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JPRS L/9039

17 April 1980

Sub-Saharan Africa Report

FOUO No. 671

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SUB-SAHARAN AFRICA REPORT

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INTER-AFRICAN AFFAIRS

BRIEFS

OMVG COUNCIL OF MINISTERS MEETING--At a meeting in Dakar on 9 February, the Council of Ministers of the OMVG (Gambia River Development Organization) approved the working plans for the dams on the Gambia River. The Council also approved the terms of reference of the basic studies for the master plan for the projects in the basin of the watercourse, which provides for irrigation of 210,000 hectares of land from three dams to be constructed, one of which will furnish 100 megawatts of electric power. The participation of Guinea, which has already given its agreement to become the third member of the OMVG, was studied during this meeting. Guinea's participation, it is stated in a resolution, will make it possible "to optimize the possibilities for development of the whole of the Gambia River basin." [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 22 Feb 80 p 438] 11267

BENIN-NIGER COMMON ORGANIZATION MEETING--The board of directors of the Benin-Niger Common Organization met in Niamey on 4 February under the chairmanship of the Niger minister of public works, transportation and urban development, Mr Moussa Bako, and in the presence of Mr Leopold Ayoueya, Beninese minister of transportation. The Niger minister reported that the cabinet examined the administration of the organization for the year 1979 and the status of its personnel, as well as the problem of extending the Cotonou-Parakou railroad to Niamey. The minister pointed out that, while passenger travel between Cotonou and Niamey has progressed during the first 10 months of the past year, freight transportation has undergone a definite setback. Regarding the Cotonou-Parakou-Niamey railroad, Mr Moussa Bako declared that this is "a good project, technically feasible, economically cost-effective, and financially viable." [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 4 Feb 80 p 327] 11936

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ANGOLA

FRENCH POLITICAL ASYLUM FOR HOLDEN AROUSES QUESTIONS

Paris AFRIQUE-ASIE in French No 209, 17 Mar 80 p 38

[Text] Will the French Government jeopardize its future relations with the Angolan Government on account of war criminal Roberto Holden, leader of the puppet organization FNLA and brother-in-law of President Mobutu? Having obtained a tourist visa valid for 6 months from the French Embassy in Libreville--headed by Col Robert, the leader of the secret agents who had invaded Benin--Roberto Holden has been residing in Paris for 3 months. The question being bandied about in diplomatic circles following the Angolan ambassador's press conference is why Paris broke the gentlemen's agreement and reneged on the formal assurances given Luis de Almeida by Jean Francois-Poncet, the then secretary general at the Elysee, on denying residence in Paris to Angolan dissidents whose activities against their country are notorious.

When Ambassador de Almeida learned about Roberto Holden's presence in Paris, he immediately contacted Mr Georgy, chief of the African Affairs section at the Quai-d'Orsay, who expressed his astonishment even though he confirmed the Angolan puppet's presence after having learned about it from AFRIQUE-ASIE. The French Government's reaction to the Angolan demarche was swift. It is stated that Roberto Holden requested political asylum as a refugee who is barred from returning to his country. The excuse was flimsy: after all, how can one explain the fact that Roberto Holden only asked for asylum following the Angolan ambassador's protest? Who suggested this step to him? Can France, which expelled eminent foreign political or scientific personalities for the simple reason that their government did not wish to see them in France, acquiesce to the request for political asylum of a man condemned to death by his own country for serious war crimes committed against thousands of his countrymen? Would France grant political asylum to a Nazi war criminal? It is not likely that the Angolan ambassador's convocation by the secretary general at the Quai-d'Orsay will settle this question, which is considered "particularly serious" in Luanda.

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ANGOLA

ENVOY VIEWS RELATIONS WITH FRANCE, SOUTHERN AFRICAN SCENE

LD311011 Paris AFRIQUE-ASIE in French 17-31 Mar 80 pp 33-34 LD

[Report by Ginette Cot on 6 March press conference by Angolan Ambassador to France Luis de Almeida: "Improvement in Our Relations Depends on Paris"]

[Text] One month after the opening of an Angolan Embassy in Paris on 4 February, which was the first tangible sign of a normalization of relations between the two countries, Luis de Almeida, ambassador of the People's Republic of Angola to France, gave his first press conference on 6 March.

The Patriotic Front's victory in Zimbabwe, relations between Luanda and Paris and South Africa's plans for aggression against Angola were the main themes developed during the press conference which lasted more than 2 hours.

Hailing the Zimbabwe nationalists' election victory, Luis de Almeida stated among other things: "This is a lesson in maturity which the Zimbabwe people has just given the world which has confirmed what we have said all along, namely, that peoples are always on the side of fighters. This should give rise to reflection by those in Africa who still believe that they can change the course of history, especially Pretoria which has refused to hold free elections in Namibia hoping that it will be able to maintain 'Muzorewas' in Windhoek....

"Africa's free region has thus been further extended. This means that a great victory has been achieved not only for the Zimbabwe people but also for peoples of Africa, in general, and Angola, which has always supported the Patriotic Front, in particular. It is quite clear that this event will have profound repercussions in the region since it is a great encouragement for our brothers in South Africa who have already been spurred on by the victory achieved by the Popular Movement for the Liberation of Angola as shown by the thousands of letters sent from the country of apartheid to Luanda at that time."

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Referring to his country's relations with Paris, the Angolan ambassador emphasized: "As far as we are concerned, we want to have good relations with France. However, some people are trying to hinder progress in this sphere by attacking the agreement patiently concluded with the French Government." Referring to the fact that Paris' relations with Africa are only too often tainted with racism and paternalism, Luis de Almeida emphasized that the French press has largely been responsible for this situation since the French press "always refers to Africa in cliches, dividing Africans into pro-Western and pro-Soviet. Certain newspapers have asserted that Angola has changed its policy and one of them went even as far as writing about Neto's second death and Luanda's alinement on the Soviet Union. This is absolutely false. And it must be understood once and for all that Angola will never again be anybody's colony."

Asked about the presence in France of Holden Roberto, former leader of the puppet Angolan National Liberation Front Organization, Luis de Almeida emphasized in substance that the presence of that man who is merely a war criminal "does no credit to France, the country of human rights." "We can hardly imagine this country turned into a refuse dump," the Angolan ambassador added, recalling that "after being requested to leave Kinshasa," Holden Roberto "also had to leave Senegal for Libreville thence demarches were made to enable him to settle in France. With reference to this, we have officially approached the French Government and asked it what that gentleman was doing a few hundred meters from my residence. If Holden Roberto is allowed to pursue any political activities in France, relations between Luanda and Paris will obviously be affected by this both in the political and economic spheres. This is a question of honor. We will never accept any slur on our country's honor."

The Invincibility Myth

Among those who have been trying to hinder the normalization of relations between Luanda and Paris, the Angolan ambassador mentioned the South African lobby which is known to be very powerful in France, and recalled in this context the case of Pretoria's pawn, the National Union for the Total Independence of Angola [UNITA], which had opened an office at No 15 Avenue Victor Hugo in Paris. "We laid down two preconditions for the opening of our embassy in Paris--closing down the UNITA office and expulsion of its representative John Kakumba and ban on his reentry. Formal assurances with respect to this were given to us by the French president's office. Later, however, we learned that Mr Kakumba had returned to France as diplomat or to be more precise, as Senegal's consul to Lichtenstein (a minuscule state consisting of a few mountains) with residence in Paris! For what purpose? This is a real challenge to the French authorities. As far as we are concerned, we are awaiting a solution to this affair. As for President Senghor, it is known that he is suffering from an obsession. However, if he believes that he will be able to change the course of events in any way, he will have to change

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his tune. Much water will flow along the Senegal coast before anything changes in Angola...."

[LD311013] Referring to continual attacks launched by the South African Army against his country, the Luanda ambassador recalled that racists have not abandoned their dream about gaining control over Angola. "They are now planning to occupy part of our territory in the south through an Israeli-like blitzkrieg. This explains the big concentrations of South African troops recently noticed along our southern borders. Obviously, it would later be explained that the UNITA has achieved a victory (AFRIQUE-ASIE note: A press agency dispatch, which was reprinted by some French daily newspapers, completely distorted the Angolan ambassador's statements. Luis de Almeida never said that any offensive by UNITA puppets against Angola would force his government to appeal to "Guineans and Cubans" for help. The recording of the ambassador's statements is quite clear. He simply stated that the South Africans are preparing new acts of aggression against Angola which they will later attribute to UNITA. This is nothing new as far as "cover" stories are concerned) and all this, it is expected, would force us to engage in discussions with South Africa and would put a full stop to the UN plan for creating a demilitarized zone between Angola and Namibia, which plan we support.

"We realize that the racist and fascist Pretoria regime is capable of anything but we will thwart this scheme by all means at our disposal. Therefore, we have to strengthen our defenses. Five years after achieving independence, we have the best army in black Africa. For we have to defend ourselves against daily attacks and South African plans for invasion (this explains the presence of Cubans in our country) on the one hand and prepare for the day of the great upheaval, that is, the unavoidable day when our South African brothers take up arms to liberate themselves, on the other hand. When this happens Pretoria will certainly make Angola and Mozambique its targets. The racists are prompted by a very special desire for revenge against us because on 26 March 1976 we defeated the South African troops, destroying at the same time the myth of their armed forces' invincibility.

"We have supported the Patriotic Front and we will continue to support the South West African People's Organization and the African National Congress. We realize that such bold attitude has to be paid for. But we believe that helping our brothers to liberate themselves is a sacred principle which must be upheld irrespective of cost. In this connection, we want to draw attention to the responsibility borne by South Africa's friends, that is, Western countries. It is, in fact, French and British equipment that is being used against us despite the embargo on arms' supplies to Pretoria decreed by the United Nations.

"In particular, we want to draw France's attention to this state of affairs since France could play a useful role by helping a process which is to lead to free and independent elections in Namibia out of the blind alley in which it has found itself."

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ANGOLA

BRIEFS

ADB BENGUELA RAILROAD FINANCING--Ismael Martins, Angolan minister of finance, has declared that Angola has signed an agreement with the Arab Development Bank for the financing of the Benguela Railroad. Martins, who just returned from a visit to Sudan, Kuwait and Abu Dhabi, specified that the agreement was for \$10 million, and that still another agreement related to the fishing sector was under study. Expressing himself very satisfied with the results of this visit--the first ever by an Angolan delegation to the Arab countries--the minister of finance noted that cooperation could eventually be achieved also in the field of petroleum, with Angolan cadre receiving training in Kuwait. "Arab countries are very receptive to an eventual cooperation with Angola," he stated. Martins also noted that delegations from Abu Dhabi, OPEC (Angola is not a member of this organization) and the Arab Development Bank are expected in Angola next June. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 28 Mar 80 p 765]

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BENIN

KEREKOU POLITICAL MANEUVERINGS REPORTED

Paris JEUNE AFRIQUE in French 27 Feb 80 pp 34-35

[Article by François Soudan: "The Chameleon Alone On His Branch"]

[Text] President Kerekou has put out of the way the military men who helped him take power. In doing so, he landed one of the "counterthrusts" as he knows so well how to do.

The Beninese land follows the breathing rhythm of Dan, the serpent god. Flurries of wakening between two parentheses of torpor. From 1300 to 1600 hours in the afternoon, Cotonou slumbers at the edge of its lagoon, a bit like the voodoo gods, it seems. Here, though, men have always enjoyed getting around injunctions from the other world. When the gods sleep, men act. It was at siesta time on 26 October 1972 when a 44-year-old, baby-faced major, Mathieu Kerekou, plucked power like a ripe mango. It was in the early afternoon that he almost lost it, on Monday 4 February 1980.

Just by reading the official communique released in Cotonou on 12 February, which contained a list of the members of the new government, the Beninese man in the street immediately felt that "something" had happened. True, Radio Cocotier conjectured briefly on the matter: 8 military men fired; 2 demoted--and not the least of them: Michel Alladaye, in charge of foreign affairs and Martin Dohou Azonhiho, regime ideologist; a large civilian influx that will now hold 13 portfolios out of 22. What was it? A house-cleaning? A purge? A palace revolution? Today, Radio Cocotier found out: it was one of the counterthrusts that the "great comrade in struggle" Mathieu Kerekou is the master of.

It all began at the end of November 1979. The first general consultations since the coup d'etat of October 1972 had elected 336 people's commissioners to the future National Revolutionary Assembly. It was a logical process in the "step by step" plans of Beninese Marxism-Leninism: the revolution was to enter its institutional phase. But some people in Cotonou were gritting their teeth, especially the military men who had helped Kerekou come to power; All those newly elected people from all over the country were civilians

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without any real political training. Their ideology could not be guaranteed correct. Moreover, Kerekou had taken it upon himself to organize a "seminar of national leaders not belonging to the party" at the beginning of November, and that worried them a lot.

Even words like the following were heard at the seminar: "Why is each minister also a political commissioner, army officer, member of the central committee, member of the political bureau, and the chairman of a dozen committees?" In short, for the radical soldiers--or merely the ambitious ones in the government, there could be no doubt about it: they were to be shunted aside and replaced with civilians. Four decided to react: Martin Dohou Azonhiho, with his impeccable major's uniform and shaved head, an iron-fisted minister of Internal Affairs, "mean" if not quite clean. Philippe Akpo, a lieutenant, in charge of agriculture, and an orthodox Marxist. Andre Atchade, a captain and minister of Commerce. And Michel Alladaye, in charge of foreign affairs. This sphinxlike lieutenant colonel, nicknamed the "Beninese Bouteflika," would like to see himself in the shoes of the "great comrade in struggle." Alladaye is neither a radical nor a moderate, he is just hungry for power.

The Gang of Four

This "gang of four" began their attack on Thursday 24 January at a national budget meeting. They tried to have invalidated the project presented by Kerekou's civilian councilors "as being contrary to the direction of the revolution." Their first failure: a balanced budget passed.

The "four" then intended to play their trump card: they knew that the revolutionary military government, the only organization within which the Pretorian guards were still in the majority, was soon to be replaced by a "National Executive Council," which they saw as being already loaded with civilian ministers. Their plan: pull another "Sassou coup," i.e. put Kerekou in the minority within his own government. This method had been tried successfully by the Congolese Sassou Nguesso in February 1979, against President Yhombi Opango. They then talked to their barracks-mates on the classic theme of "civilians want to put us out of power. Us, the soldiers who made this revolution." Many phone calls were made on the afternoon of Monday 4 February. Some people were enticed by the idea of a legal coup d'etat, but most refused and hastened to warn Kerekou. Azonhiho, Alladaye, and their friends had lost.

To the Dregs

On Thursday 7 February, Mathieu Kerekou was elected president of the People's Republic of Benin. "The party," he announced, "will never be a party of clans, groups, or a closed party." The next day, in a stifling Cotonou gymnasium, the "great comrade in struggle," dressed in the traditional light green agbada, with a sculptured cane in his hand, was sworn in to the "Congolese" accompaniment of the "All-Powerful Poly-Rhythmo Orchestra" and a 21-gun salute.

