of the Falcon (1982) and Men of Men (1983), which begin in nineteenth-century Africa--"a gripping tale of high adventure...historical authenticity and a profound knowledge of the land and peoples of southern Africa."

Smith, Wilbur THE SUNBIRD (Botswana)

Two novels in one: the first is about an archaeologist's search for a lost city in Botswana--"a kaleidoscopic picture of southern Africa"; the second is historical fantasy extrapolated from scrolls found in the lost city. (FC) Doubleday, 1973.

TRAVEL ARTICLES

N.Y. TIMES SUNDAY TRAVEL SECTION (X)

- 1985 Jan 27 "Lake Malawi Steamer Cruise." John A. Kerr, p. 22
 Mar 17 (Part 2, "Sophisticated Traveler") (Zambia) "The Bush:
 Africa's Cradle." Alan Cowell, p.20
1984 Nov 11 "Exploring the Highlands of Zimbabwe." A reflection of
 Scotland in Africa. Alan Cowell, p. 15

South Africa



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Overview

After 30 years of apartheid—the legal separation of the races—and nearly five years of stringent U.S. trade sanctions, South Africa is finally making some progress toward solving its racial problems. Winds of change include new and somewhat more progressive leadership of the National Party, which has ruled the country without interruption since 1948, and the formation of the Democratic Party from a coalition of three liberal parties. The government has been investigating ways to approach the inflammatory issue of universal suffrage and power sharing. And relations with some “front-line” neighbors have improved with the end of the lengthy Angolan civil war, progress toward the independence of Namibia, and South Africa’s participation in public works projects in Mozambique.

South Africa is a beautiful country generously endowed with natural resources—where racial politics impinges on every aspect of daily life. Under apartheid over 87% of the land is designated for white occupation (“white areas”); most of the rest is designated for black occupation and

divided into ten “Bantu Homelands” or “Bantustans.” In theory, blacks are considered citizens of their homelands and temporary workers in the white areas. In practice, some middle-class blacks now live without legal recognition in mixed residential areas of large cities like Cape Town and Johannesburg.

Progressive reform can come none too soon. The economy is hamstrung by international sanctions, the apartheid apparatus (which mandates 14 separate ministries of education and health, among other redundancies) is a bureaucratic extravagance, protest strikes and boycotts persist, and the price of gold, which accounts for over 40% of total exports, has recently begun to decline. Annual inflation has averaged 15% in recent years and real disposable income dropped by at least a half a percent a year throughout the 1980s. The next few years will be crucial in determining whether South Africa can bring its black majority into the political mainstream peacefully and establish friendlier relations with the industrialized nations.

Introduction

Special Notice

South Africa is currently undergoing rapid social, economic, and political change. A state of emergency exists and includes violent and non-violent daily confrontations between the black majority and the white government. The apartheid (i.e., separatism) system has been condemned by most major international organizations, including the U.N., the British Commonwealth, and the major Western industrial democracies. All U.S. banks and many major U.S. corporations have ceased business operations in the country. The Sullivan Principles, issued by the U.S. Congress and calling for ethi-

cal business practices toward the black majority by U.S. firms doing business in the country, have been abandoned by their own author in favor of complete withdrawal.

Many U.S. firms still doing business in South Africa and institutions such as universities with investments in South Africa have been the object of protests and boycotts in the United States. U.S. business travelers are advised to consult the U.S. State Department (202-377-5148) and U.S. Commerce Dept. (202-377-5148) for a status report before initiating plans to visit or to conduct business in South Africa.

The Land

The Republic of South Africa occupies the southernmost portion of the African continent, stretching from the Limpopo River in the north to Cape Agulhas in the south. South Africa shares common boundaries with Namibia (Southwest Africa), Botswana, and Zimbabwe to the north, and Mozambique and Swaziland lie to the northeast. To the west and south it borders on the South Atlantic Ocean and on the east the Indian Ocean. The independent kingdom of Lesotho is located in the southeastern interior, completely surrounded by South African territory and largely dependent for survival on good relations with South Africa.

The Climate

South Africa has a temperate climate (due to the altitude of its main cities). Since it is located in the Southern Hemisphere, its seasons are reversed from those of the North. Summer lasts from about October to March and winter from June to September. Summer temperatures rarely exceed 32° C (90° F) and nights are cool. Winter months are dry and cool, with daily temperatures of about 24° C (75° F) and -1° C (30° F) at night. Summer months are the rainy season in the Pretoria-Johannesburg area. Durban and Cape Town have heavier rainfall during winter and spring, with high humidity and some strong winds.

What to Wear. In summer (October to March) wear lightweight cotton clothes and bring a light sweater for evenings. A raincoat and umbrella are

Country Facts

Official Name: Republic of South Africa

Head of State and Government: State President Pieter W. Botha

Ruling Party: National Party

Capital Cities: Cape Town (legislative); Pretoria (administrative); Bloemfontein (judicial)

Official Languages: Afrikaans, English

Currency: Rand (R) = 100 cents

Exchange Rate: July 1989

R1:US\$0.3765/US\$1:R2.66

(See p. vii for latest value.)

Area: 1.2 million sq. km. (471,430 sq. mi.)

Population: (1989) 33.0 million

GDP Growth Rate: (1988) 3.2%

Inflation: (1988) 12.9%

Current-Account Balance: (1988)
+US\$1.27 billion

Literacy Rate: Whites 99%, Indians 85%,
Coloreds 60%, Blacks 50%

Religion: 80% Christian, plus Hindus,
Jews, and Moslems

necessary for the frequent showers. Bring warmer clothes for the winter season (April to November), although the Cape area remains very warm.

The People

The South African population numbers about 33 million. The official government population figure of about 26 million breaks down into four official racial groups: Blacks, or Africans (18 million), Whites (4.6 million), Coloureds (2.7 million) and Asians (850,000). The official tally does not include the decrease in the white population, as many South African whites abandon their country in the face of mounting troubles. Nor does the total count the nearly eight million in the "independent" Bantu Homelands of Transkei, Bophuthatswana, Venda, and Ciskei. Another six million or so blacks assigned to six "nonindependent" Homelands—Kangwane, Kwandebele, Kwazulu, Lebowa, Gazankulu, and Qua-Qua—are included in the South African census.

The "Homelands," which supposedly will eventually achieve complete political and economic independence, are not recognized by any country but South Africa. Most of their official populations live and work in South Africa proper.

Black Africans, about 74% of the population, are mainly descendents of Sotho and Nguni peoples from more northern parts of the African continent. Whites comprise about 15% of the population. Coloureds (8%) are generally descendents of miscegenation between indigenous people and the earliest European groups. Most of the Asian population (3%) descends from Indians brought to South Africa in the 19th century as indentured laborers. About 89% of the white population lives in urban areas. The capital cities are Pretoria (administrative) with a population of about 900,000; Cape Town (legislative), population 1.5 million; and Bloemfontein (judicial), population 200,000. Other major cities include Johannesburg, with a population of about 2.1 million, and Durban, 1.5 million. Soweto (from Southwest Townships), outside Johannesburg, is the largest "black township," a term used to designate the clusters of substandard housing for the black urban work force. It has 864,000 "registered tenants," but its population is closer to 1.5 million. Blacks may not reside in the white centers of cities. The areas with the largest "expatriate" communities are Johannesburg, Cape Town, and Durban.

History

South Africa was sparsely populated by Hottentot and Bushman farmers when Portuguese navigators explored the coast in 1488. Simultaneously, Bantus from Central Africa were expanding southward in search of new lands to farm and raise cattle. In 1652 the Dutch East India Company established an outpost at Cape Town and Dutch farmers began to expand inland, farming the land with imported slaves. The Dutch first clashed with the native settlers in the late 18th century in disputes over land and cattle.

Following the Napoleonic Wars in 1814, the Cape became British. Disgruntled Boer (Dutch) settlers subsequently migrated into the interior and established the Orange Free State and Transvaal as independent republics. This migration is known as the Great Trek, a pivotal point in South African history. After the discovery of gold and diamonds, more whites arrived in the area and indentured Asians, mostly Indians, were imported to work the Natal sugar plantations.

The Boer War (1899–1902) pitted the independent republics against the British. Britain won and the Union of South Africa—the Orange Free State and Transvaal plus the British colonies of Cape and Natal—was formed as a member of the British Empire. In 1913, the autonomous South African government passed the Land Act, restricting Africans to "Reserve" areas, introducing Pass Laws (by which all residents, irrespective of color, had to carry the equivalent of an internal passport), and extending labor drives to beyond national borders. Apartheid—technically the separate but equal development of the racial communities, but in practice the institutionalization of white supremacy—was introduced with the accession to power of the Afrikaners (as the Boers had come to be known) in 1948.

Because its racial policies were so far out of line with those of other member nations, South Africa in 1961 was forced to withdraw from the British Commonwealth. It became a republic on May 31, 1961.

More than 20 religious denominations are represented in South Africa, but the major ones are as follows: Dutch Reformed Church (about 2 mil-

The Economy

Mining forms the basis of the South African economy, providing 15% of GDP and nearly 75% of export earnings. Along with 50% of the world's gold reserves, the country has large reserves of diamonds, coal, platinum, chromium ore, manganese ore, fluor spar, titanium, vanadium, and zirconium. Despite a gradual decline in gold output since 1970, gradually rising gold prices have increased the value of sales.

The establishment of the South African Iron and Steel Industrial Corporation (ISCOR) and of the South African Coal, Oil, and Gas Corporation (SASOL) encouraged the development of the heavy engineering, chemical, and petroleum industries. Manufacturing now accounts for 23.7% of GDP. Major growth areas have been automobile production and chemicals.

Much livestock is raised in South Africa, along with significant quantities of fruit, wine, fish, wool, maize, sugar, and karakul pelts. Although the relative importance of agriculture, forestry, and fishing have declined to 6% of GDP, the country remains a net food exporter.

Substantial trade surpluses in recent years have been outweighed by service deficits, capital outflows, and a heavy debt burden.

lion whites); Dutch Reformed Mission Church (500,000 coloureds and 850,000 blacks); the Anglican Church (1.5 million of all groups); Roman Catholics (about 1.65 million of all groups); and large congregations of Methodists, Presbyterians, Hindus, Jews, and Moslems.

English is the mother tongue of about 40% of the white population. Afrikaans, which derives primarily from 17th-century Dutch, is the language of the Afrikaners, who comprise the other 60% of the white population. Most blacks speak one of the Bantu languages in addition to either English and Afrikaans (most prefer English). English is the most commonly used commercial language. A majority of the white population is bilingual in English or Afrikaans, with far fewer knowing one of the Bantu languages. Firms in South Africa are generally able to correspond in English. About 90% of the coloureds speak Afrikaans, but many are also bilingual. Asians speak either English or Afrikaans; some both.

Government and Politics

South Africa is a republic with a president and a 178-member House of Assembly. They are elected by whites and only whites can run for office. A new constitution, introduced in 1984, replaced the all-white Senate with the President's Council, which includes white, Asian, and coloured members. The new legislature also includes an 85-member House of Representatives for the coloured population and a 45-member House of Delegates for the Asians. These bodies have very limited legislative and administrative powers. Blacks are supposedly represented in their "Homelands."

The President is chosen by an 88-member Electoral College from the three legislative chambers. The President appoints the cabinet, introduces legislation, and presides over the President's Council. Each racial legislature is held responsible for its own housing, health, education, welfare, and local government. National defense, foreign affairs, taxes, and law and order are handled by joint standing committees from all three chambers.

The National Party (NP) has ruled South Africa since 1948, the beginning of apartheid laws. The current president, Pieter W. Botha, was re-elected in May 1987. In that election, almost half the Afrikaner vote went to the right-wing Conservative Party (CP) and English speakers deserted the liberal Progressive Federal Party and voted with the NP. The CP won nearly 30% of the total vote and replaced the PFP as the official opposition.

Recent Developments

South Africa's progress toward racial reform retains its glacial slowness but there are some indications that it is about to speed up. In early 1989, President Botha suffered a stroke and was replaced by F. W. de Klerk as leader of the National Party. A former Transvaal party boss and education minister, the 53 year-old de Klerk belongs to the somewhat more moderate "post-apartheid generation," which believes that the grand scheme introduced 30 years ago simply doesn't work and that political recognition of the black majority is essential for survival. Asserting that South Africa is facing its "moment of truth" and "final test," de Klerk has proposed a five-year plan that includes negotiations for a new constitution that may include a bill of rights, greater freedom

U.S.-South African Relations

The U.S. is officially opposed to apartheid and supports nonviolent evolution toward racial justice. Prior to 1985, the U.S. followed a policy of what has come to be called "constructive engagement": maintaining trade, political, and defense ties while using these interdependencies to apply quiet leverage for change. When this policy proved ineffective, the U.S. introduced a series of sanctions on South Africa that included bans on:

- trade in nuclear technology;
- computer sales to the South African government and security forces;
- bank loans, except where the black majority will clearly benefit;
- export support for U.S. firms employing 25 or more, which do not adhere to the Sullivan Principles (six basic principles aimed at promoting fair practice in South African operations);
- imports of Krugerrands;
- commercial flights between the U.S. and South Africa, including the exclusion of South African Airways from the U.S.;
- U.S. loans and investments;
- imports of South African coal, uranium, iron, and steel;
- imports of South African agricultural products;
- U.S. exports to South Africa of petroleum products in any form;
- textile trade between the two countries.

Other measures included a ban on imports of South African arms and munitions, a scholarship fund for black South Africans, and the establishment of an advisory board on peaceful change.

In contrast to President Reagan (whose veto of sanctions was reversed by Congress in 1986), the Bush administration has adopted a more aggressive policy toward South Africa. Along with more emphatic anti-apartheid Presidential rhetoric, the Bush administration has met with black leaders, proposed increased economic aid to blacks, and in general attempted to prod the South African government into negotiating with the black majority.

of association among races, and participation of all racial groups in national decisions. However, the National Party program rejects the principle of one man, one vote and maintains the concept of race group identity on which apartheid is founded.

In April 1989, the new, liberal Democratic Party was formed on the foundations of the 30-year-old Progressive Federal Party, National Democratic Movement, and Independent Party. With stated goals of establishing "a true democracy which rejects race as its basis and protects the human dignity and liberty of all its citizens," the Democratic Party holds 20 seats in the 178-seat House of Assembly. In elections for all three houses of parliament scheduled for September 6, 1989, de Klerk will almost certainly be elected to the presidency and the Democratic Party could win 40 seats in the House of Assembly, thus replacing the far-right Conservative party as the official opposition.

The government continues to receive severe pressure for reform from black majority political activists and foreign governments. The largest organized opposition within South Africa comes from the United Democratic Front (UDF), a coalition of 700 anti-apartheid groups, most dedicated to the nonviolent overthrow of the apartheid system. Prominent in the UDF are many academics, lawyers and other professionals, labor leaders, and church people. Among these are Allan Boesak, president of the World Alliance of Reformed Churches, and Archbishop Desmond Tutu of Cape Town, head of the South African Council of Churches and Anglican primate of South Africa. The outlawed African National Congress (ANC), whose formal leader, Nelson Mandela, has been incarcerated for 25 years, represents the more revolutionary end of the black political spectrum.

The reforms introduced so far by the Botha government have mainly given official recognition to the existence of blacks in white areas of South Africa and the need to give them political representation. From this recognition has followed the granting of property rights, the abolition of many restraints on black entrepreneurship and skills training, and the abolition of pass laws and influx control. Although whites still hold political control and own more than 90% of assets, there is a growing sense that the process of black political emancipation and economic empowerment has become unstoppable. Blacks, who accounted for just over half of South Africa's urban population in 1980, are expected to outnumber whites by five to one by 2000. Blacks already hold more than

Labor Market

The South African labor market is unique in that, by law, certain jobs (usually management, administrative, and highly technical positions) must be held by whites, Africans, coloureds, and Asians comprise the unskilled labor force. Although certain categories of reserved jobs, usually in middle management, have been opened up to nonwhites in the last ten years, whites' real earnings are still five times greater than Africans', and black unemployment is rising.

half of South Africa's spending power and occupy about one-third of the nation's middle management positions.

The economy managed to achieve a barely respectable 3.2% growth in real GDP during 1988 and continues to falter. According to the *Financial Times*, "the problem is that even such modest dynamism is unsustainable for an economy saddled with a bureaucracy it can't afford, and hobbled by trade sanctions, the exodus of more than 200 foreign companies, and above all, by the outflow of \$11 billion over the past four years." Politically inspired pay increases, a cumbersome apartheid-linked bureaucracy, persistent and often violent strikes, an official state of emergency that has so far lasted over three years, and the necessity of running a substantial current-account surplus to repay foreign debt, in practice impose a 3% ceiling on economic growth.

As a result of U.S. sanctions, Japan has replaced the U.S. as South Africa's number one trading partner, followed by West Germany, the U.K., and the U.S. But following the lead of the U.S. and some Western European countries, Japan has cut down on its trade with South Africa. Consequently, South Africa has developed flourishing and sometimes clandestine trading relationships with the newly developed and industrialized countries of Asia—South Korea, Singapore, and most notably Taiwan.

Rare cooperation between superpowers has resolved some of South Africa's international problems. The 14-year civil war in Angola is over and significant progress has been made toward the independence of Namibia (where elections are

scheduled for Nov. 1, 1989) under the de facto supervision of the United States, the Soviet Union, and South Africa. In Mozambique, South Africa continues to support the Renamo rebels against the Marxist but internationally supported government. The Electricity Corporation (Eskom) is trying to restart the important Cahora Bassa dam and is promoting a regional electricity grid.

Trends

According to the *Financial Times*, "South Africa is heading for the 1990s with a fortuitous combination of circumstances which provide guarded grounds for optimism about the future. . . . But the way in which this ethnically diverse country faces up to the challenges of the next few years will decide whether the modern, first-world sector is able to uplift and absorb the third-world part—or be dragged down by the dead weight of a rapidly rising population, a white exodus, violence, and disease."

The termination of the "imperial presidency" of P. W. Botha and the likely election of F. W. de Klerk can be seen as a mandate for gradual but steady reform. Legislation like the Free Settlement Acts is likely to be passed, giving legal recognition to existing mixed residential areas near Cape Town and Johannesburg. Attention may be paid to a government-sponsored report by the South African Law Commission that recommended that the government scrap all apartheid laws and pass a bill of rights guaranteeing the rights of individuals in all groups. Even the constitution, which bequeaths tremendous powers to the executive state president and completely excludes blacks, may have to be rewritten.

Economic and social problems generated by international sanctions, a cumbersome bureaucracy, massive foreign debt, an outflow of capital and foreign companies, are exacerbated by unpredictable—and recently falling—world gold prices. While searching for new non-gold export products and new markets, South African business leaders hope that a new reformist government will be able to change the attitudes of the foreign financial community and take advantage of the possibilities for regional cooperation opened up by the Angolan peace and forthcoming Namibian independence.

Doing Business

Black Business People

South Africa has numerous middle-class and wealthy blacks and you are quite likely to do business with them. Remember that blacks consider the official governmental terms "Bantu" and "native" offensive. The preferred terms are "Africans" or "blacks."

Language

In theory and by constitutional mandate, English and Afrikaans (a derivative of Dutch) enjoy equal status in all respects throughout the country. In practice, over 80% of white South Africans are bilingual and you will rarely encounter business contacts who do not speak English. The Language Services Bureau Division of the Department of National Education in Pretoria is responsible for maintaining the required standard of white bilingualism and should be contacted for all further details of English and Afrikaaner use. Many foreign firms produce all promotional literature in both official languages.

Working Days, Working Hours, Holidays

Business Hours

Government and Banks: 0900-1530, Mon.-Fri.; (except Wed., 0900-1300); 0900-1100, Sat. (Banking hours in rural areas vary.)

Shops: 0830-1700, Mon.-Fri.; 0830-1300 Sat. (Some shops and cafes have later hours, and some are open Sun.)

Sunday is the day of rest.

Holidays, 1989/90

New Year's Day, Jan. 1

Founder's Day, April 6

Good Friday, March 24/April 13

Ascension Day, May 4/May 24

Republic Day, May 31

Kruger Day, Oct. 10

Day of the Covenant, Dec. 16

Public Holiday, Dec. 17

Christmas Day, Dec. 25

Boxing Day, Dec. 26

Business Customs

South African businesspeople are very conservative. Business approaches should be low-key and formal. Business cards should be simple. Shake hands at the beginning and end of encounters. Extend greeting to include questions about family or other social conversation. Address colleagues as "Mr.," "Mrs.," or "Miss" until invited to do otherwise. Wear conservative business clothes, vested suits for men.

Prior appointments are mandatory for business/government meetings and punctuality is very important. Be prepared for bureaucratic delays and red tape. Don't be loud and boastful: both Afrikaners and South Africans of British descent—who may display animosity toward one another—tend to be rather reserved.

Entertaining is likely to be done in the home or at a private club. The business dinner is more common than the lunch, and *brais* (barbecues) are popular. Dinner may be served as early as 5 p.m. The fork is held European-style in the left hand and guests do not ask for anything to be passed at the table. Be prepared to stay for several hours after the meal.

You're not likely to avoid discussion of local politics in South Africa, particularly on the subject of apartheid—it is the national pastime. South Africans are likely to react defensively and aggressively if a political discussion is perceived as too critical of the country. You may feel distrusted both by whites tired of outsiders' disapproval and by blacks who feel you are not doing enough to help them change the system. Black foreigners are the object of particular scrutiny and suspicion. Surprisingly, views vary widely in the business community and there is an unexpectedly wide range of conventions and behavior.

Although apartheid laws apply to the entire country, their enforcement varies widely around the country. In Johannesburg, whites and middle-class blacks mingle freely in hotels, restaurants, bars, and newly desegregated cinemas and theaters. The trappings of "petty apartheid"—like "whites only" parks and beaches, etc.—are usually seen only in rural areas. Indeed, many afflu-

ent blacks reside in white areas of Johannesburg, Cape Town, and Durban.

The theme of a recent South African Tourism campaign was "Come See For Yourself . . ." how peaceful and pleasant the country really is. To make a business trip to South Africa is to drive over excellent roads, stay in fine (and surprisingly inexpensive) luxury hotels and guesthouses, eat in fine restaurants every night—and never lay eyes on a squalid shanty. You would receive polite service from black waiters and find wealthy and middle-class blacks staying in your hotels. You would shop or do business in downtown areas filled with black workers and without feeling afraid or threatened. Urban South Africa appears quite different from the strife-torn police state depicted on the evening news.

Taxes

South Africa has three levels of government, and each imposes its own taxes. The main taxing authority is the central government, which allocates funds to the provinces for police.

Central-government taxes include income taxes on individuals and companies, taxes on donations, death, customs and excise, sales, transfer of real estate and share transactions, annual company duties, and various stamp duties. Provinces impose entertainment and other taxes and motor vehicle fees. Municipalities levy assessment rates on real estate. Resident and nonresident individuals are taxed only on income from South African sources; individuals are taxed at progressive rates.

Taxable income consists of gross income less exempt income and allowable deductions. The U.S., Canada, Great Britain, and South Africa have concluded tax treaties for the avoidance of double taxation and the prevention of tax evasion. Capital gains are not taxed except where sales are regarded as being gross income; specifically, profits from sales of assets, including properties and securities acquired for the purpose of resale at a profit, are taxable at the same rates as ordinary income. The South African government publishes a handbook, *Taxation, Licenses, Etc.*, which can be obtained from South African consular offices abroad.

Money

Currency

There are 100 cents in one Rand.

Bills: 2, 5, 10, and 50 Rand

Coins: 1 Rand (silver); 5, 10, 20, 50 cents (nickel); 1, 2 cents (copper)

Means of Payment

Most larger establishments, including travel and tour businesses, carriers, hotels, major restaurants, and shops, will accept the popular cards, including American Express, Diners Club, and Carte Blanche. Well-known international travelers checks can be exchanged at all banks. Some hotels and shops will also exchange them; bring small denominations of travelers checks. Banking facilities are adequate.

Rand can be exchanged for dollars, and dollar travelers checks can be bought with Rand, but charges are high. Long-term visitors find a Rand checking account at a local bank very convenient. Dollar personal checks are easily exchanged for local currency at banks for a nominal fee. Only

commercial banks are authorized to deal in foreign currency.

Sales tax of 12% is charged on transactions involving the sale of goods, rental agreements, taxable services, lodging, and goods imported into the Republic.

Tippling

Tippling is not as widespread in South Africa as in Europe or North America. Tip porters about SA 50¢ to R1. Tip taxi drivers, waiters, stewards, caddies, chambermaids, and gas station attendants not more than 10%. Some hotels and restaurants will add 8–10% to the bill; tip more only for exceptional service. Do not tip hairdressers, ushers, or rail conductors.

Foreign Banks

As of this writing, every major U.S., British, and Canadian bank had ceased operations in South Africa. The First National Bank of South Africa, Ltd., Johannesburg, maintains branches in New

York and London. Corresponding institutions of Senbank, Johannesburg, include Credit Suisse, New York; First Wisconsin International Bank, Milwaukee; Hambros Bank, Ltd., London; and

National Westminster, London. Consult the U.S. State and Commerce Departments, or their equivalents, for additional information on banking services.

Communications

Time Difference

Add two hours to GMT and seven hours to EST.

Telecommunications

Telephone communication is generally good in South Africa. The cities have internal direct dial systems; direct dial also connects Johannesburg, Pretoria, Cape Town and Durban. Overseas calls can be dialed direct to the U.S. (about US\$5 for three minutes), U.K., and Europe. There is often a wait of several hours when placing long-distance calls. There is a waiting list (several months) for phone installation, which runs about R70 (\$25). Monthly charges are about R15 (\$5.50) and each call is SA 10c (US 3c). Public booths are located in hotels, shops, restaurants, etc., and instructions for use are prominently displayed on phones.

In Johannesburg, dial 1025 for operator and 1023 for directory service. For long-distance calls within South Africa use the following area codes: Bloemfontein, 51; Cape Town, 21; Durban, 31; East London, 431; Johannesburg, 11; Pretoria, 12; Port Elizabeth, 41. Phone directories can be picked up at the nearest post office.

Public telex booths are available in Pretoria, Cape Town, and Johannesburg; contact the post office for information. Telex equipment can be installed locally; there is a one-month wait for installation. Telegrams can be sent from all post offices.

Fax equipment is available in business centers located in major hotels and at Bureau Fax, Loveday & Frederick Sts., Johannesburg, Tel: 838-7281/2 ext. 28; and Multimatics (PTY) Ltd., 33 Bath Ave., Rosebank, Johannesburg, Tel: 788-1338.

Mail

International mail to and from the U.S. is dependable and takes 5-12 days. Stamps can be purchased only at post offices (weekdays 0830-1300 and 1400-1630; Sat., 0800-1200). Overnight air

service between Johannesburg, Cape Town, Durban, Pretoria, and Port Elizabeth costs SA 60c (US 27c) plus the regular postage fee.

English-Language Publications

Most South African daily newspapers are published in English. There are also numerous weekly, monthly, and quarterly periodicals. In addition, the *International Herald Tribune* and the international editions of *Time* and *Newsweek* are sold locally. Local bookstores are well stocked with current books and periodicals, including special-interest and technical journals. Editions of magazines by subscription arrive two or three months late.

TV and Radio

All radio and television is strictly state-controlled by the South African Broadcasting System (SABC).

Censorship

Since July 1985, South Africa's "state of emergency" has imposed great restrictions on press freedom. Be advised that certain books and magazines are banned and press censorship is widespread (although there is some debate on issues of national concern). Newspapers and reporters face confiscation or arrest for mentioning banned individuals or groups or for reporting on "sensitive" issues of race relations or international affairs. Certain areas of the country, most notably the black townships, are off limits to many foreigners and newpeople, and reporting on them comes only through censored government channels. South African journalists are frequently jailed for reporting on or interviewing banned South Africans. Foreign correspondents have been expelled from the country and entire issues of magazines confiscated.

North American TV sets can be modified to receive local transmissions, but only in black-and-white. The broadcast standard is PAL. South African sets are sold and rented locally. SABC-TV broadcasts take place nightly between 1730 and 2400. There are separate channels for English, Afrikaans, and Bantu-language broadcasts.

SABC-Radio mostly transmits in FM with AM broadcasts in some areas. Reception is good to excellent depending on weather conditions. There are five networks, of which one is Afrikaans, one English, and three are bilingual commercial programs. Broadcasting takes place between 0500 and 2400. Shortwave reception of Voice of America is satisfactory most of the year.

Health and Safety

Sanitation

Standards in white areas are very high; there are municipal street cleaning, garbage, and sewage systems. City water is potable, despite a brownish color found in some coastal regions because of the high iron content. Milk is pasteurized but not

homogenized. Fruits and vegetables should be washed thoroughly but do not need to be disinfected. Epidemics of contagious diseases are rare in white areas. The altitude of Pretoria/Johannesburg may affect some people upon arriving.

Malaria preventives should be taken before going into rural areas and game parks during certain seasons. Lakes and other fresh water bodies contain bilharzia; swim only in salt water or in pools. In the ocean, always swim within the shark nets. If visiting the countryside, watch for snakes and scorpions.

Before you embark, you should check with any of the following organizations, whose specific purpose is to provide emergency medical advice and care to travelers.