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All the conspirators could do was drink the cup to the dregs. The new government was formed on 12 February; Atchade, Akpo and their supporters were left out: Richard Rodriguez (Supplies), Djibril Moriba (Justice), Augustin Honvoh (Education), Issifou Bouraima (Health), Francois Kouyami (Culture), Leopold Ahoueya (Transportation). Azonhiho and Alladaye were not excluded but demoted, which was both more humiliating and "safer," for they will not return to their garrisons. Azonhiho got the Information job and thus lost all power over the police, which he had organized so well. Alladaye really comes down a peg in the Justice post: he had been a habitue of international conferences with their soft chairs; now he will have to haunt the dusty halls of neighborhood courtrooms. Tough.

The new members of the government are essentially civilians "seeded" according to their political sympathies. The minister of Foreign Affairs, Simon Ougouma, for example, a former prefect, a statistician by training, former vice-president of the Federation of Students from Black Africa in France (FEANF) at the beginning of the 1960's, and is considered an orthodox Marxist, as are the new chiefs of Culture and Commerce, Gratien Capo-Chichi and Sanni Gomina, who are former student militants. But Manasse Ayayi, a professor of political economy in charge of government corporations, is more moderate, as is Abou-bakar Baba Moussa, former director of the Beninese Development Bank, close advisor to Mathieu Kerekou, and head of planning.

Contradictions are inevitable between these two groups in the mid-term. With his sense of nuance and balance, Kerekou has built up around his group of "stalwarts" (Girigissou Gado (Public Works), Roger Garba (Husbandry and Fishing), and Vincent Guezodje (Internal Affairs)) a buffer group capable of mediating and absorbing shocks.

A Fon Proverb

Mathieu Kerekou was said by many seven years ago to be a narrow, insurrectionist major, but he is now more than ever the only master aboard. Unlike Sekou Toure, for example, he can boast of undeniable economic success. And when the Seme offshore deposit is put into production, Benin might well become an oil exporter a year from now.

"The branch will not break under the weight of a chameleon," goes a Fon proverb that the leaders quote on their own behalf to emphasize that the revolution will proceed like the chameleon on its branch: slowly and carefully. Today, no doubt, many Beninese are a little less afraid that the chameleon might stop midway on its branch, as it often does, and go to sleep.

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BENIN

ELECTION VICTORY LENS REGIME AN AIR OF LEGALITY

Paris ARRIQUE-ASIE in French 3 Mar 80 p 23

[Article by Mariam Sysle entitled: "The Era of Legitimacy"]

[Text] The parliamentary and presidential elections now give Mathieu Kerekou better means to achieve the important tasks set forth by the Benin Revolution.

The People's Republic of Benin [RPB] has just witnessed some of the most crucial moments of its history with the creation of the last institutions established by the Constitution, and particularly with Mathieu Kérékou's election as president on 6 February 1980. The president was elected by the National Revolutionary Assembly (ANR) which was elected last 20 November.

Yet a brief background of the situation is necessary to the proper assessment of these events. We know that the adoption of the Constitution on 26 August 1977 following a year of studies and debates throughout the country was considered as a victory for the Benin revolutionary and progressive forces. Two objectives were set by this constitution which represents a total break with the country's colonial and neocolonial past. On the one hand, the people's vested interests and democratic claims voiced since the struggle for the national liberation had begun on 26 October 1972 had to be reflected in the new government structures. On the other hand, one had to find the proper mechanisms to launch the second phase of the struggle, namely "the people's democratic revolution" which is expected to lead sooner or later to a socialist society.

Since 26 August 1977, the primary objective of the Beninese leaders has been the implementation of the Constitution. Yet it took nearly 2 years of harsh struggle against reactionary forces within as well as outside the country, and against all types of opportunistic groups for the implementation process to start. This is why a series of training sessions and conferences were organized by the GAR [expansion unknown], the National Federation of Worker Union of Benin (UNSTB), the Committee for the Defense of the Revolution (CDR), and the organization of the masses by the People's Revolution Party of Benin (PRPB). They were followed by seminars for political cadres which revealed the existence of some persistent contradictions. President Kérékou had

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warned against consciously or unconsciously confusing "the real democracy, on the one hand, and Leftism, verbal anarchism and revolutionary opportunism, on the other hand."

Nevertheless, the first ordinary congress of the PRPB convened from November 13 to 18 to discuss the subject of "criticism and self-criticism within the party with the goal of improving its work methods and of insuring its rooting in the masses" had clarified the situation and strengthened the revolutionary process. The 400 delegates gathered at this congress, denounced "inadequacies stemming from burdensome bureaucratic procedures," and made recommendations for a number of new orientations. A 45-member Central Committee and a 13-member Political Bureau were elected, and Mathieu Kérékou was suggested as a candidate for the presidency. This was a necessary step since the Constitution establishes the Party's supremacy over the state structures.

The Policy of the Nationalities

It is in this context of revolutionary mobilization that the popular and democratic elections preliminary to the election of the ANR were held from October 19 to 31 within each socio-economic group to be represented in the ANR. At last the process led to an overwhelming victory for the 336 people's commissioners on the national list, at the 20 November elections. According to sources in Cotonou, they were the first elections to unfold in a peaceful atmosphere with the participation of all the people. The cycle was complete. Thus, the election of the first president of the RPB to be vested with constitutional legitimacy was one of the first tasks undertaken by the ANR.

Following the secret vote by the 320 commissioners who all voted for the unique PRPB candidate, Mathieu Kérékou, the latter made an appeal for the consolidation of the large united front and invited the patriots to join the PRPB.

President Kérékou, who was to be sworn in 2 days later in the presence of a cheerful crowd, also mentioned that the RPB "is a unified multinational State where all nationalities are granted equal rights and duties. It is a sacred duty for the State to strengthen and develop their union, and to give each of them an equal opportunity to grow in unity through a fair policy of the nationalities and of inter-regional equilibrium."

Finally, the president also mentioned the important, permanent tasks of the Benin revolution: "National production and construction, extensive ideological, patriotic, and premilitary training; defense of the country and the revolution; elimination of illiteracy, and healthy management of all production units and the affairs of the revolutionary government."

In addition, as established by the Constitution, the National Council of the Revolution and the Military Revolutionary Government (GMR) which had existed since 26 October 1972 were replaced by the new supreme administrative and

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executive body of the RPB, the National Executive Council (CEN) composed of 28 members--22 ministers and 6 chairmen of the State Committees for Province Administration (CEAP). A permanent committee will assist the CEN*. The PRPB decided to increase the number of ministers, the GMR was composed of only 15 ministers. The deputy chairman of the ANR's permanent committee, Michel Alladayé, further stressed that this change was intended "to strengthen the recent achievements made by the revolution, to increase the power of the State, and to insure the efficient and healthy administration of government affairs."

An important phase of the struggle is definitely over. During the ANR session, on the day of President Mathieu Kérékou's election, Arman Monteiro, spokesman for the PRPB declared: "The era of revolutionary constitutional legitimacy has just begun in the People's Republic of Benin."

*Some of the CEN ministers are ex-ministers of the GMR. There are, however, several newcomers, among them several ex-prefects of provinces: Paul Kpoffon Sanni Mama Gomina, Simon Ifede Ogouma, Gratien Tonckpon Capo-Chichi, trade-unionists, etc....

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CAMEROON

BRIEFS

FINAL ELECTION RESULTS--Yaounde, 8 Apr (REUTER)--President Ahmadou Ahidjo, the head of the Cameroonian state was reelected for another 5-year term. Below are the final results of the Saturday elections which were issued on Tuesday by the Ministry of Territorial Administration: Total number of registered voters: 3,306,650; total number of votes cast: 3,289,740; Blank ballot papers: 93; valid voters: 3,289,568 [as received]; percentage in relations to registered voters: 99.35 percent; percentage in relations to votes cast: 99.99 percent. The Cameroonian head of state, who had been in Garoua (north Cameroon) since Saturday, left his country on Tuesday for a 2-week visit to Paris. [Text] [AB081335 London REUTER in French 1159 GMT 8 Apr 80 LD]

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CHAD

DANGER OF RESUMPTION OF WAR CONTINUES

Paris AFRIQUE-ASIE in French 4-17 Feb 80 p 31

[Text] While the first elements of the neutral African forces--three contingents of the Congolese army--were arriving in Ndjamena, the Transitional National Union Government of Chad (GUNT) charged its president, Goukouni Oueddei, with negotiating with Paris regarding the withdrawal of French troops stationed in this country.

Also, during a meeting held on 19 January last, the heads of the 11 various politico-military factions decided what steps must be taken to demilitarize the capital within 2 weeks, setting a deadline of 5 February at noon for the completion of the operation.

Hissein Habre, defense minister and head of the Northern Armed Forces (FAN) was put in charge of the committee entrusted with that task. While awaiting the arrival of the other members (Guinean and Beninese) of the neutral forces, the Congolese already took an effective part in the activities of the military police created in November to keep order in the capital. As we already know, that military police force includes soldiers from the four Chadian armies (Northern Armed Forces, Western Armed Forces, People's Armed Forces and Chadian Armed Forces) still stationed in the capital.

Demilitarizing Ndjamena, whose population possesses an impressive arsenal and where thefts and other criminal activity take place almost every night, is an imperative but also difficult task.

Indeed, time is short: the mid-January confrontations in Ouaddai, pitting Hissein Habre's Northern Armed Forces against members of the Front for Joint Action (FAC), which reportedly left some 50 fatalities, proved that the danger of war being resumed and intensified is far from over. Still of primary importance are two goals: establishing a permanent peace, which the Chadian people eagerly desire, and achieving actual independence, which necessarily entails the departure of French occupation troops. With the help of the neutral African forces, GUNT finally seems determined to settle down to those two tasks.

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CHAD

INDICATIONS OF FRENCH 'IMPERIALISM'

Paris AFRIQUE-ASIE in French 3-16 Mar 80 pp 21, 22

[Article: "Chad: Where Does One Want to Go?"]

[Text] The weak glimmer of hope raised by the Lagos agreements of August 1979, and then by the constitution of the Transitional Government of National Union of Chad (GUNT) last November, is tending to die out as the days and months pass without the appearance, in any area, of the least convincing indication of recovery.

The demilitarization of Ndjamen, the deadline for which had been set for 5 February, has again been put off indefinitely, while in the capital, transformed into a veritable arsenal, at least four armies are always present. And none of the principal Chadian factions seems to have given up hope of winning out over the others.

In this regard, intense activity is noted around Hisssein Habre in Ndjamen, and around Colonel Kamougue in Moundou, in the south, as if two parallel cabinets were in the process of being constituted. During this time, the GUNT is totally unprovided with means, and there is a crying lack of money. And no development project (such as, for example, beginning of extraction from the oil deposits discovered in Kanem and near Doba and Moundou, on which great hopes are placed) seems to be able to take shape so long as this situation of chaos lasts.

Nevertheless, the greatest uneasiness is justified when one hears the French minister of cooperation assert that "the situation in Chad is extremely dangerous"--and this, curiously, at the time when the GUNT is asking for the opening of negotiations aimed at the withdrawal of the French troops. Now like an echo, Hisssein Habre declares that "France remains the strongest bulwark for the defense of Chadian sovereignty," and denounces "the feverish activities" of the Libyans, who, according to him, are "swarming" to Ndjamen, where they are distributing oceans of money. As a curious coincidence, these are the same accusations which, in the neighboring state, Dacko's puppet government has launched against Tripoli--and also against Moscow--before closing the embassies of these two states. For in both cases, under the very nose of the French soldiers, the agents of "international Communism" are supposed to be agitating and distributing money and tracts!

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This propaganda is so grotesque that it could only make one laugh, if it did not reveal the aims of French imperialism in the region. And in this regard, one cannot fail to relate these maneuvers to the sudden and fallacious accusations made by Kinshasha against the People's Republic of the Congo, which borders the now recolonized Central African Republic.

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CHAD

BRIEFS

NEW COMMANDER OF FRENCH FORCES--A new commander of the French forces in Chad, Col Paul Lardry, of the French Army General Staff, has just been named to replace General de Tonquedec, it has been announced in a communique from the French Ministry of Defense published in Paris on 8 February. We recall that in July 1979, General de Tonquedec, then a colonel, had replaced General Forest at the head of the French forces in Chad. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 15 Feb 80 p 389] 11267

WORLD BANK TO RESUME FINANCING--A World Bank mission charge with researching the possibility of rekindling the projects it has been financing in various sectors of Chad's economy is staying in the country until 10 February. That mission, led by Mr Peter Gisle, an expert in the World Bank's West African section, has already had several talks with some Chadian leaders. Mr Gisle told AFP that he had "reasons for optimism" in spite of the "difficult situation" Chad is going through. The World Bank is financing various development projects in Chad, including some regarding improvement of the Lake Chad polders, petroleum production, production and marketing of rice in Tandjile Province (Southern Chad), cattle raising and maintenance of a portion of the highway system. All these projects were suspended as a result of the armed confrontations in 1979. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 4 Feb 80 pp 326-327] 11936

GOVERNMENT POSITION ON TRADE UNIONISM--In a cabinet meeting on 12 February [sic] the Chadian Government decided to recognize "the exercise of trade union freedoms," according to Mr Boukar Nanasbaye, minister of information and government spokesman. That recognition, the minister explained, is in keeping with "legislation currently in effect" and "the spirit of the Lagos agreement" and must not allow "the type of anarchy where strikes occur." Any union that is "legally created must therefore conform to the dispositions provided for in that legislation," he sated. The minister of social affairs and labor, the spokesman added, was assigned the task of "making contact" with the workers in order to "determine the conditions for creating a labor organization whose status and membership will be researched in a preliminary government study for the purpose of its certification." [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 4 Feb 80 p 327] 11936

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CENTRAL AFRICAN REPUBLIC

EFFECTS OF SOVIET TEACHERS' DEPARTURE REPORTED

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 4 Feb 80 p 326

[Text] After the break in diplomatic relations between the CAR [Central African Republic] and the USSR, (MTM of 1 February 1980, p 263) the Central African Government requested that Soviet instructors keep their posts, even though cooperation agreements between the two countries have been terminated.

The first reaction of the Soviet Embassy in Bangui was to prepare for the return home of all its "cooperants" [advisers], instructors and physicians. Those people had to pack their bags immediately and sell cheaply anything they could not take with them (vehicles, radios, television sets, vodka and even caviar). However, the news of their departure resulted in a rush of looters on their residences, most of which are located near the center of town in the Sica buildings. Some Soviets only owe their safety to the intervention of French soldiers. Some residences occupied by French "cooperants" were looted also. Looting seems to have become a frequent occurrence in the CAR.

The Soviet "cooperants" were assembled at the airport on 23 January to wait for a special Aeroflot plane. The Central African Government did, however, get Soviet permission to retain the services of the educators and physicians who taught at the university: thus, the latter returned from the airport with their luggage to their apartments which had been emptied of every stick of furniture!

Finally the departure of the Soviet teachers was confirmed and some of them have already left the CAR.

The Bangui government is concerning itself with the problems of replacing them in the teaching of scientific subjects.

Therefore second and third year undergraduate students from the School of Sciences will go to Morocco to continue their education. In secondary schools, some Central African physical education teachers will be in charge of biology classes, while government workers from the Ministry of Agriculture will also assume some teaching duties. They have been asked to "manifest their patriotism" in these circumstances.