Intermedic (Executive Health Examiners): provides access to a directory of English-speaking physicians in 170 cities in over 90 countries. Membership: Individual, US\$6; Family, \$10. 777 Third Ave., New York, NY 10017.

International Association for Medical Assistance to Travelers (IAMAT): publishes a list of participating doctors, as well as clinics and participating hospitals, around the world. Worldwide climate charts, detailing weather and sanitary conditions, are available for a donation. No fee. 736 Center St., Lewiston, NY 14092.

Assist-Card: provides a 24-hour emergency number to arrange complete medical assistance—transportation to proper treatment facilities, local lawyers if an accident is involved, bail bonds, and a flight home if the traveler is unable to complete the trip. Fees vary with the duration of the trip. 444 Brickell Avenue, Suite M130, Miami, FL 33131.

International SOS Assistance: provides services similar to Assist-Card's. P. O. Box 11568, Philadelphia, PA 19116.

Personal Safety

Visitors are unlikely to fall victim to terrorism or civil violence. However, street crime—spurred more by drug addiction than racial unrest—is a problem in all major cities. Know where you're going during the day and especially after dark. When in doubt, find out from someone at your hotel or office whether your intended destination is safe.

Medical Assistance

There is no national medical program; all medical treatment must be paid for in full. South African medical facilities are good. Doctors, dentists, and specialists are all available, and most have studied in the U.S. or U.K. There are excellent clinics and hospitals (both public and private). Lab facilities are very good, and pharmaceuticals are easily purchased. Costs are reasonable. A routine check-up will cost about US\$11, one X-ray will cost about \$22, and a routine dental examination will be about \$30.

For assistance in Johannesburg dial these numbers:

Emergency/ambulance, 999

First aid, 354141

Police, 30

Fire, 212222

All local emergency and medical numbers are listed in the telephone directories. Doctors are listed under "medical practitioners."

Individuals, families, and businesses may subscribe to special medical plans. Write to the Central Council for Medical Schemes, Private Bag X88, Pretoria 0001.

Things To Do—Places To See

Food and Drink

South Africa's thriving agriculture yields a bounty of fresh produce, meat, seafood, and wine. Most restaurants serve Continental fare similar to North America and Europe. Typical South African dishes are usually most influenced by the Cape Province Malay community. These include *sosaties* (kebab); *bobotie* (minced curried lamb); *bredies* (vegetable and meat casseroles); and South African rock lobster (crayfish). The Indians of Natal introduced a variety of curries and chutneys. During the winter, venison is widely available. In spring and summer the countryside abounds in fruit. South Africa produces numerous fine wines in the western Cape.

Cities

Cape Town

Founded in 1652, Cape Town is South Africa's oldest European settlement. It is the seat of the legislature, which meets in November/December and June/July, and is located on a beautiful sheltered bay filled with beaches, fishing grounds, and gardens. A modern city of sleek high rises, Cape Town retains many reminders of its Dutch heritage. The 1666 Cape Town Castle has furniture and paintings from the Dutch period. The Koopmans-DeWet Museum and Old Town House (1755) are excellent examples of Cape Dutch architecture. The world-famous Kirstenbosch National Botanic Gardens are on the slope of

Blue Laws

South Africa observes strict Sunday Observance Laws. It is illegal to buy or sell or carry unwrapped liquor on Sunday. Hotel guests can generally drink only when they buy meals. Cinemas, nightclubs, and theaters are closed; all organized sports are forbidden.

Don't Miss . . .

Depending on the amount of time available, here are some of the essential sights:

One Day

Cape Town: Cape Town Castle, Kirstenbosch National Botanic Gardens

Johannesburg: Gold Reef City, Africana Museum in Progress

Several Days

Cape Town: Table Mountain, Cape Peninsula Beaches

Johannesburg: gold mine tour

Long Term

Kruger National Park

Golden Gate Highlands National Park

Game farms

Steam train excursions

Diamond mines

Wine trails

Table Mountain in Newlands. Ascend Table Mountain by cable car for a spectacular view of Table Bay and the surrounding country.

Beaches surround the Cape Peninsula: visit fishing villages and resorts such as Muizenberg, St. James, Kalk Bay, and Simonstown on the warm Indian Ocean; or try Clifton and Llandudno on the chilly Atlantic.

Johannesburg

South Africa's largest city is also the center of its gold fields, principal source of the country's wealth. Although downtown Johannesburg is an ultra-modern assemblage of modern skyscrapers, the city's principal visitor's attraction is Gold Reef City, a living replica of a 19th-century gold-rush town. Other "Jo'burg" (or "Joey's," as it is also

known) sights include the Africana Museum in Progress dedicated to South Africa's African heritage, the Diamond Cutting Works, and tours of working gold mines.

Pretoria

Only 48 km. from Johannesburg, Pretoria is the country's verdant administrative capital and a repository of both Afrikaner and Anglo history. Boer (Afrikaner) military victories are memorialized by the Voortrekker Monument, a 40-meter-high shrine commemorating the Great Trek (1838) that established South African independence. The Transvaal Museum has a fine collection of geological, archaeological, and natural history items. The Old Museum beside the zoo has a unique collection of Bushman art.

Game

Much of South Africa's appeal focuses on African game. Wild animals are bred in captivity at game farms, notably the Cheetah Farm at De Wildt near Pretoria, Crocodile Creek on the Tongaat River, and ostrich farms around Oudtshoorn in southwestern Cape Province. Wild animals are protected in easily accessible game reserves. Kruger National Park, 400 km. northeast of Johannesburg, has the widest variety of animals of all the parks and 14 comfortable rest camps. Golden Gate Highlands National Park, in the northeastern Orange Free State close to Johannesburg and Durban, is known for its animals and bird life.

For information on these and other national game parks contact: National Parks Board, P. O. Box 787, Pretoria 0001, Tel: (012) 44 1191, Telex: 32 1324 SA. South Africa also has numerous private game parks that specialize in game-viewing from open vehicles and offer luxury accommodations. For information and addresses, request "South Africa on Safari" from SATOUR.

Sport

South Africa's mild climate makes it an excellent place for all types of sport. The country has more than 400 golf courses, all with reasonable fees. Hotels on the coast will assist in organizing fishing trips, sailing, and yachting, and will provide advice on swimming and surfing. For information on hunting contact any SATOUR office or the Professional Hunters' Association, P. O. Box 785162, Sandton 2146, Tel: (011) 783 5012.

Other Diversions

South Africa has 24 marked wilderness and hiking trails; for information contact National Hikingway Board, Private Bag X447, Pretoria 0001, Tel: (012) 299-2632. For information on one of the world's best selections of steam train excursions, contact General Manager, South African Transport Services, Private Bag X147, Johannesburg 2000. SATOUR can also provide complete information on wine routes and wine estates, and visits to diamond mines, botanical gardens, and a wide selection of explorable caves.

Dining

Cape Town

Cape Town is famous for seafood; get it at the Harbour Cafe (Surrey Place, Beach Road, Ouille Point, Tel: 49-1470), Ons Huisie (Jansen Rd., Bloubergstrand, Tel: 56-1553), and Yve's (148 Main Road, Sea Point—also famous for steaks and a friendly atmosphere). The Innsbruck (120 Queens Rd., Sea Point, Tel: 44-5660) has fine German cuisine and dancing. The Napier Street Restaurant (34 Napier St., Tel: 25-1557) features elegant French cuisine at reasonable prices. Green Pastures (22 Hope St. Gardens, Tel: 45-2443) features home-made lacto-vegetarian dishes.

Johannesburg

Johannesburg's outstanding restaurants are located in its hotels, notably the Carlton and the Landdrost; there is a fine Japanese restaurant in the Johannesburg Sun. For seafood, try Coimbra (124A President St., Tel: 29-4276) or the Portuguese-style Belém Infante (59A Augusta Rd., Regent's Park, Tel: 435-1004). Bamboo Inn & Fuji (273 Bree St., Tel: 23-8037) features Japanese food and a karaoke (audience singing) lounge. Dickens Inn (Craigpark Centre, Jan Smuts Ave., Craighall Park, Tel: 787-7219) provides a touch of old England, and the Munchener House (Volmarans & Biccard Sts., Braamfontein, Tel: 403-1835) has distinguished German food and dancing to a Bavarian band on weekends. Near the stock exchange, try the historic Guildhall Tavern on Market Street. Take drinks at the Jameson on Commission Street. Not an outstanding party town, Jo'burg has its share of discos and cabarets: Call the Johannesburg Publicity Association (011-337-2727) for 24-hour information.

Pre-Departure Information

Travel Advisory

Travelers with South African visas in their passports may be refused entry into other countries in Africa.

Regulations and Documents

Visas

Visas, required for and free of charge to U.S. and Canadian citizens, should be applied for at the nearest South African consulate at least 30 days in advance. To obtain a visa, supply the following: a completed application form D.1.3E; valid passport (six months to one year prior to expiration); a stamped self-addressed envelope; a company letter guaranteeing financial security (for business visitors), including the name of the South African firm involved; and a return airline ticket. Photographs are not necessary when passports accompany the application. If applying by mail, enclose a stamped, self-addressed envelope. Black U.S. citizens are issued visas by the South African consulate, although the U.S. State Dept. reports that several prominent black leaders and several black journalists have had applications for visas denied.

Nationals of Great Britain, Ireland, Switzerland, Liechtenstein, and West Germany are not required to obtain visas to visit South Africa for commercial purposes.

Work and Residence Permits

Temporary residence permits are required by all visitors. Apply on form B-1 159 WSP in addition to form D.1.3E. Purpose of visit and length of stay must be specified. The length of stay permitted is determined on an individual basis at port of entry; stays can be extended by application at the nearest office of the Department of the Interior in South Africa. For stays of longer than one year and for employment, a medical exam is required, including an X-ray. In addition, police clearance and a letter from the employer guaranteeing financial security and employment are required.

Employment and residence forms and requirements are completed through South African consular offices in the home country before departure. Applications must be submitted three

months before date of departure. Applicants should contact the prospective employer prior to or simultaneous with submission of the application so that the employer can submit a satisfactory undertaking and repatriation guarantee to: Director General, Home Affairs, Private Bag X114, Pretoria, 0001, Republic of South Africa.

The overriding considerations concerning work permits are whether or not a South African can perform the task, the general state of the South African labor market, and the type of employment involved.

Health Requirements

An International Health Certificate is required. Yellow fever inoculations are required only when traveling through or touching at any place or port in the yellow fever zone of Africa and South America. Brazil (one of the countries that still has direct connections with South Africa) is now considered an area at risk and passengers in transit through Brazil require a valid yellow fever vaccination certificate to gain entry into South Africa. (Note: Passengers on scheduled airlines traveling in transit through the yellow fever area from countries north of it are exempt from this requirement. Certificates are not required when scheduled serv-

Internal Travel

South Africa's "state of emergency" has empowered the police and military to restrict travel, cordon off areas and make arrests without benefit of due process. The U.S. State Dept. cautions travelers to notify their local consular office before traveling into black townships or into the countryside, in order to determine conditions there. The U.S. State Dept. also cautions U.S. travelers who visit the homelands of Transkei, Bophuthatswana, Venda and Ciskei that the U.S. government, which does not recognize these homelands, cannot be of assistance to U.S. citizens in these areas. Entry requirements for Botswana, Lesotho, Swaziland, Bophuthatswana and Transkei should be checked with the South African Embassy before departure.

ices are delayed in the area, provided the passengers remain within the airport.)

Currency Restrictions

Any amount of foreign currency may be imported in the form of travelers checks, letters of credit, bank drafts or other instruments of international exchange. Cash in South African Reserve Bank notes is limited to R200 per person. On leaving South Africa, each visitor may take up to R200 in South African currency plus any amount in foreign bank notes excluding other members of the Rand monetary area, provided it can be established that the visitor imported the currency into South Africa or that the notes represent the proceeds of instruments of exchange (travelers checks, letters of credit, etc.) imported into and exchanged in South Africa.

Customs Regulations

Used personal effects in reasonable amounts, including cameras, binoculars, typewriters, bicycles, clocks, projectors, tape recorders, dictaphones, computers, camping equipment, clothing, jewelry, etc., not intended for sale, gift, or exchange, may be imported duty free. In addition, the following are permitted duty free:

- 1 liter of spirits and 2 liters of wine per person
- 50 ml. of perfume per person

Reading Material

South Africa maintains a long list of banned books and periodicals. Publications may be banned for their political or erotic (e.g., *Playboy*) content. Luggage is carefully searched and you will not be permitted to bring these publications into the country.

- 400 cigarettes, 50 cigars, and 250 grams of tobacco

Additional goods, new or used, to a total value not exceeding R500 per person, will be allowed at a duty rate of 20% ad valorem. Firearms are permitted duty-free entry but must have serial numbers stamped into the metal, and permits valid for six months will be issued by Customs upon entry. It is illegal to possess an unlicensed firearm in South Africa.

Long-term visitors who are changing residence to South Africa may import, duty free, household effects, furnishings, and necessary professional equipment. There are restrictions and special regulations on the following: industrial, commercial, or agricultural plant equipment and motor vehicles, caravans, trailers, boats, alcohol, and tobacco.

No duty is payable on new goods to the value of R150 for each adult and R50 for each child with a maximum of R500 per family.

On Arrival

Flight Information

Because of sanctions, there are no longer direct air connections between the U.S. and South Africa. A variety of connecting flights are available with stopovers in Europe, the Middle East, and South America. Air connections between North America and Johannesburg can be made on Alitalia (via Rome), 800-223-5730; British Airways (London), 800-247-9297; El Al (Tel Aviv), 800-223-6700; Iberia (Madrid), 800-221-9741; KLM (Amsterdam), 800-777-5553; Lufthansa (Frankfurt), 800-645-3880; Olympic (Athens), 800-223-1226; Sabena (Brussels), 800-632-8050; Swissair (Zurich), 800-221-4750; TAP (Lisbon), 800-221-7370; and Varig (Rio de Janeiro), 800-468-2744. At this time, the fastest route from New York involves flying British Air-

ways via London or Varig via Rio de Janeiro. These routes take about 18 hours but you arrive the day after you depart. Other routings may spread the journey over three days.

Connecting service between Montréal/Toronto and Johannesburg is available on British Airways, Lufthansa, Olympic, TAP, Sabena, and Air Canada (800-422-6232) with connections to South African Airways (800-722-9675).

Nonstop and direct service between London and Johannesburg is available on British Airways and South African Airways. Flight time is 11-14 hours.

Consult the *Overseas Airline Guide* (International Edition) for up-to-date schedules and fares.

Airport Information

Jan Smuts Airport, 14.5 miles (23 km.) west of Johannesburg, is the main international airport in South Africa. Taxis to the downtown area cost about R36 (US\$13) for up to four passengers; no tip necessary. Bus service to Johannesburg (R2.20) and Pretoria (R3.20) is available from 6:15 a.m. to midnight. Pay on board.

Cape Town's international gateway is the D. F. Malan Airport, 15 miles (23 km.) west of the city. Taxis into the city cost around R16 (US\$6.90) for the 20-minute ride; tip 15%. An Interkaap bus meets every flight and drops passengers at the South African Airways terminal in Capetown; pay R5 on board.

Internal Transportation

Air

South African Airways has frequent service between the major cities of Cape Town, Johannesburg, Durban, Port Elizabeth, East London, Kimberley, and Bloemfontein. Other private operators offer additional service to other destinations.

Rail

South Africa's famous Blue Train provides luxury express service between Cape Town and Johannesburg/Pretoria; reservations are required well in advance. Reliable but much slower trains connect other population centers. Two classes of travel are available, but visitors are advised to travel first class. Most long-distance main-line trains have diners and all have sleeping accommodations.

Taxis

Transportation within cities is usually done by taxi, which is quite economical compared to rates in North America and Europe. Although rates vary among cities, taxis generally cost R2.10 (US\$.75) initially plus R1.20 per km. Waiting time is R10 per hour. There is a small extra charge for luggage over 23 kg. Taxis must be called in advance and cannot be hailed on the street. Long-distance fares are somewhat lower; ask dispatcher for the rate. Tip 10%.

Cars and Driving

South Africa has more than 78,000 km. of paved roads, 17,000 km. of which are national highway.

There are 163,000 km. of unpaved roads. Driving is on the left. Right-hand drive vehicles are the norm, but left-hand drive vehicles are permitted with proper turn indicators. There is a general speed limit of 100 kph (62 mph) on freeways and rural roads, while in the more urban areas the limit is generally 60 kph (37 mph).

Third-party insurance from a South African insurance firm is required. Rates average between about US\$825 and \$1,200 per year. Comprehensive insurance is not compulsory but is recommended as accident incidence is among the highest in the world, particularly in the urban areas. Road taxes, which vary depending on the city and car weight, average from \$20 to \$22 per year.

International driver's licenses are required unless a photograph of the driver is part of the national license. International licenses are valid for one year; long-term visitors should apply for South African licenses within six months of issuance of their residence permits.

Used cars may be imported from overseas; contact an internationally oriented motor club to obtain either a triptyque or carnet (temporary permit for importation of a vehicle). Duties on cars driven by spark ignition engines are less than on those driven by compression ignition engines. Selling an imported vehicle in South Africa is permitted only under special circumstances with an import permit (from Director of Import/Export, Forum Bldg., Bosman and Struben Sts., Pretoria 0002); sales and import duty must be paid if permission to sell the car is granted.

New car prices for American or European models range from \$8,500 to \$8,600 for a low-priced car, \$8,600 to \$10,400 for a compact, \$22,500 to \$28,000 for a family model, and \$49,750 to \$66,000 for a luxury car. Some dealers will lease cars. The U.S. State Department recommends importing only small cars, which are more easily serviced and better suited to the narrow roads and public parking facilities.

Have cars rustproofed before shipping. Maintenance standards are not as high as those in the U.S.; labor costs are slightly lower. Do not import an older car that may need expensive repairs or parts. A standard tune-up will average between \$65 and \$75. Gasoline averages about US 39¢ per liter (\$1.48 per gallon). Be sure to check the requirements of the car imported. To conserve fuel, sale hours are restricted.

For all details on cars, driving, maps, etc., contact the Automobile Association of South Africa, A. A. House, 66 De Korte St., Braamfontein, Johannesburg 2001, Tel: (011) 28 1400, Telex: 4 24811 SA. Membership in a motor club costs about R20 annually and is recommended. In addition, information with emphasis on legislation, road signs, and safety is published in *Motor Car Driving-Manual for Learner Drivers of Light Motor Vehicles* by the Road Safety Council. It costs about SA 50 cents at bookstores.

Car Rentals

There are many car rental agencies in the cities and at all airports. South African Airways has a special car rental plan. The average rate for the lowest-price car, including unlimited free mileage, all taxes and charges, is \$206 per week; moderate-sized cars cost \$216 per week.

Requirements vary with the company, but both an international license and a home-country license are recommended. There are about 40 rental agencies in the country, including Avis, Hertz, Budget, National, InterRent, and Europcar. Agencies have offices at the major airports.

Car Rental

Unusual in this day and age, the major rental companies offer one-way rentals with no "drop charge." Companies participating in this policy include Avis (011-974-2571), Budget (011-640-7591), Hertz (011-337-4260), and Imperial/Europe Car (011-337-6100).

Hotels

There are more than 1,500 licensed hotels, ranging from small country inns to large city hotels of the highest standards. Rates are moderate. All establishments that are termed hotels or motels must be registered with the Hotel Board and meet set standards. Classifications are from one star to five stars (luxury). For a complete listing of graded and ungraded accommodations request a copy of "Where to Stay" from any SATOUR branch office.

Many hotels have been granted "International" status, which means no segregation. All major hotels are international.

Accommodations are usually heavily booked at holiday periods; reserve well in advance at these

times: December/January (coastal and inland holiday resorts); July/August (game park and resort areas); April (throughout the country).

The average price of single room in a luxury hotel (comparable to Hilton or Inter-Continental) is \$85 including continental breakfast; similar accommodations in a modest but comfortable hotel are \$65.

Bloemfontein (Orange Free State)

Bloemfontein Sun, East Burger St., P. O. Box 2212, Bloemfontein 9300, Tel: (051) 301911, Telex: 5267039.

Bloemfontein Holiday Inn, 1 Union Ave., P. O. Box 1851, Bloemfontein 9300, Tel: (051) 30-1111, Telex: 267645.

Cape Town (Cape Province)

Cape Sun, Strand St., P. O. Box 4532, Cape Town 8000, Tel: (021) 23-8844, Telex: 5722453.

Capetonian, Pier Place, Heerengracht, Cape Town 8012, Tel: (21) 21-1150, Telex: 520000.

De Waal Sun, Mill Street Gardens, P. O. Box 2793, Cape Town 8000, Tel: (021) 45-1311, Telex: 572 0653.

Heerengracht, Trust Bank Centre, St. George's St., P. O. Box 2936, Cape Town 8012, Tel: (021) 21-3711, Telex: 572 0031.

Mount Nelson, Orange St., Box 2608, Cape Town 8000, Tel: (021) 23-1000, Telex: 527804.

Durban (Natal)

Edward, Marine Parade, P. O. Box 105, Durban 4000, Tel: (031) 37-3681, Telex: 622318.

Elangeni, 63 Snell Parade, P. O. Box 4094, Durban 4000, Tel: (031) 371321, Telex: 620133.

Ocean City Holiday Inn, 23 Sol Harris Crescent, P. O. Box 10222, Marine Parade 4056, Tel: (031) 371211, Telex: 5620387.

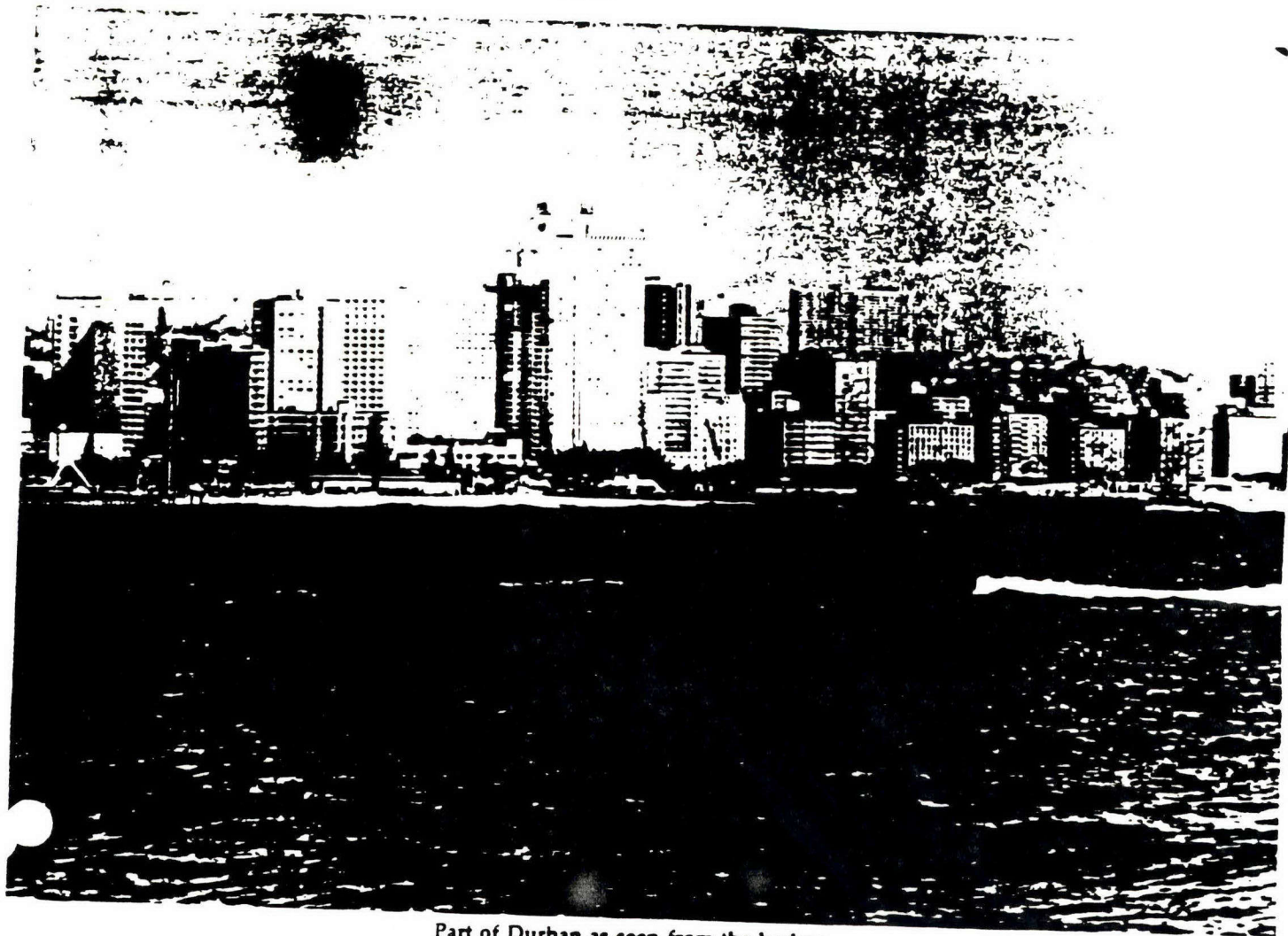
Maharani, Snell Parade, P. O. Box 10592, Marine Parade 4056, Tel: (031) 32-7361, Telex: 622485

Royal, 267 Smith St., P. O. Box 1041, Durban 4000, Tel: (031) 304-0331, Telex: 622454.

Johannesburg (Transvaal)

Carlton, Main St., P. O. Box 7709, Johannesburg 2000, Tel: (011) 331-8911, Telex: 486130.

The Republic of South Africa



Part of Durban as seen from the harbor.

Area: 1,222,480 sq. km. = 472,000 sq. mi. (three times the size of California; four provinces: Cape, Natal, Orange Free State, Transvaal).

Population: 36 million (estimated) Black (27.1 million—75%), White (4.9 million—14%), Coloureds (2.8 million—8%), Asians and others (1.2 million—3%). Figures are estimated.

Capital Cities: Pretoria (administrative, Pop. 489,000); Cape Town (legislative, Pop. 2 million, projected); Bloemfontein (judicial, Pop. 170,000, projected).

Climate: Temperate and sunny. The eastern coastal belt is hot and humid, the western areas are dry and hot. Only high mountain peaks are covered with snow during winter.

Neighboring Countries: Namibia (Northwest); Botswana, Zimbabwe (North); Mozambique, Swaziland (Northeast); Lesotho is enclosed by South Africa.

Official Languages: Afrikaans (derived from Dutch and understood by 60% Whites and 80% of Coloureds), English.

Other Principal Tongues: Four major groups, including (1) Nguni (Xhosa), Zulu, Transvaal Ndebele, Nrevhele, Swati or Swazi, Mbayi or Pai and Phuthi; (2) Sotho (South Sotho, Qwaqwa, Pedi or North Sotho, Tswana or Western Sotho); (3) Tsonga or Shangana and (4) Venda. Zulu is rapidly becoming a *lingua franca* used by other Black groups.

Ethnic Background: Primarily Bantu Black Africans, with some Hamitic admixture; White, including descendants of Dutch, British, German, French, Portuguese, Greeks and Italians, Coloureds (mixed Black, White and Asian), Asian (primarily from India).

Principal Religions: Methodist and other Protestant Christians, (10.2 million), Afrikaaner Dutch Reformed, split into three sects (5.2 million), Roman Catholic (1.2 million), Anglican, split into two sects (1.1 million), traditional tribal beliefs, Hindu, Islam. The above figures are of nominal allegiance rather than persons active in religion.

Chief Commercial Products: Gold, diamonds, uranium, platinum, chrome, vanadium, manganese, asbestos, copper, iron, coal, corn, sugar, processed foodstuffs, textiles, fertilizers, fruits, hides, fish products.



Annual Per Capita Income: About U.S. \$2250.

Currency: Rand.

Former Colonial Status: Member of the British Commonwealth as the Union of South Africa (1910-1961). Previously, British authority in a colonial sense was sporadic in the Orange Free State and Transvaal.

Independence Date: May 31, 1961 (The Union of South Africa became The Republic of South Africa.)

Chief of State: Frederik W. de Klerk, President.

National Flag: Three horizontal stripes of orange, white and blue; in the center white stripe, the flag of the former Orange Free State is flanked by the Union Jack and the Transvaal flag.

Washed on the west by the South Atlantic and on the east by the Indian Ocean, the Republic of South Africa oc-

cupies the southernmost part of the continent. This land of bright, sunny days and cool nights has a consistently uniform climate year around, with a mean annual temperature of slightly less than 60°F.

In the extreme southern Cape area, there is a period of rain between April and September, but the summer (December-May) is warm and dry. The western coast is washed by the cool Benguela Current originating in Antarctica, which produces a climate that supports a large colony of penguins on the shore line. Further inland to the north, after the interruptions of the Cedarburg, Swartberg and Louga Mountains, the land stretches forth in a vast, semi-arid region known as the Karroo Desert. This is not a true desert as encountered in the central Sahara, since the periodic light rainfall supports vegetation which provides food for many species of wildlife.

Occasional sharp peaks in the Karroo stand prominently above other flat land.