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CENTRAL AFRICAN REPUBLIC

FRANCE ACCUSED OF PILLAGING NATION

Paris AFRIQUE-ASIE in French 3-16 Mar 80 p 22

[Article: "Grabbing the Central African Republic"]

[Text] Paris has decided, as could have been expected, to give its "support" to the efforts for the economic recovery of the Central African Republic. To this end, the French minister of cooperation has prepared an emergency plan which will result in the immediate future in payment to Bangui of the sum of 30 million French francs (1.5 billion CFA), and a series of draconian measures. Thus, government personnel will have to be reduced in number, and salaries blocked for a year. The investment code will be revised--to the joy, no doubt, of foreign capital--and a tax census will also be carried out.

But in particular, this emergency plan will result in the dropping onto Bangui of a cloud of technical, economic and financial advisers and assistants, who will be assigned to monitor the key sectors of the economy. The French will occupy mainly the positions of management, control of expenditure commitments, and direction of the Autonomous Fund for the Amortization of State Debt (CAADE). Everyone, or nearly everyone, in the state companies will be assisted by advisers. And President Dacko, who is already abundantly "assisted," will also be provided with economic and financial advisers.

This sudden solicitude on the part of Paris for a country which France has not, for that matter, ceased to keep under its ascendancy (not only since the colonialist concession of 1890 but also--by way of Dacko, then Bokassa, then Dacko again, one after the other--since nominal independence) seems dubious, to say the least, and all the more so in that the French paratroopers continue to occupy the territory of the Central African Republic in tranquillity.

In reality, the operation we are witnessing amounts to a real grab of the Central African Republic. And when we know that behind each Central African cadre, behind the "president" himself, is the shadow of the "advisers," true masters of the game, we have the right to speak of an operation of pure and simple colonial reconquest, to believe that the uranium of Bakouma and the

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"Ubangui anomaly" (where strategic minerals and energy-related minerals have been discovered) are arousing the sharpest appetites.

Under these conditions, the proceedings under way in Bangui appear ridiculous.

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CENTRAL AFRICAN REPUBLIC

BASES FOR ECONOMIC RECOVERY SAID TO EXIST

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 1 Feb 80 pp 243, 244

[Article: "The Future of the Central African Economy; Heavy Liabilities, but Clear National Advantages"]

[Text] Since the coup d'etat of last 21 September, the reinstated Central African Republic has been going over its accounts. For the authorities who took over then, the last quarter of 1979 was only a period of preparation before beginning a decade which would see the economy restored to a healthy basis, an indispensable condition for political stability.

The Imperial Legacy

The economic situation after the overthrow of the empire was disastrous, as has been said again and again.

To begin with, there is the chronic budget deficit, which has varied between 4 and 6 billion CFA francs the past few years. State revenue has been considerably under what it should have been these last few years due to faulty collection, while salaries as well as the number of government workers have continued to grow (25,500 in August 1979 as compared to 18,300 in September 1977). The total national debt reached 70 billion CFA francs. Money lenders and investors were hardly attracted any longer to a country which had lost all credit internationally. Since 1973, the CCCE (Central Fund for Economic Cooperation) had stopped granting any more loans to what was still the Republic. The president for life, who then became emperor, always had a tendency to confuse the public treasury with his personal wallet. He has left the national accounts in an indescribable state.

This situation can't be attributed to one person alone, even the chief of state. Central African Republic services have been doing badly for a number of years because of the general laxity reigning, ignorance of the general interest among government employees, and a lack of means, especially in public works. It has come to the point where those countries providing assistance to Central Africa must take the place of local

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authorities to carry through their aid programs. This is the case for those road projects which are necessary for removal of the enclave status, and thus for the economic survival of the country.

Since 1970, hasty nationalizations, an incoherent agrarian reform, and lack of followup to decisions and actions from the seat of power aggravated the effects of the administrative debacle. Today the only solution appears to be in returning to private management the principal economic sectors through the quasi-public associations UCCA [Central African Cotton Union], ICAT [Central African Textile Industry], ACCF [Central African Agency for River Transportation], and Centro-hydro (petroleum products).

On the other hand, enclavement is a natural feature which is extremely hampering: Bangui is 1,700 km from the sea by the old "federal road" (river and CFCO [Congo-Ocean Railroad]), with cargo transfer at Brazzaville. This is still the route most used.

The local road network and river port equipment have greatly deteriorated since RCA independence. In 1978 the port of Bangui recorded the lowest tonnage since 1960: 136,000 tons as compared to 142,000 tons the preceding year and 236,000 tons in 1960.

Roads no longer exist, other than Bangui to M'Baiki, Bangui to Sibut, and Nola to Berberati and Gamboula. This somber picture is further aggravated if the silting up of the port of Brazzaville, CFCO's serious problems, and the persistence of difficulties in the economic relations between Congo and its northeastern neighbor are also considered.

Notes of Hope

Nevertheless, RCA does hold some trumps: it can feed its own population thanks to a large market garden production (manioc, peanuts, sorghum, millet, corn, rice, livestock). In the last years of the empire the provinces had lived practically autonomously, and the effects of new policy have hardly had the time to make themselves felt.

Cash crop agriculture is full of promise, providing it is managed well. Thirty percent of the Central African population is occupied with cotton production. In 1970, production of cottonseed reached 58,000 tons. Production has gone down considerably since then. But technical aid and professionalization of personnel should give this crop new and rapid impetus. Some 35,000 planters and 130 industrial facilities are occupied with coffee. Production remains constant around a ceiling of 10,000 tons (affected also by Zairian coffee smuggled into the free zone). The commercial circuit of coffee should be reviewed. Tobacco (around 2,000 tons) retreated in 1978, but this is a new crop, with 20,000 planters and two recent factories, which ought to assure its future development.

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Forestry is in full expansion, if one can judge by the following figures: 400,000 cubic meters of rough timber produced (127,700 m³ exported) in 1978 as compared to 225,000 m³ (49,600 m³ exported) in 1975. The forestry industries employ 5,000 persons, and annual trade figures amount to around 6 billion CFA francs. Mahogany, limba and sipo are the most promising kinds, if the government doesn't do something surprising, such as stopping exports, or if transportation problems don't paralyze construction sites through lack of fuel, or if export routes don't get so filled up the movement of goods is choked.

It should be stressed that one of RCA's undeniable trump cards is still the variety of its agricultural potential (including livestock), which is explained by its position straddling the forest zones neighboring the equator and the Sudanese savannas.

Mineral riches remain concentrated in the exploitation of diamonds (37.6 percent of 1978 export value). The value of the production, favored by rises on the world market, went from 3.55 billion CFA francs in 1977 to 8.51 billion in 1978. The development of this production leaves much to be desired, and at some future time the state can look here for renewed resources, such as the long term promise of uranium at Bakouma and oil in the north of the country.

A Necessary Recovery

Hardly anything more than a return to a balanced budget would reestablish confidence in the business world towards RCA and stimulate foreign investment.

In 1976 and 1977, years of deplorable management, the balance of trade was in a surplus position, 800 million and 4.2 billion francs respectively. Recovery in the balance of payments in 1976 was spectacular, due to increases in cotton, coffee, wood and diamonds on the international markets, and also because of foreign aid. France has shown determination recently in pursuing aid to the RCA. Mr Robert Galley, minister of cooperation, declared at Bangui last December that his country would help the RCA (as far as its means allow) in the "gigantic effort necessary to get out of the current stagnation." There is a promise for 1980 of 180 million CFA francs for the road network and 160 million for forestry resources.

From 1960 to 1970 Central Africa knew continued economic growth. With administrative reform and economic restructuring a healthy base for development can be found. French technical assistance, in his point of view, has been strengthened since the return to the Republic. Experts of all kinds have come to examine the slightest potentials of the country. The central location of the RCA, though its position as an enclave is an obstacle, could also, with a stable and orderly political life, allow the creation of industries whose production would go to neighboring countries. Such is the justification of the Citroen assembly line proposed for Bangui for vehicles adapted to Africa (FAF or easy to finance, easy to make).

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It can be seen that the hope for a future of development is still weak in Central Africa. But the bases for recovery exist. It's a question of knowing how to find them and maintain them firmly: the prosperity of the country must first pass through the protection of a peasant class which has been mistreated during the last years of Bokassa's regime and for whom harvests and their commercialization through appropriate agencies and infrastructures must be assured.

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CENTRAL AFRICAN REPUBLIC

RIVER TRANSPORTATION COMPANY IS ESTABLISHED

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 4 Feb 80 p 326

[Text] The creation of SOCATRAF [Central African Society for River Transportation], a joint economy company with 400 million CFAF in capitals, owned by the Central African State (51 percent) and the SAGA [expansion unknown] (49 percent), was made official through a series of agreements and contracts signed in Bangui on 24 January by Messrs Malendoma, Central African minister of state in charge of transportation, of civil and commercial aviation, of public works, of land management and resources, and of housing promotion and organization, and by Mr Nouveau, assistant general manager of SAGA-Transports.

SOCATRAF will take over the activities of ACCF (Central African Agency for River Communications): river transportation, in-port handling, and fleet maintenance and repair. This is a management firm endowed with complete financial and administrative autonomy. The general manager is appointed by the Central African Government, and the assistant general manager, by SAGA. Some SAGA executives will also come to boost company management. Mr Saki-Bede, general manager of ACCF, has already been appointed as general manager of SOCATRAF.

Still, this does not mean that ACCF has disappeared: it remains as an estate management protective firm, for buildings as well as river transportation equipment, and it will receive from SOCATRAF annual royalties designed to settle its debts and renew its equipment.

The creation of SOCATRAF climaxes negotiations that have been going on for more than a year between SAGA and the Central African Government. Other partners from the private sector are already being sought to bring capitals to 800 million. The Central African state, however, is to retain its majority share.

These agreements should result in a resumption of normal river transportation on the Ubangui, which had been declining for several years.

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CENTRAL AFRICAN REPUBLIC

KEROSENE SHORTAGE NOTED, THEFTS REPORTED

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 4 Feb 80 p 326

[Text] After the gasoline shortage noted in Bangui 2 months ago, the CAR [Central African Republic] is now undergoing a shortage of kerosene. The lack of airplane fuel forced President Dacko to cancel a tour of the western part of the country that had been planned for early February.

On 1 February the Central African Ministry of Energy disclosed that barges used to transport kerosene had been relieved of their contents recently while going up the Ubangui River. Kerosene in the tanks of the barges had been replaced with water, while unscrupulous tradesmen were reselling the fuel to private individuals to fuel their kerosene lamps.

Such problems in the distribution of petroleum products should be resolved in the next few weeks, according to Energy Ministry estimates, thanks to repairs on the Western highway, which will make it possible to truck in from Cameroon half of the country's petroleum needs.

The CAR, which does not produce petroleum yet, currently uses some 100,000 tons of petroleum products annually. By decree of 23 January 1980, all trading of motor fuel was strictly prohibited nationwide. All possessors of reserves must be law resell them to Centra-Hydro at the official rate. All unjustified reserves must be seized and offenders are liable to very heavy fines.

Since early January fuel supply had become normal once again. During the shortage a parallel market had been created thanks to the complicity of gasoline pump operators: gasoline was being resold for as much as 800 CFAF a liter, and some illegal stockpiling was going on in the outlying areas, thus creating a severe fire hazard.

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CENTRAL AFRICAN REPUBLIC

BRIEFS

NATIONAL ISLAMIC COMMUNITY BANNED--By decree of the Central African minister of the interior dated 29 January 1980, activities of the Central African National Islamic Community are being terminated in the Central African Republic. Failure to observe that decree will result in legal prosecution. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 4 Feb 80 p 326] 11936

FRENCH FINANCING AGREEMENT SIGNED--An agreement concerning 5 million French francs in financial assistance was signed in Paris on 29 January by Jean-Philippe Ricalens, staff director for the French Cooperation Ministry, and Jean-Marie Frisat, ambassador from the Central African Republic to France. France also granted the Central African Republic an advance of 18 million French francs, to be repaid in 1 year. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 4 Feb 80 p 326] 11936

FRANCE APPROVES ECONOMIC RECOVERY PLAN--The French prime minister, Raymond Barre, has just given his agreement to a plan for recovery of the Central African Republic's economy. The Bangui authorities have in effect asked France to help them work out in common a plan aimed at in-depth recovery of the country's economy. The objectives of the plan are to keep the state's operating expenses at the level provided for by the 1980 budget (established in collaboration with the IMF), to restore the state's external and domestic credit by accelerated debt payment, and to work for recovery of the semipublic companies by reforming them and calling for private partners. The means planned are to reduce the number of civil servants, to eliminate the abusive tax or customs advantages (mainly by revising the Investment Code), to establish a plan for settlement of the existing debt (a move accompanied by a strengthening of the autonomy of the Autonomous Sinking Fund), to require payment of the taxes owed by the semipublic companies, and to monitor, at the state level, the proper management of these companies. The French government has decided to give its support to this recovery plan by allocation to the Central African Republic special financial aid in the amount of 30 million French francs. Furthermore, the minister of cooperation will strengthen the technical-assistance presence in the key sectors of the economy. This involves mainly the official services responsible for monitoring technical assistance, or the state's receipts and expenditures. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 15 Feb 80 p 389] 11267

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MEETING CHANGE SYMBOLIC--The parity committee of the European Parliament-ACP (Africa-Caribbean-Pacific) Countries Association, which was initially scheduled to meet in Bangui in February 1980, has decided hold the meeting at Arusha, Tanzania, instead. Here is a small news item, but a very important one that says a lot about the reservations being manifested about the "legitimacy" of the Dacko government that was hoisted to power by the French paratroopers and the French government. It is interesting to note in this regard that the Ubangui People's Patriotic Front of Dr Abel Goumba had specifically asked for the transfer of this meeting, stressing, in substance, that the parity committee would effectively make itself the accomplice of a diktat if it held the meeting in Bangui. French imperialism and its puppets in Bangui have therefore just suffered a real snub. [Text] [Paris AFRIQUE-ASIE in French 3-16 Mar 80 p 28] 11267

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COMORO ISLANDS

FINANCE MINISTER OUTLINES MONETARY, ECONOMIC GAINS

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 14 Mar 80 p 637

[Text] Following the publication of our special issue on "Credit in Africa" (No 1775 on 16 November 1979), the Comoran minister of finance, economy and planning, Mr Said Kafe, sent us the following comments aimed at correcting the [false] impression the readers' may have gotten:

"Although the pessimistic picture you drew of the Comoran economy for the first trimester of 1978 was precise, it must be strongly emphasized that this situation resulted from the deplorable management of the nation under 3 years of usurped rule, since independence in 1975, by Ali Soilih. On 13 May 1978, the extortion of this dictator was terminated, and a parliamentary and democratic government was instituted. A constitution guaranteeing human rights was adopted by a National Assembly elected freely by universal suffrage in December 1978.

"After his election to the presidency of the Republic, His Excellency Ahmed Abdallah Abderemane established his government, also in December 1978, whose action is controlled by the National Assembly. Thus it voted through the budget for fiscal 1978-79, on contrast to the previous dictatorship which failed to establish one. The 1980 budget was legally adopted by the Assembly before the close of 1979.

"In the monetary field, I want to remind you that the Comoran Republic, which was a de facto member of the Franc Zone, officially joined this Zone as an independent state in October 1979 by signing a cooperation accord with France, in addition to a transactions (operations) account agreement with the French Treasury.