The eastern coast along the warm Indian Ocean is hot and humid, supporting almost every type of wild game known in southern Africa. Multi-colored coral formations are prominently displayed by the brilliant white sands of the beaches. The northwestern central territory, covering the Orange Free State and most of Transvaal, is a high plains land, dry and stretching to the north from the sharp peaks of the Drakensburg Mountains. Receiving ample rainfall for the most part, its temperate climate supports most of the farming of South Africa, and contains huge gold and diamond deposits.

The northern part of the province of Transvaal is at a lower altitude than the high veldt to the south. Kruger National Park on the eastern border of Transvaal is visited by tourists from all over the



A busy shopping area in Cape Town

world. Here, all game is protected, and visitors are not permitted to get out of their autos, which proceed slowly along the road to enable their occupants to see the many species.

Actually, two-thirds of South Africa and its Black Homelands is desert and inland or urban. Only about 12% is fit for cultivation.

History: Before the arrival of the Europeans, South Africa was thinly settled by Bushmen and Pygmy people. Bartholomew Diaz was the first mariner to reach the Southern Cape, six years before Columbus touched the West Indies, in 1486. Other Europeans bypassed the lands of the Cape for the next sixty-five years because of the rough appearance of the land.

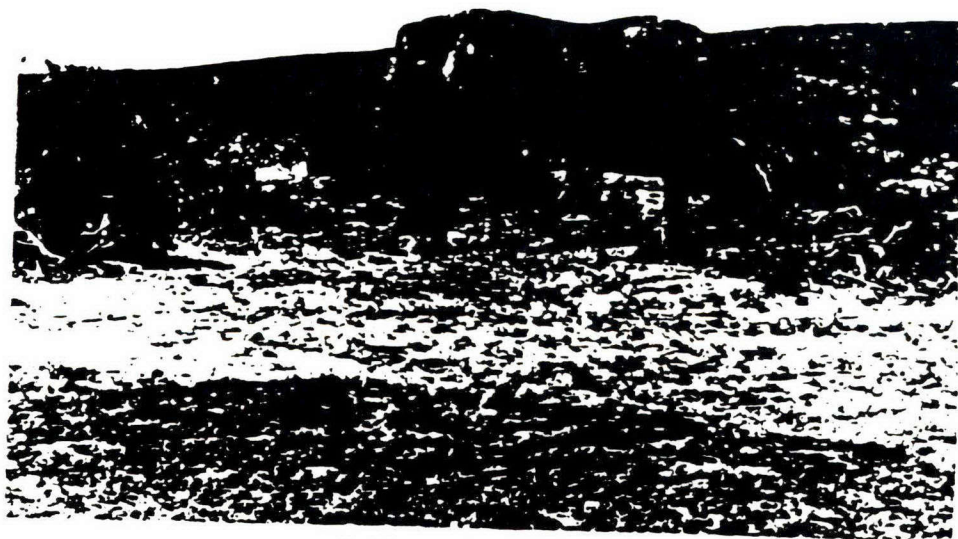
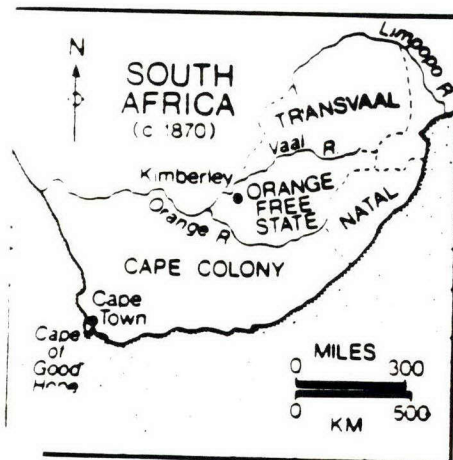
For details of early history, see *Historical Background*, and *European Settlers in South Africa*.

Boer-Anglo Disputes

Cecil Rhodes, who had become a multi-millionaire as a result of founding the De Beers Consolidated Mines in order to obtain and market diamonds to the world, became Prime Minister of the Cape Colony in 1890. The Dutch-descended people disliked and distrusted the thousands of non-Boer miners who had come to get rich quickly in South Africa. The Boers called them *outlanders*. In an effort to establish British authority in the Boer republics, the *Jameson Raid* was promoted by the British in Cape Town. Rhodes. These raiders were to encourage a revolt of the *outlanders*, thus creating a need for British authority in Transvaal ("across the river Vaal"). The revolt failed. Rhodes was deposed as Prime Minister and the Boer War began. After bitter fighting from October 1899 through May 1902, the Boer republics—Transvaal and the Orange Free State—lost their independence in 1905.

The Union of South Africa

In response to the pleas of General Jan Christiaan Smuts (Boer commander-in-



In Kruger National Park

chief of the Republican forces in the Cape Colony during the final years of the war), the British established the Union of South Africa in 1910, thereby providing for self-government in Transvaal and the Orange Free State. Constitutional reforms bound together the two former Boer republics with the British Cape Colony and Natal. An administrative capital was established at Pretoria (Transvaal), a legislative capital at Cape Town (Cape Colony) and a judicial seat at Bloemfontein (Orange Free State), an arrangement that prevails to this date. Thus, the two groups—the descendants of the Dutch and the more recently arrived British—were encouraged to form a closer bond and still retain the dignity of being important parts of the whole union. A basic law was drafted and passed which was to have great significance seventy years later.

After 1912 no Black person was permitted to buy or acquire title ownership of land in territories designated as areas limited exclusively to White persons. In this manner Blacks, the vast majority, were relegated to the less desirable lands of South Africa.

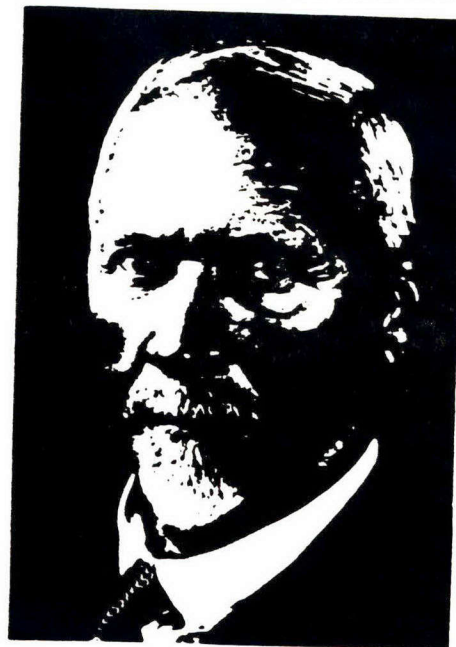
The Union of South Africa was recognized by Britain as a independent nation within the British Commonwealth in 1931. This was a period when White South Africans paid little attention—as happened in the United States—to race relations, although the Black population had grown by leaps and bounds over the past ten decades. Just as in the U.S., there were taken-for-granted separate facilities—schools, restaurants, theatres, etc.—for Blacks, and, in South Africa's case, Coloureds.

World War II

As World War II loomed in 1939, the South African Prime Minister, J.B.M. Hertzog, a former Boer general, advocated strict neutrality, but he was unseated by Smuts, who favored entering the conflict. South Africa had actively participated in World War I, defeating the Germans and Italians in their African colonies—South-West Africa (Namibia), Tanganyika (Tanzania) and in Italian Somaliland.

The National Party and Apartheid

The remarkable General Jan Christiaan Smuts remained in office until 1948.



General Jan Christiaan Smuts

When his *National Party* was narrowly defeated by the *National Party* which took a far tougher stand on *apartheid* (the Boer word meaning "separate," pronounced Ah-par-tate), which **legalized** compulsory segregation of the races in South Africa. The *National Party* has, to various degrees, continued its segregation position up to the present, but there have been important modifications and changes in recent years.

In the postwar period, South Africa bloomed as an industrial nation, underpinned by continued export of gold and diamonds. Increasing numbers of Blacks were needed to support the burgeoning economy; many migrated to urban areas, taking up residence in what were initially squatter areas. As in the United States, South African Blacks began to chafe under what they considered to be inferior conditions at all levels—economic, social and governmental. Sporadic protests were easily put down by the South African police.

Some Black leaders were coming into prominence during the 1950's, but it was not until the 1960's that Black South Africans began to press vigorously for greater freedom of movement, wages equal to those of White workers, social benefits and participation in government at all levels. No longer was South Africa faced with minority tribal groups scattered here and there about the vastness of their country, but countless thousands of Blacks surrounding the larger cities seeking employment and greater opportunity, which often simply did not exist. The government responded in some instances with increased housing and educational opportunities but found it all but impossible to keep up with the ever-increasing needs of the Black population.

Until the 1950's there were some rights for the Blacks which were legally protected; these blunted the harshness of the *apartheid* system to a degree. They, however, were virtually eliminated in a series of measures enacted in 1953 by the *National Party* in its efforts to more rigidly preserve the power of the White minority. The measures were a response to communist and radical elements which infiltrated the Black militant movement, the *African National Congress (ANC)* which dates back to 1912, and came to have an openly communist, Black supremacy emphasis that struck fear in the hearts of most Whites. Radical leaders, including Whites, received stiff sentences, including life imprisonment. In 1964 there occurred the Rivonia Trial of several ANC leaders who received sentences of life imprisonment, including 45-year-old attorney Nelson Mandela, head of the organization. Restrictions were placed on the political activities of his wife, Winnie Mandela. Nominal control of the ANC

passed to others, but Joe Slovo, the White General Secretary of the outlawed *South African Communist Party* was in fact director of the organization.

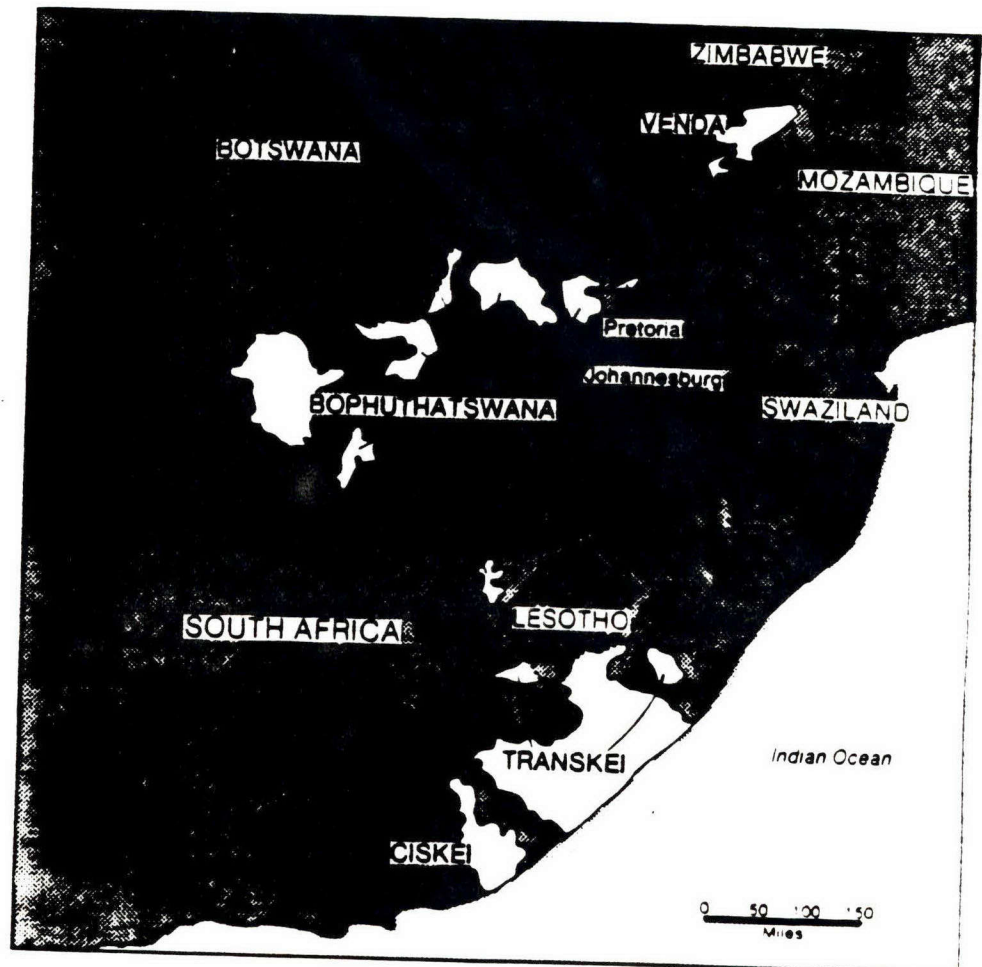
The government increased its campaign of repression of the ANC and another organization, the *United Democratic Front (UDF)* which has continued; the latter includes about 600 organizations opposed to *apartheid*. The response was a gradual increase in violence directed by Black guerrillas, the *Umkhonto we Sizwe*, ("Spear of the Nation").

In 1973 a wave of strikes by Black workers spread across South Africa. The government reacted severely, accusing the strike leaders of being communist agitators. Ultimately it was necessary to yield to some of the workers' demands and, among others, to move toward equalization of salaries with those of White workers. In the ensuing years, the Black union movement grew tremendously, now embodying more than 800,000 members under the umbrella organization, *The Congress of South African Trade Unions (COSATU)*, which has openly supported both the ANC and the UDF.

Black Homelands

A formula for Black "homelands" decided upon as the only solution to racial tension. This meant giving internal self-government to ten tribal "homeland" areas. Then, when each requested independence, South Africa would grant it, and every state would be given special treatment, such as low trade barriers, tax exemptions, etc. The first to take the plunge was the Xhosa area in southeast South Africa known as *Transkei*, with then about 3 million inhabitants (1976). The next occurred the following year when Bophuthatswana, a "homeland" of the Tswanas, a nation in six separated areas with 2.1 million people was declared independent, most of the pieces of its territory lie to the north, bordering Botswana. Venda, with almost 500,000 people, became independent in September 1979 and Ciskei in December 1981.