"The banking organization is undergoing reform. The Banque des Comores has replaced the Banque nationale des Comores whose management had been weakened by the overthrown regime. So, this bank was changed into a business corporation on 24 June 1979 with the new name Banque commerciale des Comores (BP 6 in Moroni; Telex Bancom KO 215). The Societe de credit pour le developpement des Comores, which is fully owned by the Comoran Government, will soon find its role changed by the establishment of a

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development bank, the object of negotiations with international and regional financial institutions.

"These institutions have, moreover, expressed an interest in the Comoran Republic by extending to it various credits aimed at financing development projects. French, European and multinational technical assistance increases daily.

"Export revenue, along with significant amounts of foreign aid, have made it possible to record a profit in the 1979 balance of payments. This was verified by an IMF mission.

"From the several indications above, it seems that there exist many positive indicators enabling the Comoran Republic to undertake development projects with reasonable chances of success."

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COMORO ISLANDS

BRIEFS

ALMOST BANKRUPT--The near bankruptcy of the Comoro Archipelago requires an injection of foreign aid and substantial assistance has been requested from Saudi Arabia and Abu Dhabi. The development of exports depends on the rehabilitation of crops, with absolute priority being given to food products. For the 1980 fiscal year, the budget was drawn up with a total of 2.7 billion Djibouti francs (some 64 million French francs). [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 22 Feb 80 p 425] 11,464

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CONGO

JOINT FRENCH-CONGOLESE COMMISSION MEETS IN PARIS

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 8 Feb 80 p 328

[Text] Implementing the cooperation treaty signed on 1 January 1974 by the People's Republic of the Congo and the French Republic, the full joint French-Congolese Commission held its fifth session in Paris, 29 through 31 Janury.

The Congolese delegation was chaired by Pierre Nze, minister of foreign affairs and cooperation, while Robert Galley, minister of cooperation, headed the French delegation.

Both parties examined the following points: rural economy, transportation and civil aviation, public works and urbanization, energy, mines and industry, health, youth and sports, the 100th birthday of Brazzaville, technical assistance, education and training, scientific research and various other topics.

Particular emphasis was placed on continued work in the area of rural development: small-scale agricultural mechanization, restructuring tobacco production, a pilot project in eucalyptus tree forestation and a pilot station for "limba tree" [translation unknown] forestation.

In the field of transportation, discussions concerned continued aid to ATC [Transcongolese Communications Agency] and the realignment of the CFCO [Congo-Ocean Railroad] as well as the construction of the Oyo harbor.

Also mentioned was the celebration of Brazzaville's 100th birthday on 3 October next. France pledged to build a vehicular bridge in the center of the Congo's capital city to mark the occasion.

In a speech marking the signing of the protocol which concluded the activities of the fifth session, Mr Robert Galley stressed the "remarkably friendly circumstances" of those activities, thanks especially to Mr Samba, secretary general of the Congolese Foreign Affairs Ministry.

The minister pointed out that France had recognized the importance of the priorities specified by the Congolese (such as the railroad and Brazzaville's 100th birthday) and stressed that the staff size of French technical assistance to the Congo had been maintained.

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As for Mr Pierre Nze, he declared that French-Congolese relations could be expected to become increasingly cordial, in the spirit which had guided the Paris talks between President Sassou-Nguesso and Mr Giscard d'Estaing at the end of last year.

It should be pointed out that the total amount of French aid to the People's Republic of the Congo--all activities included--grew from 107 million francs in 1974 to 209 million in 1978. In 1979, investments in the Congo by the Aid and Cooperation Fund (FAC) amounted to 34.45 million francs, including 25.4 million for the Congo-Ocean Railroad, while the remainder went to rural development, education and training.

The Central Fund for Economic Cooperation (CCCE), which only granted loans to the Transcongolese Communications Agency (30 million French francs in 1979) has diversified its activities and contributed 25 million to the construction of a Meridien hotel in Brazzaville.

In December 1979, there were 448 French "cooperants" [French military draftees serving overseas in a civilian capacity] in the Congo, including 282 educators and 28 physicians.

France is the Congo's primary supplier (50 percent of imports), while in black Africa the Congo is France's eighth-ranked customer and 19th ranked supplier.

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CONGO

NEW LAW CONTINUES NATIONAL SOLIDARITY FUND

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 8 Feb 80 p 328

[Text] In late January, Law 001/79, dated 14 January 1980, was published in Brazzaville, extending the validity of the National Solidarity Fund (FSN).

Article 1 of the new law justifies the continuance of the FSN, whose purpose it is to carry out "certain operations provided for in the 1980 investment budget."

Collection of the tax and of the national solidarity revenue stamp designed to support the fund is being extended until 31 December 1980. The base for the national solidarity tax, collected in the form of a withholding of salaries and wages, has scarcely changed. The only change lies in the ratio and frequency of that withholding--which is always labeled as "exceptional" in the text of the new law.

The deduction is now monthly, rather than quarterly as in the past. It is made according to the following percentage rates, which of course supercede the two rates formerly in effect, or 10 to 20 percent for the salaries and wages lower and higher than 30,000 CFAF, respectively; for salaries and wages between 10,000 and 40,000 CFAF, 2 percent; between 40,001 and 100,000 F, 5 percent; between 100,001 and 190,000 CFAF, 6 percent; over 190,000 F, 7 percent, and 8 percent withheld from the salaries and wages of persons designated in a list spelled out in article 5b of the new law (essentially the members of the single party, whatever their pay scale may be).

Natural persons who are non-salaried but whose activities come under the trading license remain subject to the national solidarity revenue stamp as in the past.

In conclusion, it is specified that the funds thus collected through the solidarity tax and revenue stamp are an integral part of the very resources of the government's investment budget.

The funds will remain under the management of the Congolese Sinking Fund.

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CONGO

BRIEFS

FRENCH-CONGOLESE RELATIONS--Emmanuel Yoka, director of the staff of the president of the People's Republic of the Congo, was received at the Elysee on 19 February by President Giscard d'Estaing, to whom he delivered a message from President Sassou-Nguesso. At the conclusion of the talk, Mr Yoka stressed that Franco-Congolese relations were free of any disputes. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 22 Feb 80 p 451] 11267

PRESIDENT ON UJSC--The Union of Congolese Socialist Youth (UJSC) has just celebrated the 16th anniversary of its achievement of awareness. At a meeting held recently in Brazzaville, President Sassou-Nguesso declared in particular that "the commitment by the young people to make their decisive contribution to the battle for economic recovery is noted with satisfaction." The Congolese chief of state added that he was happy to know that "the youth declare their determination to strengthen the economic front in the overall struggle for national liberation." [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 22 Feb 80 p 451] 11267

STATE COMPANIES CONFERENCE--The Conference on State-Owned Companies, which opened on 10 January (working in committees starting 20 January). Besides President Sassou Nguesso's participation on 10 January (MARCHES TROPICAUX ET MEDITERRANEENS, issue of 25 January 1980, p 205), we should note the statements made on 16 January by Mr H. Lopes, finance minister, on the theme of "attitude of state-owned companies regarding the issue of their debts and their assumption of responsibility." The minister felt that "although little known and inadequately studied, the state-owned companies' debt could be estimated at more than 88 billion CFA, not counting government guarantees in the range of 79 billion CFA." The five committees of the conference were as follows: industry, transportation and management, rural economy, commerce and finance. They were to prepare plans for reorganizing the companies in each of the nation's economic sectors. A second meeting of the conference scheduled 6 months from now will specify company recovery plans to be applicable in 1981. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 8 Feb 80 p 328] 11936

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EQUATORIAL GUINEA

BRIEFS

EEC EMERGENCY AID--A mission led by Michel Hauswirth, assistant general director of the Commission of the European Communities, visited Equatorial Guinea from 30 January to 4 February. An emergency aid program totaling 6.3 million European currency units (1 ECU=\$1.4) was prepared in Malabo on the occasion of this mission's visit. This program is for rehabilitation of the electric-power network on the island of Bioko (formerly Fernando Poo), reconditioning of hospitals, small-scale fishing, road maintenance and bridge repair, as well as several agricultural projects. The financing--obtained several years ago--of these Equatorial Guinean projects, totaling 7 million ECU, was used only partially (1/10) by President Nguema Masie, who had blocked all development activity in his country and refused to give guarantees of security to the experts and technicians who could have gone there to work. It is now up to the Brussels Commission to give its agreement for carrying out this emergency plan, which it will be possible to carry out without the usual procedure, so as to avoid administrative delays. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 15 Feb 80 p 388] 11267

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LIBERIA

BRIEFS

IRON ORE EXPORT PROSPECTS--The Liberian minister of finance, Mme Ellen Johnson-Sirleaf, revealed recently that Liberia had exported nearly 20 million tons of iron ore during the financial year running from 1 July 1978 to 30 June 1979. These exports represented a value of \$286.35 million, 10.6 percent higher than the preceding financial year, mainly because of the rise in the price of the ore and bigger sales of the pelletized product. The minister added, though, that the three mining companies had substantial losses totaling \$50 million and that the situation for 1980 did not appear bright, since the European market has large stocks on hand. Liberia, it will be recalled, is Africa's leading exporter of iron ore and is the No 11 producer in the world. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 22 Feb 80 p 445] 11267

FRENCH TRADE MISSION--Six firms of Marseille and the Marseille region, members of the Provençal Exporters Association, have visited Libya within the framework of a study and canvassing trip that was to take them, from 2 to 15 February, to Guinea and the Ivory Coast also. The BIAO [International Bank for West Africa], which has been present in Africa since 1852, lent its aid to this trip by making available to the participants its banking system and the many contacts which it maintains on the dark continent. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 22 Feb 80 p 445] 11267

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MADAGASCAR

DETAILS ON INCREASING SOCIALIST CONTROL GIVEN

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 22 Feb 80 p 425

[Text] The first Malagasy 3-year plan (1978-1980) was worked out based on an anticipated average annual growth rate of 5.5 percent. Its completion involves an overall investment of 96.4 billion Malagasy francs, including 49.6 billion to be borne by state socialist enterprises and private enterprises, and its financing includes 36.5 percent foreign contributions.

The general budget for the 1980 fiscal year totaled 277.5 billion Malagasy francs, with an anticipated deficit of 42 billion, compared with the previous budgetary total of 216.3 billion francs, a sum that was increased to 257 billion during the year.

In 1978, the deficit in the trade balance increased substantially: 12.4 billion francs compared with 2.3 billion in 1977. Coffee, cloves and vanilla represented 71.5 percent of total exports.

The year 1979 was characterized by mediocre progress. The growth of the economy is an estimated 8 to 10 percent, below the rate of inflation. However, the foreign debt remains low, totaling, in exchange value, 121.5 billion Malagasy francs, including 58.4 billion in outstanding debts of the socialist enterprises and the private sector. Interest and amortization required 7.7 billion Malagasy francs, corresponding to 8 percent of all export receipts.

The deplorable management of state companies and enterprises was recently reported: excessive operating expenditures, a steady increase in indebtedness and declining productivity.

A better atmosphere characterized French-Malagasy relations and a standing appeal has been made to French investors to undertake various industrialization projects.

An oil discovery was announced late in 1979 and the Malagasy Government is anxious to work the deposits of bituminous sandstone located 450 kilometers west of the capital.

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In the years to come, Madagascar hopes to become a tea exporter. In addition, the main development programs include an acceleration of mining prospecting, the establishment of a chrome ore dephosphorization plant, a study for future mining of the Soala iron ore deposit, containing an estimated 250 million tons with an average metal content of 35 percent, the construction of a new cement works at Ibity-Antsirabe (by a German firm) which could put out 115,000 tons a year, and the construction of a new cotton spinning and weaving plant in Tulear, able to produce 12.6 million square meters of unbleached fabric a year, using 2,300 tons of Malagasy cotton.

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MAURITIUS

GOVERNMENT DEPENDENCE ON FOREIGN BACKING HIT

Paris AFRIQUE-ASIE in French 18 Feb 80 p 46

[Article by Herve-Masson: "A Regime Walking a Tightrope"]

[Text] Reduced to using trickery, the government of Sir Seewosagur Ramgoolam lives on thanks only to the secret support of foreign countries.

In Mauritius, for the past 10 years there has been talk about a "crisis in government" and yet nothing happens. Respectful of democratic parliamentary procedures (of procedures only, not the spirit), Prime Minister Ramgoolam stays against all odds, by cheating and by turning around laws that were voted on by his own majority in parliament.

However, the Mauritian Government keeps amassing difficulties. Incapable of facing the economic crisis, overwhelmed by its own spending and prestige policies and its squandering of public funds, the government of Sir Seewosagur Ramgoolam announced on 23 October 1979 a devaluation of the Mauritian rupee, to the tune of 30 percent. At the same time, he decided to stop subsidizing rice and flour imports. These measures were dictated by the International Monetary Fund which threatened to let the island of Mauritius go bankrupt if it did not accept its terms. The black market boomed immediately, prices shooting up. In face of a mass reaction, the state announced at the same time a raise in salaries of 13 percent and a surtax of 5 percent only on the profits of the sugar industry, which profited greatly by the devaluation.

With angry rumblings in the country, the parliamentary opposition (30 representatives from the Mauritian Militant Movement, MMM, three from the Socialist Mauritian Party, a new group formed by dissidents from the majority) hastily introduced a motion for censure in parliament. It was defeated by 36 to 34. A representative from the majority party voted with the opposition, another one did not vote, while the president of the assembly used his two votes in favor of the government, and two deserters from the MMM, Representatives Koonjan and Augustave, voted with the majority. Augustave was rewarded in January with a semi-ministerial position: that of parliamentary secretary of employment. Koojan will wait. Not for long!

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During that same period, the mayor of Beau Bassin-Rose Hill (the second city in the country), deserter from the MMM and who had joined the governmental alliance, misappropriated funds several times. He was arrested and released on bail. But the municipal elections were to take place in December, and the MMM, in a strong position because of popular dissatisfaction, had a good chance to sweep aside the candidates of the alliance. Hence, the government, listening only to its courage, postponed the elections until April, and named "administrative commissions" for the five cities. It is said that these elections can be delayed again by several months, if not by several years!

It is also said that a new devaluation may be announced in the near future. The government, with its back to the wall, would take advantage of the parliamentary vacation to bring its tricks to fruition.

Two Deserters

What is the real position of Prime Minister Ramgoolam in this turmoil? Until the end of the year, he was thought to favor a rapprochement with the MMM opposition. Not having a formal coalition with that party, he supposedly wanted to reach a compromise that would give him some breathing space. The left wing of the Labor Party in power and some of its close allies, like Finance Minister Ringadoo, were also in favor of an agreement.

On the other hand, the hardliners close to the Mauritian Social Democratic Party (PMSD), a minority partner in the coalition of the government, had indicated its opposition to any rapprochement with the MMM. Agricultural Minister Sir Satcam Boolell, notably the new strong man of the regime, had shown his irritation in public. He seems to have carried the day.

Boolell is a friend of Gaetan Duval, leader of the PMSD, who is considered to be France's and South Africa's man. The PMSD and the Boolellists are avowed partisans of the strong-arm method. Moreover, Boolell is admired by his followers, in the matter of buying members of the opposition in parliament. It is he who is supposed to have negotiated and obtained without much difficulty the betrayal of Jean-Claude Augustave. Taking advantage of a ministerial reshuffle, more or less forced upon the old prime minister, Ramgoolam, Boolell just won a victory: he could very well be promoted to "deputy-prime minister," [in italics] assistant-prime minister, thus going over the head of the minister of finance and former heir Ringadoo. The question has not been settled yet, since Ringadoo feels strongly about defending his rights.

Two deserters from the MMM were given ministerial responsibilities (or sinecures?): Suresh Moorba is minister of information, Jean-Claude Augustave, as we mentioned above, is parliamentary secretary in the Employment Ministry. With the news generally keeping quiet about the government's policy on underemployment, the two new ministers will have nothing to do but to pick up their pay. One must add that the case of Augustave is especially revolting to the militants of the MMM, Tatave as he is called,

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since he managed to betray the confidence of many of them. Not only in Mauritius, but also in Paris. His former friends are not about to forgive him.

Can one believe that after these blows to the constitutional contract and the packing of the cabinet, that the Mauritian government has emerged the stronger for it? One is permitted to doubt that. In fact, disgust sets in. Everywhere, in public opinion as well as with the majority in the government, Boolell has triumphed over other ministers. The nomination to ministerial posts of deserters, as they are called, with the contempt that goes with it, can only shock the left wing of the Labor Party. The government is walking a tightrope. Perhaps it will manage to stay in power thanks to new tricks and new underhanded actions? In any case it has lost all credibility and remains in power only because of the clandestine support of foreign powers and the International Monetary Fund, and we need not mention where that stands.

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MAURITIUS

BRIEFS

DEPENDENCY ON SUGAR--The objective of the Mauritian 5-year plan for 1975-1980 involving the production of 800,000 tons of sugar in 1980 will not be achieved because of the marketing problem. The concentration and modernization of the sugar industry continue and the 22 existing plants have a total production potential of 720,000 tons a year. For 1978, the deficit in the trade balance was 1.1 billion Mauritian rupees (1 rupee = .53 French franc), compared with .9 billion in 1977. The rupee was devalued 30 percent in October and the exportation of manufactured products from the free zone should be thereby facilitated. Since the month of February, Port-Louis has had a deepwater port. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 22 Feb 80 p 425] 11,464

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MOZAMBIQUE

UK 'TIMES' SEES MOZAMBIQUE AS WANTING CLOSER TIES WITH WEST

LD261117 London THE TIMES in English 26 Mar 80 p 7 LD

[Nicholas Ashford dispatch: "Mozambican Opening to the West Indicated in Soames Talks as Free Enterprise Makes Comeback"]

[Text] Maputo, 25 Mar--The warmth with which Lord Soames, governor of Southern Rhodesia, was received during his brief stay in Mozambique this week is not only a reflection of Mozambique's satisfaction with the settlement in Rhodesia but also provides the clearest indication yet of its desire to establish closer economic and political ties with the west.

Ever since it became apparent there would be a settlement in Rhodesia, Mozambique has been quietly trying to improve its relations with western, and particularly European nations. At the same time, its drive to establish new trade and aid links with the west has coincided with President Machel's own attempts to put his socialist-run economy on a more stable footing.

Last week President Machel made a strong public criticism of the inefficiency and corruption that existed within his administration, the state-run corporations and the ruling Frelimo party. He also promised a return to private enterprise among small and medium-sized businesses, many of which were nationalized when the country became independent.

He then followed up his attack on inefficiency by relieving three ministers of their posts. This was designed to show the people that President Machel would not tolerate ineptitude at any level.

A Mozambican businessman said today: "President Machel has been worried by the deteriorating state of the economy for some time but felt there was little he could do about it until the Rhodesian problem had been resolved. Now that is out of the way he has decided the time has come to put his own house in order."

Though Mr Machel is still committed to establishing socialism in Mozambique his recent actions and speeches reflect a change of emphasis in favour of a limited return of free enterprise. Business sources in Maputo believe that

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this, together with the reopening of the Rhodesian border, could lead to a modest improvement in the country's economy.

The president hopes that this revival will be further stimulated by trade and economic assistance from the West rather than from the communist block countries with which Mozambique has close political ties and on which it depends for military assistance.

Significantly, during his talks with the Mozambican leader, Lord Soames, who returned to Salisbury today, suggested that the repair and rehabilitation of Mozambique's railways and ports could be partly financed by the European development fund.

Lord Soames said later that although Mozambique was not party to the Lome convention, a strong case for European assistance could be made on the grounds that these railways and ports served countries such as Zambia and Zaire which were Lome members.

Lord Soames said he had also discussed with President Machel and Mr Joaquim Chissano, the foreign minister, the possibility of Mozambique itself becoming a member of the Lome convention.

President Machel had emphasized his desire for further "cooperation" with Britain, rather than requesting additional economic assistance, Lord Soames said. It was hoped that the British Government would give encouragement to private businesses that wanted to invest in or trade with Mozambique.

The governor said that Britain looked forward to a more open relationship with Mozambique now that the Rhodesian problem had been settled.

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MOZAMBIQUE

ECONOMIC CONDITIONS, FRENCH POSSIBILITIES REVIEWED

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 22 Feb 80 pp 417-420

[Article by Jacques Latremoliere]

[Excerpts] The departure of the Portuguese, beginning in 1975, was completed, on the whole, without the violence and destruction that has characterized decolonization in other countries. This understandably involved turning administrative and economic responsibilities over to the sole group capable of assuming them: the offspring of European Portuguese stock and those of Lusitano-Portuguese or Goanese origin with the same educational background as the first. Mr Mario Soares's decision to deal with the FRELIMO directly and without referendum was based on his reasoning that it, by virtue of its very radicalism, was the most logically suited to spare the new state the convulsions that had been experienced elsewhere and to facilitate at the same time the transfer of governmental functions, although it superimposed over this technocratic stratum a class of exiles, Marxists for the most part and diversely rooted, that provided the political orientation. This, roughly speaking, is the existing stratification in the Mozambique of 1980, where the Goanese and mulatto intelligentsia plays the same role in the administrative working levels as do the Merina bourgeoisie in Antananarivo and the "Brazilians" in Lome.

This Marxism took hold all the more of the new officialdom as the economy came to a halt and, deprived furthermore, through exodus, of its principal producers and consumers, became the proof of its own inadaptability to the African reality. The result was a Manichaean collectivism that perceived no real differentiations in the choices between the colonial plantation and the sovkhos, the trust and the "combinat," the multinational service firm and the government administration.

A Critical Period

Under these conditions, it would be not only unfair but also the rejection of commonsense analysis to blame the People's Republic for the production drops since 1975. The streets of Mozambique are a daily reminder of the difficulties of transition between an economy whose decor is unchanged

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but whose elasticity has been broken and a new economy that is still being sought. In the former Lourenco Marques, most of the taxi drivers were Portuguese. In Maputo today, although there are Hungarian buses, taxis have disappeared together with their drivers. Others could no doubt have replaced them, but it is customers who are lacking.

The sense of administrative responsibility that inspires the government cadres induces them to preserve and scrupulously maintain the intestate estate. The specialist assigned to quarters in the former residence of a rich merchant will find there still the embroidered drapes and the soft, downy bath towels. But the supermarkets proliferated in the city by the Portuguese, if they are still open, lighted and served by salesgirls in light-colored blouses, offer indigenous merchandise or feature mainly local cotton fabrics and impressive arrays of shredded coconut brought in from Quelimane and packaged in cellophane. The scarcity of demand there is equalled by the unavailability of supply. On the other hand, a visitor could be misled as to the real meaning of the waiting lines in front of some stores. The authorities explain these as owing to a combination of a price freeze, an inevitable drop in the number of sales establishments, and the wage increase. Since there is no speculative bidding to speed up the movement of sales, they say, the rhythm of distribution is slow and egalitarian. In fact, the prices of sugar, rice, cornmeal, fish, poultry and milk have not risen since 1975. The explanation would be more convincing, however, if this normalization of distribution were accompanied by an increase in production, which is certainly not the case, judging from the high level of nutritional aid being sent in by the EEC, the northern countries and Canada.

The problem in Mozambique boils down less to that of getting the machinery back into running condition than to that of taking its mechanisms apart, saving its parts from destruction and maintaining them, even before trying to determine whether they can or should be used again, but without disrupting daily life and without neglecting to lay out the structural lines of the future economy. In other words, although the former economy's production nose dive is unavoidable, the new economy's startup cannot be other than very slow.

Lastly, the political situation inside the country has itself deteriorated. The resurgence of the former Portuguese Mozambique political parties, de-energized by the FRELIMO's takeover of power, is without doubt being fostered from abroad, and it is reasonable to suppose that its effects will be attenuated by the stabilization of Zimbabwe. It would be wrong, however, based generally on official information provided by the Maputo government, to pass over in silence the relative importance of a rebellion, grouped under the banner of a "National Resistance Movement and led by a former FRELIMO officer, which has registered quite spectacular, though temporary, successes in the provinces of Manica and Sofala, inflicting severe losses on government troops and causing the death of several Soviet, Cuban and

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East German advisers. This rebellion is also responsible for the destruction of the Mobil, Caltex, BP-Shell and Petromac gasoline storage facilities at Beira in March 1979, causing \$3 million in damages and requiring the intervention, at Maputo's request, of a specialized South African fire-fighting team.

This internal resistance movement accounts for the 31 executions reported by Amnesty International since the beginning of 1979. It also accounts for the arms being supplied to Mozambique by the USSR and for the presence on Mozambique soil of 1,300 mercenaries from various Eastern European countries, to which the movement could, unfortunately, offer a pretext for more direct intervention.

The New Industrial Structures

For the Portuguese firms that have survived, the future, considering the continued departure of their former owners toward Europe, holds very little promise. It is clear that one by one, by normal way of repurchase or by the more contestable one of confiscation by court order, they will all become the property of the state. What are the results of this process likely to be? Government propaganda cites cases of apparent success: the Inacio da Sousa rice-husking plant at Palmira, which is striving to recover from the production drops it has suffered since 1974, and the conversion of a former automobile assembly plant at Beira into an agricultural equipment factory. There are, of course, many possible forms and far-reaching shades of difference in the range that exists between, on the one hand, pure and simple nationalization of a firm, and, on the other hand, placing it under a state control that leaves certain responsibilities in the hands of its former management.

Government statistics show a substantial rise in the total industrial production index: 20 percent from 1977 to 1978 and 23 percent from 1978 to 1979, a period during which the productivity index increased by 15 percent. The official figure on state enterprises in 1979 limits the number to 45, but the designation appears to exclude situations that are very closely akin. Potential investors should examine the possibilities of association in the form of joint undertaking between the state and private capital, patterned on the model which, with variants as regards majority and minority holdings depending on the leaning of the country involved toward liberalism or socialism, is today the basis of African development. Despite Mr Samora Machel's assurances that Mozambique raises no objections to this formula, examples of such associations in Mozambique are still rare.

The Agricultural Sector

One finds the same ideological tendencies in the agricultural structures, but also a substratum bequeathed by the former colonizer, to which the government is being compelled to accommodate itself.

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We note first of all that in a country where the peasantry represents 90 percent of a population of 11 million inhabitants, and where the total area of occupied land is 15 million hectares (19 percent of the total area of the country), of which 5 million hectares are actually cultivated, the traditional sector accounts for 2,578,333 hectares and 1,649,867 of the 1,652,328 farming families. This situation already prevailed during the period of Portuguese colonization. It is found in many African countries, and provides them with the needed flexibility for dealing with the hazards of more or less compelling rural reforms.

Thus, in Mozambique, these reforms have concerned only those farming operations of 50 to 2,500 hectares and above, a total of 2,461 operations, representing, it is true, an area almost equal to that of the traditional sector, or 2,461,657 hectares. This is the former domain of the large agricultural firms and of the colons grouped into associations and combines of associations. Today, it is divided up among state farms of the sovkhos type and cooperatives.

The third type of operation, that of township villages, has been the object of abundant official literature assigning to it the task of "urbanizing the hinterland and developing there the proletarian spirit." Practically speaking, these "aldeamentos" have simply grown out of the village-type groupings developed by the Portuguese to cope with the FRELIMO guerrillas. Numbering around 1,000, they are mostly all found in the northern province of Cabo Delgado, which was the hardest hit by the guerrilla war. Bordering on Tanzania, the Mozambicans there are striving to develop an ujamaa [Tanzanian socialist]-inspired mystique of production, but at a sharp drop in pressure reflecting perhaps a reaction to the observable effects of the pressures on the other side of the border.

Actually, therefore, it is toward the formula of state farms and cooperatives--the latter number about 500 with 30,000 members--that the authorities are pointing for the development of the lands vacated by the colons. Many of these, constituting a southern prolongation of the Great Rift Valley, are particularly suited to the cultivation of cotton and upland rice.

Here again, however, it is well to distinguish between official objectives and on-the-spot reality. The virtues of a mixed solution are readily extolled, wherein the state farm would inspire and encourage its surrounding cooperatives by furnishing an example of the better farming techniques and providing the cooperatives the needed support for their mechanization and soil improvement operations. This would indeed be a propitious solution, but when it comes to choosing between the two alternatives, the state farm invariably wins out. From the viewpoint of the authorities, the latter has the advantage of being able to bring installations and crops up out of the ground faster, even though the investment levels and operating costs are higher. They are not being deterred by the thought that they are thus developing a peasantry that will remain backward. They find it easier to

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get from the local market or from among the technical assistants being sent them by the Eastern European countries the engineers and farm superintendents they need for their state farms than the agrosociologists and managerial staff specialists needed by the cooperatives.

The former agroindustrial complexes left by the Portuguese and now nationalized--like those of the Middle and Lower Limpopo, in the Gaza, totaling 20,000 hectares and employing 36,000 regular and seasonal workers, and the Companhia de Culturas de Angoche of Nampula, specializing in the production of sisal and cashew nuts and in animal husbandry--offer ready-made solutions putting no strain on the imagination of the planners. In sum, going back to the analysis sketched out at the beginning of this study, it is to this solution, based on the colonial, or colon, operational model, that orthodox Marxism's Manichaeism is leading.

The most recent growing seasons have been marked by an increase in cultivated area and a rise in production. To achieve this result, 2 million contos, the equivalent of 274 million French francs, have been spent on reinforcement of the technical cadres and improvement of equipment. The results have been gratifying and one can only hope the progress they represent will be confirmed by continued successes. The fact is that, whatever one might argue to justify the sharp downtrend in agricultural production, it was high time to remedy it. From 215,000 tons in 1973, the production of cashew nuts fell to 75,000 tons in 1978; that of sugar fell from 310,000 to 185,000 tons in the same period; cottonseed from 144,000 to 50,000 tons; and citrus fruits from 17,000 to 3,000 tons. The result was a 1979 trade balance deficit of \$400 million, or 11.6 million contos.* [Chart A].

If South African transfers in payment for expatriate miners, Cabora Bassa electrical power, and railway services are applied to this trade balance, the 1979 deficit still comes to 5.4 million contos. Mozambique's public debt abroad totals 7.1 million contos, on which its annual payments are 1.5 million contos, or 14.04 percent of its exports of goods and services. This relatively modest ratio is behind Mr Samora Machel's statement that Mozambique's foreign debt is insignificant and that its "current annual payment obligations through 1980 could be wiped out within the year."