Although the new homeland republics did not receive diplomatic recognition except by South Africa, they have maintained offices in major foreign capitals. Neighboring Black African nations are strongly opposed to what they have seen



Black "homeland" republics

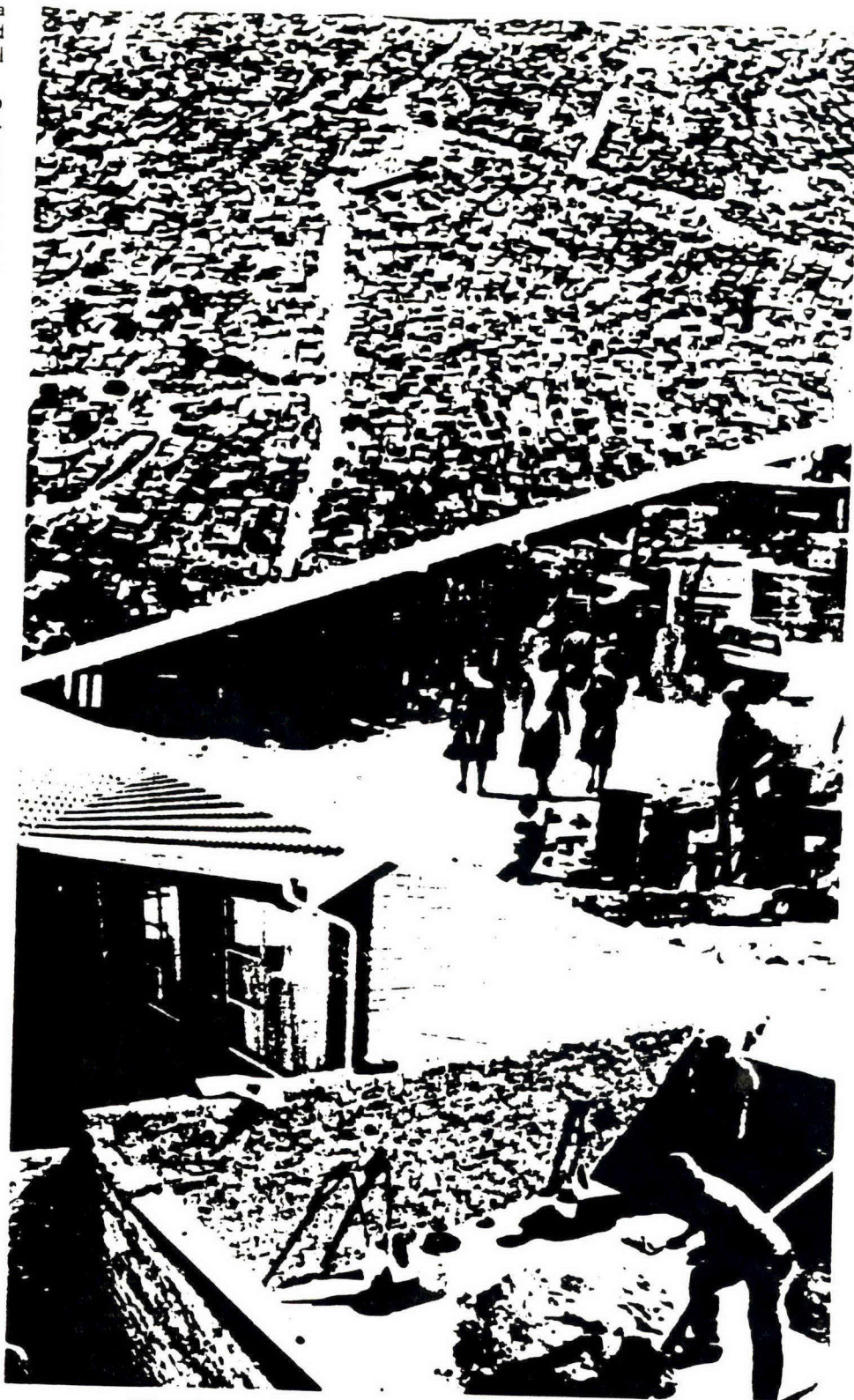
as a plan to keep White South Africa in control of the most productive land and retain its economic and political strength.

Of equal concern was a move to relocate thousands of Black South Africans located in rural areas who had acquired their land in "White only" areas long before the 1912 Group Areas law became effective. Strong adverse reaction in the foreign press brought a halt to this program, although the government denied being influenced by such expressions.

The "Black Homelands" solution addressed only a portion of a social impasse. Almost fourteen million Black people live in townships adjacent to the largest cities and industrial areas of South Africa. Even the government classifies them as "dembalized," but in spite of this, they have been able to politically express themselves only by voting in their "homeland," which does not play a role in choosing the central South African government or have any representation therein. A system of identity cards was used to determine who could live outside his or her "homeland." Although we in the United States are used to the idea of "life, liberty and the pursuit of happiness" where and when one pleases, the government of South Africa was convinced that cities could only absorb a limited, not unlimited, number of unskilled people.

A typical example of unchecked urban movement is Crossroads, a shantytown where more than 50,000 people which came into being during the 1970s outside Cape Town. The government, unable to provide minimal services due to the jammed conditions, began a housing project several miles away in 1984—the new town of Khayelitsha. By mid-1985 almost 20,000 had accepted the government's offer to live in the new homes, which had water, light, sanitation facilities playgrounds, schools and stores, all lacking in Crossroads. The new residents were not required to have work papers for 18 months—it was hoped they would have work within that period. New units could be purchased for about \$2,000.

Interestingly, a recent UN report indicated this migration to the cities to be a problem common to the whole African continent. Worldwide, cities are surrounded by shacks where people live in the most degrading squalor. South Africa wished to minimize this threat to the health and safety of the millions already legally living as urbanized people. Further, it was reasoned that the system of identity cards protected employed workers around the cities from competition for their jobs from illegal immigrants from other nations of Africa. To an undetermined extent, urban



The misery of Crossroads and the new town, Khayalitsha

Blacks supported the identity card system. (When a pass system was instituted in Tanzania in 1984 it received utterly no attention in the foreign press.) Violence erupted widely in South Africa in 1976, particularly in the township of Soweto when the government an-

nounced that all classes in Black schools would be in Afrikaans. The government responded by relaxing a few of the minor apartheid laws, and repealing the measure, but also quintupled its security budget "for more rapid local control and to combat insurgencies." The pass laws and

some of the more rigid aspects of the *apartheid* laws were later repealed in 1986.

Viewing the homelands as potential competitors, both the *ANC* and the *UDF* vigorously opposed their creation and existence.

Escalating Racial Tensions

Technically, Black urban citizens have had a voice in their local township governments since 1983, but overwhelmingly boycotted elections and in a multitude of incidents killed those who served in such governments and burned their homes. Black youths, were persuaded to boycott schools and to participate in an increasing tide of violence against fellow Blacks to discourage voting. Particularly vicious has been and is the practice of "necklacing"—a tire filled with gasoline is jammed over the shoulders of the hapless victim and ignited. It is conservatively estimated that more than 5,000 Black people, including the helpless elderly, have been murdered by these *ANC* "comrades," members of the "Spear of the Nation."

Since 1984 the Black people of South Africa have been, insofar as they are politically active, polarized into two camps. The *ANC* was overwhelmingly dominated by the Xhosa and Sotho ethnic groups, while its rival, *Inkatha* was almost exclusively Zulu—about 6 million strong. The first group, led by Oliver Tambo and Nelson Mandela, supports militant revolution and out-of-date marxist theories, while the latter, led by Zulu Chief Mangosuthu Buthelezi, advocates peaceful transition to a multi-racial society.

Chief Buthelezi has stated: "When Americans witness disputes about strategy and tactics between Black organizations, the last thing they should do is to enter the fray as partisan to one or another faction." Notwithstanding this, the U.S. House of Representatives in 1986 voted for economic sanctions against the Republic of South Africa virtually identical to those sought by the *ANC* and opposed by Chief Buthelezi. In 1991, consideration is being given to granting \$24 million to the *ANC* and \$1 million to *Inkatha*. This is in harmony with the erroneous idea so widespread in the U.S.—that Nelson Mandela and the *ANC* represent the majority of South African Black people. They don't.

ANC decided in 1987 on a basic strategy. Instead of limiting terrorism to military and strategic they began to concentrate on "soft spots," places where there are large crowds. Planted bombs invaded the downtown areas of South Africa. They made a bad mistake, however, when they took on *Inkatha* and the Zulus. The reprisals were very thorough—the Zulus are more fearless and better fighters than the uneducated youths of the

ANC and they wreak their vengeance on *innyone* who isn't Zulu. There is a strong possibility that they have been secretly armed with modern attack weapons and trained by the South African Defense Force.

Reforms

President Botha, as early as 1986, saw the need for additional reform and embarked on a wide-ranging series of measures, stating that revolution was not just a remote possibility. He proposed elimination of the Group Areas Act, the Slums Act and the Community Development Act, all tools of *apartheid*. A skilled leader, he suffered a stroke in January 1989. After a brief recuperation, he announced in March he would resume his duties as President. This, however, was opposed by the party leadership, who nominated Frederik W. de Klerk to run for president in September elections.

Three weeks before the election Botha made a television broadcast denouncing de Klerk, the *ANC* and others perceived by him to be hostile and resigned as president. From the rambling content of his speech it was obvious that his time to leave had come. But he, indeed, had left his mark on his country's history: the seeds of basic change.

Foreign Influences

Two principal facets of foreign influence were brought to bear on the white minority government of South Africa: the press and economic sanctions. The latter were the product of biased reporting by the former, plus a campaign of discrimination by the *ANC* and other elements.

Americans and Europeans were reminded on an almost daily basis of how many Blacks had been killed since 1944. The fact that the vast majority of the killings were at the hands of other Blacks



South Africa's President Botha confers with Zambia's President Kenneth Kaunda.

has been omitted. Comparatively, between 1984 and 1988 fewer than 1,000 Black males were victims of murder in South Africa, including the majority killed by other Black persons. During the same period in the United States, more than 5,000 Black males were slaughtered.

Two countries have roughly the same black population. The Black homicide rate in the Washington, D.C. has risen to scandalous levels.

In 1986 the foreign press eagerly looked forward to reporting violence of the tenth anniversary of the Soweto riot described above. Howls of disappointment occurred when South Africa imposed a press "blackout." The move probably saved hundreds, even thousands, of lives. Since violence had been popularized among the ANC youths in the country, if left to itself, the press would have become the producer, not the reporter of violence. The government had concluded that South African violence was being used as spicy news to sell foreign newspapers. It enacted a strong self-censorship rule against reporting violence which fostered a dramatic drop of terrorism within the country. When in the name of "advocacy journalism" inflammatory articles were published, the source was closed.

The Reagan administration initially undertook a policy of "constructive engagement" with respect to South Africa, encouraging communications between the races and factions. But, after being lobbied by TransAfrica, an organization with many disguised ties to the ANC, the Democrat-controlled Congress decided to play the role of Secretary of State. (The Foreign Minister of South Africa remarked "It is impossible to deal with 535 Secretaries of State!") The congress enacted a series of measures calculated to bring the government of South Africa to its knees. Belatedly, the measure contained a "request" that the ANC end its ties to the *South African Communist Party* and suspend its terrorist activities, committing itself to a free and democratic future.

The president's veto of the measure was overridden by a large majority of both houses of Congress. Several U.S. companies have withdrawn from South Africa, opening up marvelous opportunities for Japanese, German, British, Italian and Brazilian competitors who have been enjoying brisk sales of computers, automobiles and other products to supplant American models. Encouraging the move were several U.S. universities, churches and public institutions.

Many European and Asian companies were tacitly allowed to ignore the sanctions. Nevertheless, the predicted result occurred. An estimated 100,000+ Black people lost their employment in South Africa while the effect on the Whites was



Hon. Gatsha Buthelezi
(pronounced Got-shah Boo-teh-lay-zee)

negligible. Even the leadership of the ANC in Lusaka, Zambia, realized that a serious mistake had been made and by 1991 was paying only lip service to economic sanctions. An unemployed Black person in South Africa remarked that the Black African "leadership" of Anglican Archbishop Desmond Tutu, the Rev. Alan Boesak and Oliver Tambo had ruined the economy while flying around the world in luxury, eating sumptuously and "running their mouths." He charged that he now not only didn't have freedom, but would have to live with hunger. The late liberal Alan Paton (White South African), author of "Cry the Beloved Country," vigorously asserted "My Christian morality just simply does not allow the idea of putting people out of work, making their wives and children hungry" [rephrased].

Boesak is now out of favor because of an extra-marital affair with scandalous overtones.

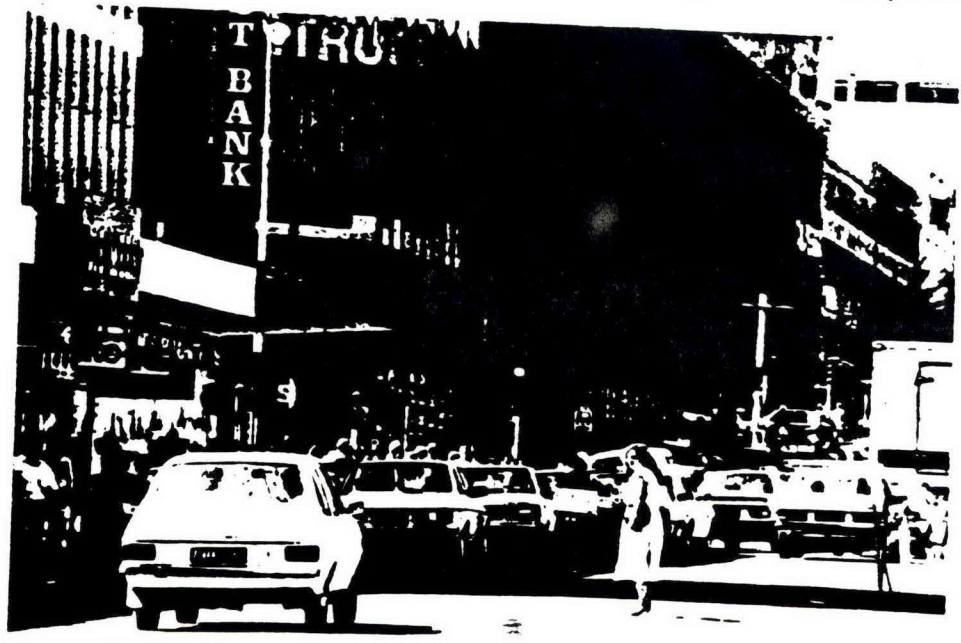
The EC banned coal from South Africa resulting in the loss of 50,000 Black jobs. The gold *Kruggerand* was banned in many countries. When Black gold miners struck, the Anglo-American Company had no difficulty parting with 10,000 workers.

When an agreement was signed in 1988 creating an independent Namibia, it was proclaimed at a meeting of the U.S. NAACP to be a sign of weakness of South Africa because of the sanctions (see Namibia). It was the product of economic exhaustion of the Soviet Union, which had been supporting Namibian rebels. Sanctions and disinvestment, so widely touted by Black U.S. leadership, have been counter-productive and are scheduled to become virtually nonexistent in the near future.

South Africa under "F.W."

The outcome of the 1989 elections was awaited with baited breath by all parties. The *Conservative Party* of Andries Treurnicht was increasingly popular. In a final campaign appearance, "F.W.", as de Klerk increasingly came to be called, said "Apartheid must go . . . Discrimination must be eliminated." Nevertheless, Black activists, unionists, student and clergy continued a wave of demonstrations calculated to disrupt the elections, stopping short of calling a general strike. Racial confrontations occurred at beaches and other public facilities.