Future of Relations Between France and Mozambique

France had for a long time neglected a country it considered, under the Portuguese sovereignty, Great Britain's game-preserve, then South Africa's. The participation of two major French firms in the construction of Cabora Bassa finally, in the course of the last decade, attracted to this country the attention of French industrialists and businessmen, with the backing of the Ministry of Foreign Affairs and of the CFCE [French Foreign Trade

* 1 Mozambique escudo equals about 0.135 French franc. 1 conto equals 1,000 escudos.

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[Chart A]

Mozambique: Foreign Trade 1977
Principal Products

	<u>1,000 t</u>	<u>Contos</u>
Imports:		
Petroleum products	347.7	1,196,000
Coal (Republic of South Africa)	161.4	90,000
Textiles	6.7	1,224,000
Mechanical and electrical equipment	4.2	1,045,000
Vehicles	7.7	971,000
Pesticides	---	108,000
Exports:		
Cashew nuts and by-products	39.6	1,638,000
Copra and by-products	50.8	457,000
Tea	12.3	410,000
Sugar	37.4	260,000
Molasses	10.8	51,000
Cotton	6.3	289,000
Sea products	3.1	372,000
Beans	6.8	65,000
Lumber	38.2	158,000
Cement	169.0	178,000

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Center]. Under the joint sponsorship of the latter two, an initial delegation of chiefs of enterprises was able, at the start of 1979, to study the potential market for light agricultural equipment. The government of Mozambique, for its part, through its Central Bank and its National Cotton Institute, contacted French organizations specializing particularly in cotton.

During a trip to Paris last July by Mr Mohamed Osman, director of international operations for the Bank of Mozambique, and Mr Almeida Matos, vice minister of foreign trade, procedures were set up associating COFACE [French Foreign Trade Insurance Company] medium- and long-term guarantees with low-interest Treasury loans further enhanced by provisions for deferred payments, on which agreement has now been reached in principle, it seems. Such loans could find early application to certain railway projects and, through Charbonnages de France, to the improvement of conditions for exploiting the Moatize coal field, to which the Maputo government understandably attaches a great deal of interest.

This would be a good starting point for the revival of bilateral trade relations, which are currently lagging, though still favoring France: France's imports from Mozambique have remained static around 40 million French francs over the last 4 years, while its exports to that country over the same period have risen from 89 million to 146 million francs [Chart B]. Cultural cooperation has been limited to sending a few university professors to Maputo.

A sound approach to relations with Mozambique must obviously take into account its close economic dependence on South Africa, its partner in trade and its major supplier, whose payments for the use of the railways linking the Transvaal and Swaziland to Maputo, and for the use of the latter port, have actually enabled Mozambique to avoid bankruptcy over the last 2 years. These payments are moreover due to increase shortly with the growth in traffic.

Similarly, the position of the United States, Mozambique's principal customer for cashew nuts and sugar, is important to it. The Eastern European countries, for their part, have developed their market there, together with their credits, to the point where their trade represents well over 14 percent of Mozambique's total foreign trade. As for the USSR, it is rather difficult to determine how much of their long-term-loans aid to Mozambique represents arms sales and how much is economic aid proper.

At all events, Mozambique's potential for economic growth, and the continued containment of its foreign indebtedness, offer a situation with many openings for intervention. Except for the two southern railway lines that are maintained by South African Railways, the rest of the country's railway network is in poor condition. It needs rebuilding and new rolling stock. The prolongation of the Caldas Xavier line toward Zambia, the

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[Chart B]

France - Mozambique Trade
(in million French francs)

	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>
French imports	43.6	60.9	43.1	45
French exports	89.2	74	107.1	146.9
Balance	+45.6	+13.1	+64	+101.9

[Chart C]

Mozambique: 1985 Cotton Plan

Provinces	<u>Areas (ha)</u>			<u>Production (t)</u>		
	Large Planta- tions	Small Planta- tions	Total	Large Planta- tions	Small Planta- tions	Total
Niassa	3,000	26,000	29,000	3,000	7,500	10,500
Cabo Delgado	7,500	60,000	67,500	8,500	17,000	25,500
Nampula	28,000	130,000	158,000	30,000	35,000	65,000
Zambezia	6,000	80,000	86,000	7,000	*52,000	39,000
Tete	2,000	8,000	10,000	1,200	3,200	4,400
Manica and Sofala	5,000	30,000	35,000	6,000	10,000	16,000
Inhambane	1,000	6,000	7,000	1,100	1,500	2,600
Gaza	650	8,000	8,650	750	2,400	3,150
Total	53,150	378,000	401,150	57,550	108,600	166,150
Yields (kg/ha)	1,082	287	414.1			

* [as published; related arithmetic indicates this should be 32,000]

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building of a southern link between Chokwe and Inhambane, to say nothing of a coastwise line linking the three networks, are all projects that have been programed but not yet undertaken. Two major arterial highways are to be built soon: one linking Braganca, on the Malawi border, with the Zobwe-Tete highway; the other, 300 kilometers long and being funded by the African Development Fund, linking Alto Molocue and Rio Lingonha. The forthcoming completion of the Gaia Bridge, 2,388 meters long, across the Zambese River, will, on the other hand, provide an easy, asphalt-topped road connection linking the capitals of the nine provinces.

Oil, ore, and container loading and unloading facilities are being planned for Nacala, eastern Africa's best deep water port. At Beira, bids will soon be requested on a 300-meter berthing wharf.

But it is in the agricultural domain that French experience in irrigation and tropical cultivation techniques should most easily find use. The Mapi Dam, in the Limpopo basin, together with the Massingir project completed in 1977, will provide irrigation for 200,000 hectares and 540 million kWh of electric power annually. Cotton cultivation plans are based on an objective of 165,000 tons of cotton by 1985, with yields of 312 kilograms [as published] per hectare from family-operated plantations and 1,083 kilograms per hectare from industrial plantations [Chart C]. A feasible increase in these yields, which are much lower than those obtained by French technicians under similar climatic conditions, would produce an additional 100,000 tons from the same areas, enough to supply the 23 cotton gins and 3 cotton spinning and weaving mills already in existence as well as the 5 textile mills currently under study or in the process of being funded, the sum total of which should make Mozambique the leading exporter of cotton fabrics in this geographic zone.

In accomplishing this, French cooperation could demonstrate the value of methods that are more advantageous and less financially burdensome than state management in the field of agriculture. This might even lighten the ideological burden that, no doubt owing more to historic automatism than to natural inclination, weighs heavily on a country with as rich a potential as this.

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MOZAMBIQUE

HOPES FOR INCREASED COOPERATION WITH FRANCE EXPRESSED

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 28 Mar 80 p 765

[Text] The present reciprocal political respect could lead to the development of bilateral cooperation between France and Mozambique, Sergio Vieira, governor of the Bank of Mozambique, said in Paris.

Vieira, who is a member of the Mozambican Council of Ministers, announced on 18 March during a press conference, that an agreement for 600 million French francs was signed between the two countries.

This agreement is aimed at the installation of a high-tension line of 1,420 kms between the cities of Mocuba and Nampula (in the northeastern region of the country) and at the purchase of shrimp boats.

Vieira noted that this agreement, signed with the COFACE (French Insurance Company for Foreign Trade), the Treasury and several banks, could soon be followed by other agreements now under study. He specifically mentioned the development of electrification, maritime and land transportation, fishing, as well as chemical industry bases fueled by coal and gas.

In the field of Franco-Mozambican relations, Sergio Vieira, who met with French Economy Minister Monory, noted that in addition to French technology, his country highly appreciated the French position, recently stated by President Giscard d'Estaing, on self-determination, "a political principle which must have global application."

"The independent policies of France, based on the rights of peoples, can lead to the development of a cooperation founded on the principles of respect and noninterference between two countries which seek detente and peace," Vieira added, noting that a Mozambican Embassy should soon open in Paris. Moreover, Vieira indicated that the Mozambican minister of foreign affairs will return a visit to his country by Louis de Guiringaud, then French minister of foreign affairs. However, he did not specify the date.

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NAMIBIA

SWAPO, ITS BACKGROUND, PRESENT POSITION REVIEWED

Paris JEUNE AFRIQUE in French 13 Feb 80 pp 44-45

[Article by Francois Soudan: "What Purpose Does SWAPO Serve?"]

[Text] "The South Africans can be armed to the teeth; we will defeat them" This virulent statement made at the end of January in Lusaka (Zambia) by Sam Nujoma, the bearded leader of the South-West African People's Organization (SWAPO), sounds a bit like a bugle blast in a vacuum. As a matter of fact, how is it possible not to raise the contradiction existing between the inflammatory words of the nationalist guerilla leader and the peaceful process which for several months seems to have been taking place between the various protagonists of the Namibian "question"? Also, how would it be possible not to underscore the abyss which separates these bellicose intentions from reality? Finally, how is it possible not to be amazed that this liberation movement, which has been recognized by the UN and OAU as "the sole and authentic representative of the Namibian people," has been nearly systematically kept out of the latest negotiations on the future of former South-West Africa?

Tribal Alliance and

Established in 1959 after the dissolution of the Ovambo People's Organization, therefore, on a narrowly tribal basis (the Ovambos live in the northern part of Namibia and the southern part of Angola), the SWAPO has the objective of completely decolonizing South-West Africa, territory illegally occupied by South Africa. For nearly 10 years, this objective and the methods used by the SWAPO--armed struggle--are above all theoretical: the movement, led from the outset by the son of an Ogandjera farmer, now 50 years old, Sam Nujoma installed his headquarters in Dar es Salaam (Tanzania) and then in Lusaka (Zambia). However, he does not have a rear base at the border capable of accommodating his training camps: in fact, up to 1974, Angola was occupied by the Portuguese. The ideological motivations of the SWAPO at the time were in the main pro-Chinese. Sam Nujoma cooperated closely with the Angolan guerrillas of the UNITA [National Union for the Total Independence of Angola], headed by Jonas Savimbi, which was also close to Beijing. The two movements recruited from the same ethnic group: the Ovambos.

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... Policial Turnaround

On 3 June 1973, in an open letter to Zambian President Kaunda, Agostinho Neto, who headed the MPLA, a national Angolan movement rivaling the UNITA, protested: "The SWAPO is the supplier of UNITA arms. This organization is also providing passports"

These formal protests did not in any way weaken UNITA-SWAPO cooperation. During the 1975 Angolan civil war, SWAPO guerrillas did not hesitate to fight at the side of their UNITA "brothers" against the men of the MPLA and their Cuban advisers. In June 1976, one of the SWAPO military chiefs, Vakulukuta, even went over to Savimbi's side, lock, stock and barrel.

At the end of 1976, Neto and his MPLA alone controlled the major part of Angolan territory. For the SWAPO, which had 3,000 men located in various refugee camps in western Zambia, independent Angola and its 1000 km of common border with South Africa was an ideal rear base. Sam Nujoma then decided to negotiate with Neto the transfer of his movement's camps to Angola. Very distrustful of the SWAPO, the Angolan president wanted the right of total control over the activities of the Namibian nationalists. He demanded the transfer of SWAPO headquarters from Lusaka to his capital, Luanda, as well as the staffing of the various camps by his own officers. In the name of efficiency, Nujoma accepted this placement under supervision: it is true that in 10 years of armed struggle SWAPO has been able to mount only a few raids in Namibia from Zambia. Protests coming from inside the movement against this "alinement" then increased, as it seemed a bit too much that Nujoma had made this decision without consulting his own authorities. In April 1976, the SWAPO information officer, Andreas Shipanga, a "moderate," had been arrested at the request of Nujoma and sent to a prison in Dar es-Salam.

Several hundred of his followers were "placed under surveillance" in Zambia*. From 1977 to the end of 1979, purge followed purge, while the SWAPO was installed in Luanda. They were aimed principally at the internal and "legal" wing, of the movement which was continuing the struggle for independence in Namibia itself. Of course, tactical differences were still sharp between the two wings; however, "Angolization" of the external wing almost caused a split in the SWAPO. One by one, Lucia Hamutenya, secretary for judicial affairs; Mokgadani Tlhabanello, secretary for propaganda; and, finally, at the end of September 1979, Daniel Tjongarero, the leader of the internal wing of the SWAPO and unofficially "number two" in the movement, were expelled or sidelined.

* Released in July 1978, Shipanga returned to Namibia where he established a nationalist party, the SWAPO-Democrats, which was tolerated by the South African authorities.

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Internal Wing Beaten

The general staff of the guerrilla forces in Luanda was also purged: Martha Ford, secretary for the organization of SWAPO women; Moses Geroeb, administrative secretary; Putuse Appolus and Eddie Nangombe were exiled after having been imprisoned for a time. The director of information, Peter Katjativi, the very popular editor of the clandestine newspaper NAMIBIA TODAY, was relieved of his position and is now taking refuge in London.

Currency

These internal rifts, combined with the harassing policy of air raids conducted by the South African Air Force against SWAPO camps inside Angola, in part explain the military ineffectiveness of Sam Nujoma's movement. The 5,000 men which he says he has never succeeded in seriously bothering the South African occupation troops (about 20,000 soldiers in Namibia). Their sphere of action is limited to Ovamboland and the Ovambo ethnic group.

But there is more: if up to now the SWAPO has not succeeded in making profitable use of its Angolas "rear base," it is also because the Luanda authorities are giving the impression of using it as a pawn on the regional checkerboard. Of course, Angola does not have a monopoly on these "liberation movements" which are being used a bit like hostages and currency. South Africa is doing the same with respect to the UNITA. Zaire also used the FNLA of Holden Roberto. Angola, which needs peace on its southern borders to be able to exploit Cassinga iron and the Ruacana dam and, finally, to use the Beguela railroad, wishes above all to put an end to the incessant incursions of the UNITA. However, to do so, he needs the "cooperation" of South Africa, which is arming and harboring Savimbi's guerrillas. In this bridge game, the SWAPO is a trump card which Angola might well be tempted to exchange for the UNITA "card."

No one is unaware of the fact that when Agostinho Neto decided in June 1979--at the end of a meeting with the present American spokesman at the United Nations, Donald MacHenry--to protest the establishment of a demilitarized zone along the Angolan-Namibian border, he neglected to consult the leaders of the SWAPO beforehand. At the same time, secret meetings took place--without the consent of Sam Nujoma--between Angolan and South African officers along the Cunene River to discuss the safety of Western technicians working in the region.

Many observers have underscored the SWAPO's lack of weight during the recent Geneva negotiations on the future of Namibia (November 1979). In fact, the real discussion was taking place between Westerners of the interposed "contact group" (United States, Canada, Great Britain, France, FRG) and Angolan and South African representatives.

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Finally, it is now known that the export of Namibian uranium, from the Roessing mine, by the French air company UTA [Air Transportation Union], was being carried out with the approval of the Luanda leaders, who are nonetheless ardent supporters of the "Natural Resources Decree," issued by the UN in 1974, which stipulates that "every purchase and utilization of merchandise of Namibian origin involves theft or stolen goods." JEUNE AFRIQUE published extracts from a letter (JEUNE AFFRIQUE, No 990-991) from the director of Luanda Civil Aviation to the UTA company, which proves the existence of this "objective collusion." Once again it seems that the SWAPO was not aware of what was going on.

Sacrificial Lamb

Divided, placed under supervision, militarily ineffective and paralyzed, the SWAPO is nevertheless the only Namibian movement to really fight for independence. The other nationalist parties, authorized and most often created by Pretoria, are above all formations of clientele, discredited by their daily collaboration with the forces of occupation. However, the wind of real politik blowing today in southern Africa pays scant attention to moral and historical legitimacies.

The fact remains that, although the climate of tension is once again settling on the region due to the international crisis, the SWAPO, perhaps, will cause more talk about such a crisis. Because its sponsors apparently have so decided.

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NAMIBIA

ADMINISTRATOR SEES SWAPO DEFEAT AT EVENTUAL ELECTIONS

LD021329 London THE TIMES in English 2 Apr 80 p 9 LD

[Report by Michael Knipe: "SWAPO Election Defeat Predicted"]

[Text] In spite of the victory of Mr Robert Mugabe, in the southern Rhodesian elections, Dr Gerrit Viljoen, the South African administrator-general of South West Africa (Namibia) remains confident that the South West Africa People's Organization (SWAPO) will be defeated in elections in the mandated territory.

In an interview with THE TIMES in London, Dr Viljoen admitted that voting in proposed elections for Namibian independence would be affected by the Rhodesian result. He said his assessment of a likely outcome, before Mr Mugabe's victory, had been that SWAPO would get only 25 per cent of the vote. Now he believed SWAPO would be "less handsomely" defeated--perhaps receiving 40 per cent.

He maintained that unlike Mr Mugabe's party in Rhodesia, SWAPO gets support primarily from one tribe--the Ovambo. And, he said, unlike events in Rhodesia, many Namibian intellectuals had already returned to the territory to work for a non-violent solution. Furthermore, SWAPO's opponents, the internally based Democratic Turnhalle Alliance Party (DTA) was effectively multi-racial with only four whites among its 46 members in the present constituent assembly.

If, contrary to his predictions, SWAPO won power, Dr Viljoen said he would be less sanguine. Mr Sam Nujoma, the SWAPO leader, was no Mugabe, he maintained, and his lieutenants were "not very bright either."

However, South Africa remains anxious for a resolution of the Namibian independence issue--the sooner it could be reached, the better, said Dr Voljoen.

Dr Kurt Waldheim, the United Nations secretary-general, yesterday proposed June 15 as a date for the implementation of the United Nations plan for independence. However, several issues still have to be resolved.

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South Africa still questions the feasibility of the United Nations proposals for a demilitarized zone 600 miles long and 60 miles deep which contains more than half the envisaged electorate. Agreement has yet to be reached over the number of military bases South Africa would retain within the DMZ. South Africa is also demanding the explicit renunciation by SWAPO of its demand for armed bases.

Other outstanding issues include the size of the proposed United Nations force, its composition, the percentage of it to be deployed in the DMZ and whether SWAPO guerrilla forces should be allowed to return bearing arms.

Dr Viljoen said that the manner in which Mr Mugabe's guerrillas had been allowed to return "as symbols of victory" clearly had a significant impact on an unsophisticated electorate.

If agreement could be reached on the outstanding issues, said Dr Viljoen, elections could be staged by the end of the year or early in 1981.

Dr Viljoen said there was a big backlash in the territory over the United Nations' clear sympathies with SWAPO--which it had recognized as the sole political representative of the people.

He said his visit to London was not primarily connected with the negotiations on Namibian independence. He was here to address the South Africa Club but he would be making a courtesy visit to the Foreign Office today to see Lord Carrington.

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RHODESIA

THREAT TO SUCCESS OF ELECTIONS SEEN

Paris AFRIQUE-ASIE in French 4-17 Feb 80 pp 32-33

[Article by Jane Bergerol: "Will the Elections Take Place?"]

[Text] If the British, who are presumed to arbitrate, are the first to violate the agreements, the worst can be expected....

Only one month remains before the elections. Pretoria continues to bring increasing numbers of its soldiers into Zimbabwe with Great Britain's open complicity, when even not one of its units had been sent near the border between Zimbabwe and South Africa to observe what was going on. The assassins of Muzorewa's so called "auxiliary forces" checker the country, and for quite a while now hopes of seeing Salisbury's racist troops consigned to their barracks has been abandoned. On the contrary they move around the country behaving in the same manner as they did before with, as usual, the assistance of South African combat helicopters.

Pretoria's government has truly embarrassed Great Britain by quietly declaring that its troops are not only stationed in the border regions which surround Beitbridge (as London maintains) but that they are circulating elsewhere, thus confirming what the South African Patriotic Front, and the ANC [African National Council] have always said. Helicopter squadrons have flown over vast areas of the Zimbabwe territory, and the number of dead, officially less than before the cease-fire, is still considerable.

Scanty but Effective

The dead, for what purpose? These past few weeks the British have let it be clearly understood that they do not plan to lift the state of emergency which Ian Smith imposed in 1965, which gives the government and racist army exorbitant powers. On the contrary, the British governor, Lord Soames, has just decided to extend it by 6 months. And Great Britain reaffirmed that in view of the "tide of illegalities" surging over the country and threatening its installations, it approved the presence of South African troops in Zimbabwe.

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There is also a controversy over the number of dead for the purpose of proving that the cease-fire is not established in a stable manner, and that consequently the martial law which was imposed by the racist army and the black auxiliary forces must be maintained. Lord Soames has also declared that under present conditions it is out of the question to grant amnesty to political prisoners.

In addition, the shabbiest official sabotage procedures (but also the most effective) are being used against the Patriotic Front. Thus, when hundreds of thousands of Zimbabweans wished, in spite of the barrage of police, to come in and welcome Nkomo, who was returning to the country, the British authorized ZAPU to rent only 150 motor coaches, while a week earlier Muzorewa had rented 200, which, however, he had not been able to obtain.

Other harassments: specialty companies were prevented from renting loudspeakers for the Nkomo meeting. Salisbury printers refused to print the posters and the leaflets ordered by ZAPU, and Robert Mugabe's ZANU officials and Nkomo's ZAPU officials, were under various pretexts, prevented several times from coming by plane from Mozambique or Zambia. The two components of this liberation movement have filed a whole series of complaints.

The British attitude has certainly aroused a storm of protestations. President Julius Nyerere declared publicly: "It is Great Britain who has not respected the agreement. It is surprising to see an arbitrator violate the rules. Our conviction that Great Britain has broken the agreement is founded on facts." Meeting in Dar es Salaam, the OAU liberation committee supported Nyerere's declarations, and colonel Kawawa, Tanzanian minister of defense, stated that in violating the cease-fire agreement, Great Britain had invalidated, in advance, the future elections. The secretary general of OAU, Edem Kodjo, on his part, denounced the complicity of South Africa and Great Britain, who wish to establish a phantom government presided over by Muzorewa, and he appealed to all OAU members to reaffirm their support of the Patriotic Front. Moreover, a number of OAU delegates feel that "the hope of seeing really free and regular elections organized in Zimbabwe diminishes from day to day."

The question which comes up is the following: Do the British wish to achieve the most favorable conditions for Muzorewa to win the elections, or are they acting in this manner in order to enable them to cancel the elections under the pretext that the cease-fire is not being respected? Reverend Sithole could very well denounce the terrorism of Muzorewa's auxiliary forces and his wish to intimidate the elections, he could very well write to governor Soames and ask for the elections to be postponed; this is nothing but hot air. As is Muzorewa's declaration according to which "he could denounce the agreement on the cease-fire," if the British "do not put an end to the activities of the Patriotic Front guerrillas."

Whether the date of the elections is postponed or they purely and simply give up trying to organize them, in the end Sithole and Muzorewa will be

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obliged to commit themselves more and more to the South African side. Thus, the predictions of the leader of the British opposition, James Callaghan, that Zimbabwe may yet become a new Vietnam, could well be fulfilled. The Patriotic Front has always said that a massive British-American military intervention was possible. Is it on the point of happening today? Would the strong ties between Margaret Thatcher and Carter permit them to announce spectacularly at the eleventh hour that a main British striking force is being flown to Zimbabwe to ward off a "Soviet menace?" And that therefore for the time being there can be no question of elections?

Deaf to Any Reasoning

The DAILY MAIL revealed that a plan had been established to transport by air a large corps of troops to Kenya where they would be stationed until they were called upon. And this newspaper proved, at the time of the Shaba affair, that it was well-informed on military operations in Africa.

When Joshua Nkomo met Lord Soames in Salisbury it was for the purpose of attempting to modify British policy and to create conditions whereby an electoral campaign would be possible; it failed. The British governor remained as deaf to reasoning as his patron in London, Lord Carrington. Once more Nkomo insisted that the British troops be reinforced with 5 to 10,000 men from the Commonwealth, and that the army in Salisbury and the auxiliary forces remain consigned to their barracks. Once more Lord Soames dodged the question and claimed that the presence of a "small South African contingent" (estimated in fact as comprised of about 10,000 men) would have "no effect" on the elections.

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SENEGAL

DETAILS OF USURY PRACTICED ALMOST UNIVERSALLY IN DAKAR

Paris JEUNE AFRIQUE in French 13 Feb 80 p 63

[Article by Sylviane Kamara: "And the Pyramid of Usury Grows..."]

[Text] What do you do to get some cash when you're suffering, 2 days after payday, from an absolutely empty bank account? Knock on friends' doors? That costs nothing, but it doesn't bring in anything. So do you go to see that redoubtable individual who loans 100 francs on condition that you pay him back 150? It's expensive, but safe. And expensive because it's safe.

Vicious Circle

Universally condemned, usury, because this is what we're really talking about, is just as universally practiced. With local variations. The Senegalese version is called "bouki." Bouki is the hyena of the fables, stupid and greedy. The one who throws herself head first into transactions with a return as ephemeral as it is immediate. In Dakar, bouki has become a real way of life for some. They sell bouki, they buy bouki. One is a bouki when one has recourse to this type of usury and a "boukikat" when one is a usurer.

To get into the circle, it is enough to go into a department store such as la Dakaroise for furniture and appliances and to buy anything at all there on credit. With 10,000 francs CFA in cash and a year of payments, you can leave with a refrigerator (worth 100,000 francs CFA) on your back. On the very steps of la Dakaroise, in plain sight of everyone, the boukikat is waiting. You put down the fridge and you talk money. "Go up a little, I'll go down." For 50,000 francs cash, the bouki sells the merchandise he has just bought to the boukikat. The man who, 5 minutes earlier, had only 10,000 francs in his pocket now has five times as much. But with a pile of payments to make which will come every month to burden a budget already operating at a deficit, and will oblige him to have recourse more and more often to bouki. As for the boukikat, he waits for the next client. The one who's looking for a refrigerator and who can pay: "I'll let you have it for 70,000 francs." The deal is made. Boukikat and buyer have each got what they wanted.

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Mysterious Check

For if selling bouki is costly, buying bouki is on the other hand very advantageous. But the circle doesn't stop there. The boukikat is going to put back into circulation this quickly-earned money. The one who comes to borrow 10,000 francs from him, he makes him sign a post-dated check, in all illegality, for 15,000 francs...after the fashion of the Lebanese and Moorish merchants. In their shops, you buy for 6,000 francs, with a post-dated check and without flinching, some merchandise which is worth 5,000. Then you sell it for 4,000 to a friend, a passerby or...to the same merchant. Very often, in fact, the merchandise never leaves the shop! The merchant buys it back for 2,000 francs less than he sold it for. He disposes of it next at its true price (5,000 francs) when a normal client shows up, or for 6,000 francs to another bouki...and so forth. An astounding accumulation of illegal profits condemned by law and religion. Bouki met with some failures at the beginning, to the detriment of the merchants. The 25th of the month, payday, all those who had signed post-dated checks were rushing to the bank to withdraw the whole of their salary, and the checks were going unpaid. Today, the boukikats have secured, through money, the friendship of certain bank employees who agree to pay the checks before the account holder has been able to try anything.

A proven system, the work of professionals in usury, which the authorities are trying vainly to wipe out. As one boukikat says: "As long as salaries are low, and 'jom' (the sense of honor) obliges the Senegalese to be generous during festivities, as long as some want to live above their means, the boukikats will be doing fine."

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SENEGAL

RECENT FACTORS IN ECONOMIC SITUATION NOTED

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 15 Feb 80 pp 376, 377

[Text] The Central Bank of the West African States (BCEAO) has devoted one of its most recent economic and monetary statistics bulletins to Senegal.

Peanut production for the 1978-79 season reached a higher level; cumulative purchases to the end of May totaled 641,600 tons, and by the end of the third quarter of 1979, deliveries to the oil mills came to 551,300 tons (double the deliveries of the preceding season). Consequently, the producers will have a sharply increased income (18.3 billion CFA for the 1977-78 harvest).

At the end of September 1979, production of calcium phosphate totaled 1.2 million tons, up slightly from 1978, and aluminum phosphate production came to 133,500 tons. Cement production was 291,000 tons.

At the end of the first half of 1979, the industrial production index, including oil mills, was at 155.3, as against 113.1 a year earlier (on base 100 for the year 1969).

During the first 8 months of 1979, tuna fishing produced a catch of 6,556 tons, landed and delivered to the local packing plants.

The index of merchandise turnover of the principal commercial firms hit 217.8 at the end of June 1979, as against 190.5 at the end of June 1978 (on base 100 for the year 1970).

On base 100 at 1 January 1972, the construction cost index was at 256.1 at the end of June 1979 (as against 226.1 a year earlier).

The African-family general consumer price index stood at 244.9 at the end of August 1979, as against 214.3 at the end of September 1970 (on base 100 for the year 1970).

During the first 8 months of 1979, duties and taxes collected by the Customs Service totaled 32.2 billion CFA (up from 1978); 95 percent of this was on imports.

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The budget for fiscal 1979 (1 July-30 June) was fixed at 103.5 billion CFA in current receipts and 101.5 billion in operating expenses; the preceding budget was for 89 billion. In addition, external contributions are to furnish 33 billion CFA (up 15 billion), covering the equipment expenditures (35 billion).

At the end of December 1978, foreign debt liabilities represented the countervalue of 104.7 billion CFA (up 14.7 billion from the end of 1977); the unused margin available from the aid obtained amounted to the countervalue of 86.8 billion CFA (up 10.3 billion). Debt service, interest and amortization payments, required 19.8 billion CFA (up 6.8 billion).

At the end of July 1979, fiduciary circulation (bank-notes and coin) stood at 43.9 billion CFA (up 19 percent from July 1978). Total deposits received by the banking system came to 122.6 billion CFA (up 22.3 billion during the 12-month period), and the private sector's deposits accounted for 118.9 billion. By comparison, credits to the economy totaled 229.6 billion CFA (up 64.6 billion over July 1978).

Also at the end of July 1979, the net position of the Senegalese Treasury was a debit of 12.7 billion CFA, as against a debit of 19.9 billion a year earlier. Likewise at the end of July, the Central Bank had overseas obligations with a net countervalue of 32.9 billion CFA, up considerably over 1978 (it was 18.4 billion less as of 30 June and 22.8 billion less at 31 December).