When the dust settled, the *National Party* was the victor, with 58% of the vote, gaining 93 seats down from 123; the *Conservative Party* won 39 seats, up from



Downtown Pretoria

22 and the Democratic (English-speaking) Party finished with 33, up from 17. About 25 were dead and 100 wounded in pre-election violence.

Concluding that continued detention of the leadership of the ANC, imprisoned since 1984, would be counter-productive, President de Klerk ordered the release of prominent leaders of the organization in early October 1989, the most known of whom was Walter Sisulu, former ANC General Secretary. The president probably had in mind the threat of even stricter economic sanctions at an upcoming meeting of the Commonwealth. He hinted at the release of Nelson Mandela.

A meeting with prominent Black South African clergymen, including Archbishop Tutu produced six demands: (1) lift the pending state of emergency, (2) remove all restrictions on politicians, (3) including revolutionaries (4) release all prisoners held without trial, (5) end restrictions on banned organizations, (6) release all political prisoners and commute all death sentences. The president indicated that the demands would be considered "in an orderly manner."

This, indeed, is what has been happening. But he realizes that this must be done gradually lest he add fuel to the tanks of conservatives among the White population. He first had the White Amenities Act repealed, (separate public facilities), opening all facilities to all races. He announced a "Free Settlement" program, whereby anyone would be allowed to live in any area of South Africa. This simply made legal what had happened in fact. Drawn to the cities where cheap labor was needed, numerous Black townships, both legal and illegal had sprung up, particularly since World War I. Rural Blacks had migrated to the cities where they could at least eke out an existence.

Finally, in mid-March 1991 he repealed, in part, the Group Areas Act, thus allowing Black citizens to own land anywhere in the nation. But this measure did not include restoring to the former Black owners, or their descendants, land they had possessed prior to the 1912 act which dispossessed and resettled them. It was, however, accompanied by somewhat vague promises of Black-owned plantations on more desirable lands in large tracts owned by the state which would be more productive.

Nelson Mandela

In February 1990 de Klerk ordered the release of the revered Nelson Mandela, the aging figurehead of the ANC. There was dancing and celebrating in the Black townships. He was almost immediately made Deputy President of the ANC, in effect, head of the organization in view of the disability of Oliver Tambo. Interesting events preceded his release which have only recently become known. Win-



The magnificent forests of northern Transvaal

nie Mandela violated her exile to Natal Province in 1986 and returned to Soweto. A luxurious home, complete with swimming pool was built for her amid the two-room tar paper and tin shanties. There was an uproar of protest, so she did not immediately move.

When she did, she formed "The Winnie Mandela Soccer Team," a gang of young thugs which proceeded to terrorize Soweto and adjacent Black townships. Trials of real and imagined offenders took place in her home at which she often "presided." Sentences of beating and death were meted out. When members of the team raped a young girl in an adjacent township, township members gathered in anger and proceeded to her residence, setting fire to it. Sowetans stood around and simply watched the blaze. When the fire engines finally arrived, they had no water.

The structure was rebuilt and the terrorism resumed. Word of this got to Nelson Mandela, who apparently sensed that the Black movement generally, and his wife in particular, were getting out of hand. He wrote to former president Botha in 1988 suggesting that there were urgent reasons for the two to meet, to which Botha agreed. The secret discussions centered on how to bring some semblance of order to Black townships of South Africa in which there were daily

multiple murders of Blacks by Blacks. Little progress was made.

A very damaging event occurred in 1988 when 13-year-old James "Stompie" Seipei, a former activist and leader of ANC violence in Orange Free State, was kidnapped from a Soweto Methodist Church shelter by the "team" and taken to Winnie Mandela's house. He was accused of being a police informer and was beaten severely, apparently partly by her. The youth was then taken to a nearby field, where a member of the "team" murdered him. Winnie tried to counter the charge of her involvement in the slaying with a charge that he had been abused at the Methodist home runtruer.

Nelson Mandela, from prison, acting through his lawyer, ordered her to release three other kidnapped youths and to disband the "team." She was ousted from the ANC. In February 1990, after further contacts with the newly elected president of South Africa, Nelson Mandela was released from prison after serving 27 years.

His initial statements, made in a large stadium, shocked White South Africans. "We have waited too long for our freedom. We can no longer wait. Now is the time to intensify the struggle in all fronts. To relax our efforts now would be a mistake which generations to come will not be able to forgive." In the same speech

saluted the "Spear of the Nation" (the South African Communist Party) and several members of that organization, including Secretary General Joe Slovo ("one of our finest patriots"). Slovo, although a White attorney, is considered by informed persons little more than a shabby revisionist.

A hammer and sickle flag was displayed (but not on U.S. television) immediately below the platform from which he spoke. What was not realized was that those words were for (1) "home consumption," and (2) more important, to assure Mandela of an undisputed claim as leader of the ANC as opposed to the militant wing of the organization. Within a day he was saying "Whites are fellow South Africans and we want them to feel

safe and to know that we appreciate the contribution they have made towards the development of the country." But at the same meeting he spoke of nationalization of South African industries.

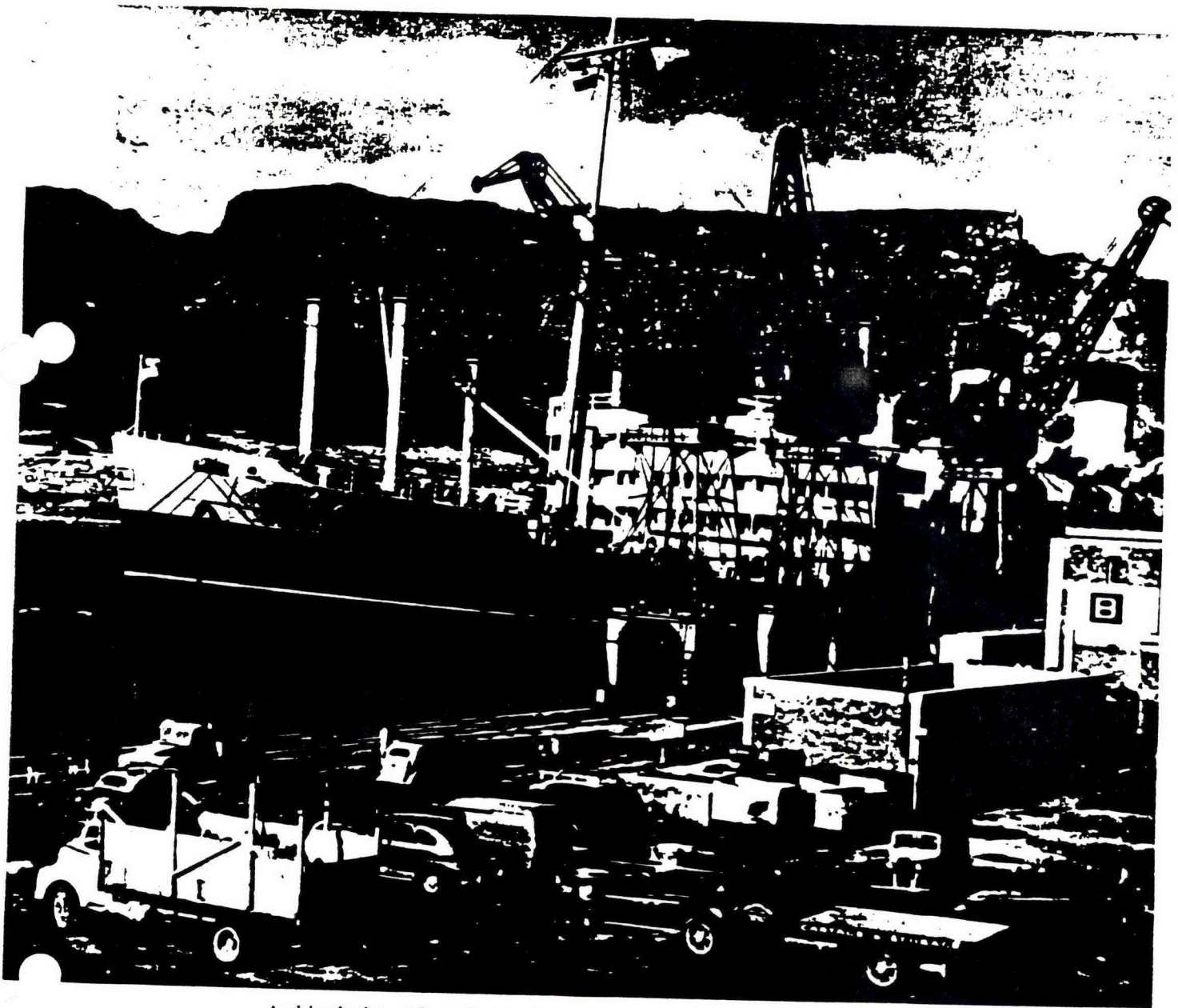
This sent shudders through the South African financial community. He quickly found out that this mode of operation is under sharp challenge in the Soviet Union and Eastern Europe, and has been somewhat mute on the issue.

He was expected by many, including this author, to be a dedicated, violent revolutionary gripped by the misjudgments of old age. To the contrary, he has shown great astuteness in walking a tightwire, engaging in sporadic negotiations with President de Klerk, traveling abroad in search of funding and acknowl-

edging that "Chief Buthe et al." (white Movement) must be accorded some type of recognition. His conduct has, however, infuriated radical members of the ANC who for so many years have cherished the vision of confrontation and bloody revolution.

ANC Problems

Cash. The Soviets and their clients have no hard cash and are reluctant to furnish arms and ammunition unless it is paid for in hard currency. The idea of revolution against the government is untenable without an adequate arsenal. The possibility of raising currency in the western world is remote. (Japan declined to contribute \$25 million, saying it did not contribute to foreign political parties.) The



A ship docks at Cape Town, the parliamentary capital of the country.



Part of a huge multiracial crowd attending a Pop Music Festival

latest venture along this line was a trip to the U.S., with numerous stops, by Chris Hani, head of "The Spear of the Nation" in May 1991.

Talent: Most of the ANC activists are severely under-educated, unemployed youths in their teens and twenties. Insofar as civil or military resistance is concerned, few know more than how to hurl rocks, set fires and build barricades. They are no match for armored vehicles of the government which are probably the most superior ones in the world. There is a group of older leaders of "The Spear of the Nation," few in number, who have no genuine control over the revolutionaries. Discipline is almost nil, and almost any confrontation dissolves into anarchy within minutes.

Apathy: Perhaps 2-3 million Blacks bear any semblance of allegiance to ANC. The South African Black population is grossly overstated in the U.S. press to be 33 million. The figure given in this book is a generous overstatement on the theory that many (as in the U.S.) are uncounted. Most simply don't want to be involved in a nationwide conflict. The White minority is successfully avoiding this, lest it stimulate interest among the disinterested.

Sanctions: Imposed at the request of the ANC, these will disappear by the end of 1991, leading to a resumption of prior economic wealth of the Republic of South Africa, which was hardly diminished by them. The U.S. removed them in July 1991. Although illusory, a dream of the ANC has perished.

Government Policies: The de Klerk government has demonstrated some flexibility in negotiations with the ANC, which has not been reciprocated in like degree. No matter what offer the government makes, it is not enough, and is often responded to by demands that amount to ultimatums, e.g. tire Adnaan Vlok, Minister of Law and Order and Defense Minister Magnus Malan. It also demanded in April 1991 that the government halt violence between Blacks, and, in particular, that weapons be banned among the members of Inkatha.

Inkatha: This organization, headed by Chief Buthelezi, has about 6 million adherents (about 1 million pay dues). As the ANC membership became untalented and under-armed, it became apparent that it was no match for this primarily Zulu group which, by tradition, is skilled in the use of "cultural weapons"—spears and axes. Since 1986, many Zulus

were "necklaced"—killed by a gasoline-soaked tire lit after being placed around the neck of the victim. Stones and ANC anarchy are no match for Zulu skills with their weapons, as has been dramatically demonstrated, particularly in 1990-91. ANC and Mandela has demanded that these weapons be banned at public gatherings under threat of refusing to negotiate further with the de Klerk government.

Winnie Mandela: Mrs. Mandela underwent a 14-day trial for kidnapping of the four youths from the Methodist Home in Soweto and being an accessory to their beating. The trial was sporadic because of ANC threats to witnesses against her. There is no trial by jury in South Africa. Following the hearing, at which she testified, the Supreme Court Judge stated that she was a "calm, composed, deliberate and unblushing liar."

He sentenced her to six years in jail, an immediate appeal was filed, which will take up to three years to be heard and decided. Of note was the silence of the senior ANC leadership to rally to her cause. A few weeks earlier she had been defeated as President of the ANC Women's Auxiliary after Walter Sisulu withdrew from the race and she never

support to Winnie's chief rival. Of further interest was the statement of Nelson Mandela within a few days after her conviction that talks with the government would be continued as scheduled. She appeals strongly to the militants of the ANC, particularly after she said in the ANC, "With our matchboxes and our necklaces, we shall liberate."

Current Negotiations

The ANC, proclaiming to act under the "one man-one vote" theory of democracy, demands a Black-dominated constitutional convention in order to hand the government over to it (i.e. its leadership). The White-controlled government demands a system designed to protect the rights of minorities (i.e. the White population). There is no yielding on this issue on either side. Militarily, the government has the power to impose its will, albeit at a tremendous and probably unsatisfactory cost. Both Nelson Mandela and F.W. de Klerk are walking a tightwire, balance between anarchy, massive strife, the desires of their respective people and the alligators of the extreme left and right. The outcome of the struggle may not become apparent for another generation.

South Africa has been busy coopting (including) as many Blacks as possible into its wage economy. As their economic lot improves, those inclined toward revolution will be less avid. People who are better off economically desire stability—from any source. Unemployed Black people associate their hunger with the activities of the revolutionaries and quietly resent them. It must be remembered that citizens of surrounding countries are continuously trying to become residents of South Africa, a fact which speaks for itself.

Culture: The Boer people, ruling through their *National Party*, reason that because their ancestors were in some areas of South Africa prior to the arrival of the Bantu and Indian people, they are the rightful successors to the exclusive control of the government. Conservative, and clinging to their language and traditions, they have a strong desire to pass their way of life on to their descendants. *Apartheid* has controlled daily life in Africa for almost 30 years; historically its roots lay in the bitter conflicts between the Voortrekkers and the then savage Zulus, Sothos, Xhosas, Tswanas and Tongas during the 18th and 19th centuries. Interracial marriages and love affairs were strictly prohibited until 1985.

The Bantus and other Black Africans outnumber the Whites by five to one; combined with the Indians (whose ancestors were brought in by the British to build the railroads in southern Africa) and the Coloureds (of mixed White and Black ancestry), the figure is about six to one.



President de Klerk and Mr. Nelson Mandela (February 1990)

AP/Wide World Photo

They resent being ruled by a minority under rigid conditions. This has particularly been true since the growth of nationalism and independence in the rest of Africa. The program to place all non-urbanized Africans in "Black Homelands" has been a "separate but equal" concept designed to enable the Whites to continue their control, particularly over the wealth, of South Africa. In the long run, it will be rejected and the homelands

will be reintegrated with the rest of South Africa.

When some Christian clerics denounced *apartheid* from the pulpit, they were warned to keep politics out of the church. Disobedience to that instruction led to the arrest, trial and conviction of a prominent Anglican bishop. Conditions are now much less stringent, however. The Dutch Reformed Church of the Boers (which has a great many churches for

Black Africans also, in the past, developed elaborate arguments based on quotations from the Old Testament to justify *apartheid*. This was reversed in 1989; *apartheid* is now defined as a sin by the Church. But at the same time, emphasis has been on keeping the Church out of politics.

Urban life in South Africa is pleasant and modern in White areas. There is a motion picture industry, large symphonies, well-performed opera and ballet productions, and an immense quantity of *Boeremusiek* which tells the traditions of the Boer pioneers to the accompaniment of the guitar, accordion and concertina. Modern composers of South Africa have made striking classical arrangements from some of the more well-known melodies. Art and literature play a major role in the nation's cultural heritage.

In most of the Black townships, life is difficult. There are frequently no electrical lines, sewers or other necessities associated with life in the city. With burgeoning populations, metal shacks often are all that can be found for housing. Education is generally poor, but improving. Nearly everyone works in nearby cities rising at 4:30 A.M. to get to their jobs, as do many in the U.S., but in addition, many households supplement their income with a small store or basics on hand to sell to neighbors at an inflated price. Coca-Cola is immensely popular, as is beer. Rhythmic music at small night clubs is a delight to hear.

In past years, those sympathizing with Black causes faced possible arbitrary arrest and imprisonment. This, however, has virtually ended. The administration

has allowed television to enter the country, it formerly was outlawed. It extol the *apartheid* system among the viewing audience. There are 70 transmitting stations and 24 receiving stations operating on three channels. The first provides Afrikaans and English programming, the second carries Nguni (Zulu and Xhosa) and the third Sotho (South Sotho, North Sotho and Tswana) broadcasts. About half of the programming produced in South Africa, a substantial amount from the U.S. also appears. *Miami Vice* and *Misdaad in Miami* are favorites, but the actors speak a low-pitched, rhythmic Afrikaans rather than hippy Americanese. Other popular shows include *The Bill Cosby Show* and *"Dallas."* A license fee of about \$5 per year is assessed, the amount paid by the elderly is about half.



The SASOL Refinery

Economy: South Africa's economy is the strongest and most diversified on the African continent. Investment, output, employment and consumption have been constantly rising (with slight interruptions caused by anti-apartheid actions of foreign nations), and until 1987, the standard of living has been improving in all sectors of the society.

Until about 1870 the economy was based almost entirely on agriculture. The discovery of diamonds in 1867 and gold in Witwatersrand in 1886, turned mining into the chief source of national income. By 1945, mining was overshadowed by manufacturing as the most important segment of the gross national product; the economy is more and more falling in line with that of highly developed Western nations. Boycotts by many nations of South African goods has only slightly affected the system because the country has most of the precious and other metals in constant demand on the world market, and is also the source of much of the food which is imported by surrounding Black African nations.

For a number of years there was debated the wisdom of boycotting South African goods and restricting foreign investment—some felt that such moves would bring the nation to its economic knees and force internal change. Further, "disinvestment" was urged as a means of accomplishing this aim—withdrawal of manufacturing principal or subsidiary facilities operating within South Africa. This simply has not proved to be the

Responsible economists realized that these measures would affect Black people economically long before it would have the slightest effect on Whites. Further, wisdom dictated that by investing heavily in South Africa, far more pressure could be brought to bear on the government which would bring changes to benefit both Black and White.

Labor unions, formerly compelled to be racially separated by law, are now allowed to integrate, and the labor movement is quite strong in South Africa.

Two unique projects are examples of efforts at improvement by the government. The longest river tunnel in the world (52 miles) was completed in 1975 on the Orange and Fish rivers; combined with canals, this system now permits irrigation of 300 square miles of an otherwise semi-arid region of the eastern Cape Province. A similar project, much larger, is now in the planning stages and involves Lesotho. The second is SASOL, the world's leading producer of synthetic fuels from coal; there is no dependence upon world oil prices or OPEC in South Africa. Other nations are now studying this technique. If and when the price of oil rises to \$40 a barrel (as it almost did during the Persian Gulf crisis and war),

this will become an economically viable alternative to the world oil market.

Overall economic plans include the development of light and heavy manufacturing to augment the exportation of ores and minerals. Further, this will help provide employment for the many Black people who are moving from the countryside. Housing for these workers will also command major emphasis, creating even additional employment opportunities.

In late 1989 South Africa succeeded in renegotiating its external debt (\$12 billion) much to the frustration of those favoring sanctions and disinvestment. Having helped create the need for the debt, these critics can hardly be taken seriously. South Africa, without external interference, is a solvent nation.

Over the strenuous objections of Mandela and the ANC, EC nations are busy dismantling sanctions against South Africa on the ground that under de Klerk, the nation has satisfied international demands for the end of strict apartheid. President Bush has similar intentions insofar as the U.S. is involved.

The Future: The pot will continue to simmer at about 200° in South Africa in the future. The ANC has unwisely isolated itself from Inkatha and Chief Buthelezi. The ANC leadership appears not to seek the betterment of Blacks of South Africa so much as it seeks the monetary wealth of the nation.

Internal reform is desperately needed. More money must be spent on Black education, carefully adjusting techniques to the abilities of children who have been boycotting inadequate classrooms for so many years at a tremendous cost. (But Black Zulu teenagers outspelled their White British counterparts in a language the victors only started learning at the age of 13!)

At the same time, continued emphasis should be placed on the idea of upward mobility for anyone wanting to achieve more in life. The conservatives will pose a threat to de Klerk for years, but will probably not be able to muster a workable majority in any future government. English-speaking Whites have either moved over to the National Party or considered emigrating from South Africa as dramatic changes have occurred in the last year.

Black homelands will be quietly dissolved, in consonance with the elimination of the Group Areas Act. "F.W." has been astute enough to see that even if given the opportunity to buy and live what and where they want, Black persons will first have to afford it. If they can and do, they will be easily accepted, as has usually occurred in the United States. They will no longer identify themselves with those who elect to live at a minimal level. Those living at a minimal level,

regardless of race, will identify with each other, as they have in the poorest sections of U.S. inner cities and in the poorest rural areas of the nation.

As stated in another book written by this author, democracy does not guarantee the outcome of the challenge or success in life, just as the outcome of a horse race is not predetermined. All that democracy guarantees is that the gates open at the same instant and that the horses all run under the same conditions. Ideally, the outcome is determined by the effort of each as the track is circled.

Two words of caution must be made. Although the Group Areas Act may be repealed, residential areas will probably be allowed to segregate themselves by law. Finally, Acquired Immune Deficiency Syndrome (AIDS) is invading South Africa rapidly among men, women and children. A reliable source has indicated that by the year 2004—a short dozen years—The Republic of South Africa will lose about 60% of its male working force to the deadly disease unless an effective vaccine or cure is developed.

Some Recent Statements . . .

"If Americans want a place in history, then they should support this sanctions bill . . . I do not want sanctions for the hell of it . . . Why are white South Africans and the South African government jumping about like they have got ants in their pants over sanctions? . . . What must South African blacks suffer to end apartheid? . . . What must the South African government still do that you will make the moral decision that no [US] administration ever would want to collaborate with apartheid?"

. . . Archbishop Desmond Tutu, Washington, May 1988

"There is little point in pursuing a constitutional debate about a future South Africa if the legacy is to be an economic wasteland."

. . . Raymond Parsons, Director, S.A. Ass'n of Chambers of Commerce

"The Black struggle has been a struggle to create a South Africa in which all will be free. Blacks have not answered racism with racism. They know that whites are indispensable both in the present and in the future."

"They [the ANC] reject a multi-party state, and they seek to conduct the struggle for liberation in such a way that they return as a military government that will not only nationalize all the major economic enterprises in the country, but will also exercise a Marxist-type total control over the life of the country."

. . . Mangosuthu Gatsha Buthelezi, Chief of the Zulu people.

"I do think that self-righteous Americans are trying to oversimplify the issues and they think 'Ah, well, if we don't buy gold and platinum and coal and don't let South African Airways fly to Washington and New York then those people in South Africa will have to improve the situation.' I think that it very naive . . . I know the Afrikaner very well, the Afrikaner nationalist, and he wants to do better. I'm satisfied about that. But he doesn't want America to tell him what to do."

. . . Alan Paton, author of "Cry the Beloved Country."

"The collapse, particularly of the economic system in Eastern Europe, also serves as a warning to those who insist on persisting with it in Africa. Those who seek to force this failure of a system on South Africa, should engage in a total revision of their point of view. It should be clear to all that it is not the answer here either. The new situation in Eastern Europe also shows that foreign intervention is no recipe for domestic change. . .

The countries of southern Africa are faced with a particular challenge: Southern Africa now has an historical opportunity to set aside its conflicts and ideological differences and draw up a joint program of reconstruction. . .

It is my intention to terminate the state of emergency completely as soon as circumstances justify it and I request the cooperation of everybody towards this end. Those responsible for unrest and conflict have to bear the blame for the continuing state of emergency. . . The justification for violence which was always advanced, no longer exists."

. . . President Frederik W. de Klerk, Feb. 2, 1990

[On the Winnie Mandela trial]

"The whole criminal justice system is in question."

. . . University of Cape Town law professor Dennis Davis, Feb. 25, 1991

SOURCE: Do's and Taboo's Around the World (Roger Axtell).

SOUTH AFRICA

General Protocol

South Africa is the industrial giant of Africa. It leads the world in the production of gold, diamonds, platinum, and antimony.

South Africa proud of role as world source for these essential minerals. Proud of accomplishments.

Almost all speak English, but Afrikaans official language. Majority population speak many tribal languages.

Appointments/Punctuality

Prior appointments are necessary, and punctuality is strictly observed.

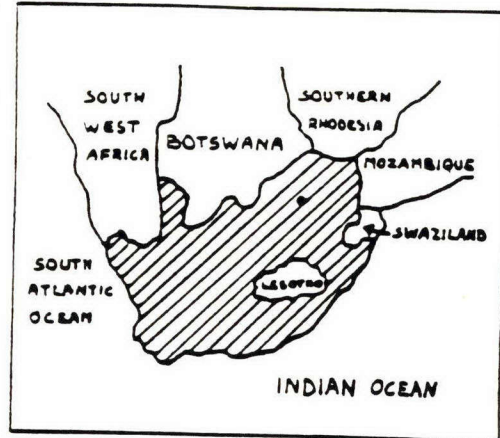
Conversation

Difficult to avoid discussion of local politics and especially the policy of apartheid.

Good topics: all sports, natural beauty of South Africa, resources.

SOUTH AFRICA

The capitals of South Africa are Pretoria (the administrative capital), Cape Town (the legislative), and Bloemfontein (the judicial). The country has three varying types of customs relating to the Africans, Whites and Coloreds. There is also a minority of Asians. About half of the Africans of the homelands are animists, the other religions are Dutch Reformed, Anglican, Methodist, Presbyterian and Jewish. The languages are Afrikaans, Aulu, Tswana, Sotho and some others. South Africa became independent in 1961 but racial turmoil continues. The weather, the beauty, the changing countryside, the coastal section with its magnificent shells, and the flowers of South Africa are world famous. Almost all types of plant life flourish here. The history of Caucasian rule over the natives and of the abuse of them through the industrial development of the country is well-known. In this book there will be only a glimpse of the white English dining customs, although it is hoped that visitors will be able to see all parts of South Africa and to meet people of all ethnic groups. Visitors to South Africa often pass by the beautiful apple orchards which are harvested mainly to make beverages. Not far from Cape Town there is the country's largest apple juice business where six different kinds of apples are blended into either a sparkling juice, or a cloudy unsparkling one. Much of this is reduced for export especially to Hong Kong and the Arab countries. The owner of the industry is a European immigrant who has a declaration on his office wall which states that all on his estate enjoy equal rights and privileges and each is entitled to equal pay for equal work. The three main products are a clear juice like champagne, the cloudy Applemist, and the concentrate which is mixed with flavors of seven other fruits. No artificial sweetening or preservatives are added. The drinks are pure and healthy and you will enjoy their clean and natural taste.



Dinner may be at about 5 in the evening and you should arrive on time. It is not customary to bring a gift to your hosts. The host usually will greet you and he and the hostess will escort you to the living room where you will visit for about an hour while having tea, or you may have cocktails with very light hors d'oeuvres. The conversation will cover many subjects and usually the guest is questioned by the hosts. When entering the dining room follow the hostess and she will indicate where you are to sit. Often the host and hostess sit at one end of the table together, or they may sit at opposite ends, with the guests at the sides. There will be a white cloth and, never paper,

napkins—although the napkins are often in napkin rings. Two forks, two knives and two spoons will be at each place. Also there will be small bread and butter plates. Water or soft drinks are not served and the beverage will be wine or a continuation of the cocktail. Grace is said by the host. There is usually a maid who will bring in the main dish, often a roast. The host will carve this and pass a plate to each, guests first. Nothing but the meat is on the table at this time. After this is eaten, the host and hostess will pass other dishes, probably mashed potatoes, Yorkshire pudding and a vegetable. A guest does not ask for anything to be passed. Salads are usually only served with cold meats. Mint sauce, or jelly is served with lamb but no other jellies are used with meats. The maid will clear the plates from the table and bring in the dessert which may be tapioca pudding, cake or trifle. There are not many courses and the foods will be simply prepared, never hotly spiced. It is not customary to praise the food, especially since the servant probably will have prepared it.

When the meal is finished all will return to the living room where visiting will continue for up to one or two hours. When leaving it is customary to thank your hosts. Do be sure to send a thank you note immediately, but do not send flowers or a gift. You may call and invite your hosts to your hotel for lunch or dinner if you wish. A letter from your home after you have returned will be appreciated.

"OF INTEREST..."

FROM: Holidays Around the World

OCTOBER 22

22 Rainmaking Ceremony ❖ *South Africa* Rainmaking is one of the most important festivals in many parts of Africa. Unlike most rainmakers, who are men, the rainmaker of the Lovedu people is their queen, whom they call "The Transformer of the Clouds." They believe she can create rain and change the seasons. When rain is needed her advisors tell her that "the people are crying" and bring her gifts. Then she uses the secret medicines of her rain pot, invokes the help of her ancestors, and consults an expert in weather lore. The entire tribe may dance until rain begins.