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SENEGAL

NEW ORGANIZATION OF ECONOMY, FINANCE MINISTRY DESCRIBED

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 22 Feb 80 p 438

[Article: "The New Organizational Diagram of the Ministry of Economy and Finance"]

[Text] The structures of the Ministry of Economy and Finance of Senegal, the minister of which is Ousmane Seck, are the subject of decree No 80-46 of 14 January 1980. The new organizational diagram of said ministry thus becomes as follows:

Ministry of Economy and Finance

General Secretariat:

- Inspectorate of Finance
- Public Establishments Center
- National Printing Office

General Directorate of the Treasury:

- General Office of the Treasurer
- Department of Currency and Credit
- Portfolio Department
- Judicial Office of the State

General Directorate of Finance:

- Department of the Budget
- Department of Debt and Investments
- Department of Pensions and Life Annuities
- Department of Materiel and Administrative Transit

General Directorate of Taxes and Domaine:

- Department of Taxes
- Department of Domaine, Registration and Stamps
- Department of Land Registry
- Department of Tax Investigations and Inquiries

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General Directorate of Customs:

- Department of Customs Receipts
- Department of Customs Studies and Regulations
- Department of Customs Inquiries and Surveillance
- Department of Training and Customs School

Other Departments and Services:

- Department of Automatic Data-Processing
- Department of Statistics
- Department of Forecasting and Economic Analysis
- Department of General Administration and Equipment

In addition, the Ministry of Economy and Finance has the following mixed companies under its technical control:

- Senegal National Development Bank (BNDS)
- Senegalese Banking Union for Commerce and Industry (USB)
- National Guaranty Company (SONAGA)
- Senegalese Financial Company for the Development of Industry and Tourism (SOFISEDIT)
- Senegalese Insurance and Reinsurance Company (CSAR)
- International Bank for Commerce and Industry of Senegal (BICIS)
- Housing Bank of Senegal (BHS)
- Senegalese Company for Cinematographic Importation, Distribution and Exploitation (SIDEK)
- National Lottery (LONASEL)

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SENEGAL

BRIEFS

DIOP'S ARREST--Boubacar Diop, editor of the newspaper PROMOTION, has been arrested and placed under commitment. This arrest is said to be due to the content of a "lamooning speech" published by the newspaper. Boubacar Diop had already been sentenced to fines last year after several trials for defamation, involving, in particular, Abdou Diouf, prime minister of Senegal, and General Sese Seko Mobutu, president of the Republic of Zaire. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 22 Feb 80 p 438] 11267

ITALIAN CULTURAL AGREEMENT--On 14 February, Italy and Senegal agreed on a protocol of application for cultural exchanges between the two countries, at the conclusion of the first meeting, in Dakar, of the joint commission on Senegalese-Italian cultural cooperation. This protocol was signed by Italy's ambassador, Luigi Valdetaro, and Saliou Cisse, director of political and cultural affairs in the Senegalese Ministry of Foreign Affairs. Within the framework of cultural exchanges, Italy has already opened a cultural center in Dakar. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 22 Feb 80 p 438] 11267

JOINT SENEGALESE-PORTUGUESE COMMISSION MEETING--Senegalese-Portuguese cooperation in the fields of trade, air and sea transport, tourism and culture has been examined at a meeting of the joint commission formed by the two countries. At the opening of this commission meeting on 18 February, Serigne Lamine Diop, Senegalese minister of trade, indicated that the Senegalese-Portuguese balance of trade was 3 billion CFA in Senegal's favor. Armando Souza Almeida, Portuguese secretary of state for foreign trade, declared that in order to reestablish balance-of-trade equilibrium, Portugal desired the strengthening of cooperation in the areas of sea transport, urban planning and trade. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 22 Feb 80 p 438] 11267

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ESTIMATED GRAIN DEFICIT--Senegal's grain deficit for 1978-1980 has been estimated at 329,000 tons by a FAO [UN Food and Agricultural Organization] and WFP [World Food Program] mission. The mission's conclusions, presented during a meeting in Dakar on 6 February with the representatives of the donor countries (France, Great Britain, Canada, United States, FRG, China, Italy and the EEC), reveal that the deficit is the result of bad rainfall distribution and a long period of drought, the late start of the river flooding and its very low level, and an attack on plants by caterpillars. Part of Senegal's grain deficit will be covered by commercial imports, and the rest (estimated at 137,000 tons) is expected from the international community, the mission's members indicated. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 15 Feb 80 p 377] 11267

AIR FLEET ADDITIONS--The Air Senegal company, which received an HS-748 airplane from British Aerospace in July 1979, is to add a used HS-748 to its fleet next March. This second plane will replace a Fokker F-27 presently in service, to permit standardization of the airplanes of the Air Senegal company. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 15 Feb 80 p 377] 11267

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SEYCHELLES

BRIEFS

TOURIST DEVELOPMENT--Execution of the first 5-year plan for 1977-1981 is continuing under relatively satisfactory conditions thanks to the development of tourism and the foreign exchange income resulting from it. An oil-well drilling program is to be undertaken off the coasts of the archipelago. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 22 Feb 80 p 425] 11,464

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SOMALIA

BRIEFS

ALLEGED PRO-SOVIET CURRENT--A pro-Soviet current is still present within the Somali leadership, despite the rapprochement with the United States which took place last February through the granting of military facilities in the port of Berbera. The principal advocate of this current reportedly is Mohamed Aden, minister of information. [Text] [Paris JEUNE AFRIQUE in French No 1004, 2 Apr 80 p 42]

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TANZANIA

BRIEFS

FOOD SHORTAGE--Tanzania is going to experience a food shortage, in the view of the Tanzanian minister of agriculture, John Malecela, expressed in an interview on 16 February with the government journal DAILY NEWS of Dar es-Salaam. The minister adds that the only way to remedy this situation is to plant drought-resistant crops. The weather forecasts do indeed seem to indicate that, with the rainy season having begun late in certain regions, the quantity of water will be insufficient for many crops. Mr Malecela appealed to the government to encourage the peasants of the arid regions to grow millet and manioc so as to keep the shortage from taking on excessive proportions. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 22 Feb 80 p 453] 11267

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ZAIRE

ECONOMIC REHABILITATION DEPENDENT ON STRICT REMEDIAL MEASURES

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 15 Feb 80 pp 364-367

[Article: "The Economic Situation in Zaire"]

[Text] Zaire's Ministry of National Economy, Industry, and Commerce has recently published its 18th annual report on the country's economic situation. This sizable document (a book of 578 pages), collated and explained by Charles Leonard, an adviser attached to the above-mentioned ministry, covers the year 1978 and for some sectors the initial months of 1979. These are the latest figures that are available. Despite the time lag, they make it possible to understand the existing situation and the need for measures that are more necessary than ever. The earlier report had been published during 1978 and, let us recall, analyzed in our issue of 27 October 1978 (page 2821). Let us also recall that in our issue No 1784 of 18 January 1980 we published an important article from a special correspondent on Zaire's political-economic situation.

Though Zaire has considerable mining resources available and an unused industrial potential, the country's rehabilitation continues to be conditioned on the adoption of far-reaching political reform, the change of some officials on the spot, the application of a strict austerity budget, the fulfillment of commitments to other countries, and the advent of unblemished national awareness and unity.

The year 1978 and the first half of 1979 were particularly difficult for Zaire. The drop in export revenues from copper, the low level of foreign currency reserves, and the burden of sizable commercial debts reduced the country's capacity to supply its industry with raw materials and indispensable spare parts. Production fell to 30 percent of its optimal potential.

This situation caused a further drop in the marketed Gross Domestic Product [GDP], already down for the 3 previous years (on the average down by 4 percent a year), all the sectors--agriculture, mining, and industry--having been affected by the insufficiency of supply conditions.

The deterioration of the economy led to the adoption in November 1977 of an emergency rehabilitation plan, known as the "Mobutu Plan," which implied the application of reforms that were simultaneously political-administrative,

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financial, and economic. However, so far the effects of this plan, for lack of constancy and strictness in its execution, have remained limited and barely perceptible. Too, the granting of further international aid is subject to the advice of the International Monetary Fund [IMF] which has assigned a group of experts to work in Zaire for an extended period.

Foreign Trade

The balance of trade continued to show a surplus in 1978 thanks to the drop in imports whose programs were severely restricted by the shortage of foreign currencies. Expressed in zaires, exports in 1978 were practically equivalent to those of 1977. Since 1978 the evolution of trade with foreign countries has been summarized in the table below, expressed in millions of zaires, not taking into account the last 2 years of imports effected without the allocation of foreign exchange:

	1975	1976	1977	1978
Imports	661.7	794.7	538.0	500.0
Exports	445.2	837.9	912.4	930.6
Balance	-216.5	+ 43.2	+374.4	+430.6

The amount of imports made under licenses without the need for foreign exchange, a procedure used since 1977, is unknown. However, in the balance of payments for the same year the deficit in the exchange of goods and services totaled 716.6 million zaires. Furthermore, contraband imports do not show up in any statistics.

More than in the expression of values which conceal cost inflation, the modification of the Zairian economy is evidenced by the drop in the volume imported: 780,000 tons in 1978, 900,000 tons in 1977, 1.2 million tons in 1976, and 1.4 million tons in 1975.

In the exports for 1978 agricultural products accounted for 198.2 million zaires (down 61.3 million zaires compared to 1977), mining products totaled 716.9 million zaires (up 98.2 million zaires), and manufactured products came to only 5.5 million zaires. During the year copper exports of 410,000 tons for 322.7 million zaires indicated a drop in volume of 7.4 percent traceable to the temporary halt in operation of the facilities of GECAMINES [General Quarries and Mines Company] in Kolwezi following the hostilities in Shaba Province.

Among the significant exports of 1978 other than copper were coffee with 76,700 tons (139.2 million zaires); rubber with 26,100 tons (16.8 million zaires); oleaginous and oil palm products with 39,400 tons (11.2 million zaires); zinc with 41,300 tons (14.2 million zaires); copper ore with 83,000 tons (7.5 million zaires); cobalt with 12,600 tons (180.7 million zaires, up by 87.6 million compared to 1977); and crude oil with 951,800 tons (38 million zaires). Among manufactured products was cement with 28,800 tons worth 2 million zaires.

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Agricultural Sector

For several years now Zaire has no longer been self sufficient in food products. An effort was made to develop the cultivation of maize, which can also be used in breweries. The 1978 season yielded 36,100 tons of this product. The 1979 harvest resulted in a larger volume of 54,200 tons. Imports of food products are still indispensable, however, and stood at 160,100 tons in 1978 (up 14.4 percent compared to 1977) out of a total import program involving 200,000 tons restricted by the lack of foreign exchange.

For the 1978-79 coffee season the exportable surplus was estimated at 70,000 tons including some 9,000 tons of the Arabica variety.

The oil palm products program approved in 1977 had still not been implemented in July 1979 for lack of a financing agreement by the World Bank and contracts with industrialists. Independently of this plan, programs under way for 1979 involve the replanting of 21,100 hectares between now and 1984.

In 1978 rubber production dropped by 5.2 percent; exports totaled 26,100 tons while 2,307 tons were used by the local tire and footwear industries.

The European Development Fund [EDF] is financing a project for tea cultivation in Nord-Kivu [Northern Kivu Province]. Exports for 1978 totaled 3,800 tons for a value of 3.2 million zaires.

In May 1978 ONAFITEX [National Textile Fiber Office] was dissolved. Its failure was due to the excessively low prices offered to cotton producers, the irregularity of payments, the export of the cotton-fiber following ginning to spinning mills, and the poor state of the cotton ginning mills. At the same time a cotton stabilization fund was established to promote the development of the crop.

National sugar production continues to witness a large deficit, and the planned projects have not effectively materialized. Sugarcane volume totaled 475,300 tons in 1978 (down 78,600 tons compared to 1977).

In 1978 the cultivation of tobacco covered some 20 percent of the needs of local cigarette manufactureres. The 1979 tobacco crop is estimated at 1,600 tons (up 17.2 percent) and that of 1980 at 2,350 tons.

Energy and Oil

After rising by 13 percent in 1977, electric power production dropped by 2.2 percent in 1978. The events of May 1978 in the Shaba mining region caused a temporary halt in the operations of the Kwezi metallurgical plants and a drop in [energy] demand by GECAMINES.

Zaire's balance of trade in energy with the Congo, Burundi, Rwanda, and Zambia has always shown a surplus for Zaire. This surplus should increase significantly as soon as the Inga-Shaba (1,820 km) very high-tension line is completed. The complete outfitting of the Inga II hydroelectric power station is planned for 1982.

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Since 1976 the Zaire-Gulf Company has been pursuing the offshore exploitation of oil deposits located off the Atlantic coast. Its crude oil production, which had totaled 9.1 million barrels in 1976 before dropping to 8.3 million barrels in 1977 and 6.6 million barrels in 1978, rose to 3.8 million barrels U.S. \$25 million). An exploration program is under way (\$14 million).

Beginning in 1976 the Kinlao refinery of SOZIR [Zairian-Italian Refining Company] operated at full capacity, processing imported crude oil. The building of a new refinery in the context of the exploitation of an oil deposit offshore from Muanda was not realized. In 1978 SOZIR processed 200,300 tons and turned out 165,300 tons of finished products absorbed to the extent of nearly 94 percent by the local market.

Mining Sector

Copper production totaled 425,400 tons in 1978 (down 11.5 percent compared to 1977), GECAMINES' share representing 92 percent but its production for 1979 estimated to be no more than 350,000 tons.

SODIMIZA [Industrial Development and Mining Company of Zaire], a producer of copper concentrates, is still bothered by difficulties involved in shipping out its production. It totaled 83,000 tons in 1978 (17,000 tons less than in 1977), whose transportation under profitable conditions can be made only by the Dilolo-Lobito line.

In the Kivu and Nord-Shaba [Northern Shaba] regions the production of cassiterite and allied ores continued to drop to 3,500 tons after its use [sic] in local foundries.

In Kasai Oriental [Eastern Kasai] the production of the operating company (in which the Zairian Government has an 80 percent interest) totaled 10.6 million carats of diamonds, used for industrial purposes to the extent of 97 percent. During the year the infrastructure necessary for the exploitation of diamond mother-rocks (kimberlite) was begun.

The gold production of the Office of the Gold Mines of Kilo Moto involved 1,805 kilograms (down 2.4 percent).

In terms of value, mining products (716.9 million zaires) represented 77 percent of total exports in 1978 (67.6 percent in 1977). The significant increase in cobalt prices (12,600 tons of exports in 1978 and about 13,000 tons projected for 1979) disrupted the ranking of products: In the first half of 1979 cobalt exports exceeded copper exports in value.

The events in Shaba Province in May 1978 abruptly affected the realization of GECAMINES' second 5-year development plan which was slated to increase its annual production capacity by 100,000 tons of copper and 6,000 tons of cobalt in 1980. Capital equipment contracts were suspended and, since June 1979, GECAMINES has been negotiating with financing organizations (the World Bank, the European Investment Bank, the Arab-Libyan Credit Bank, and others) regarding a new plan for the reactivation and completion of the program.

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Following the closing in September 1975 of the Dilolo-Lobito railroad line the Mining Company of Kisenge, which exploits an important manganese ore deposit in southwestern Shaba, halted all mining operations. However, by drawing on its inventory of concentrates accumulated earlier, an initial shipment was once again transported on the Dilolo-Lobito line in April 1979. The development projects include the construction of a manganese electrolysis pilot-plant with an annual capacity of 300 tons and whose production would make possible the reactivation of the battery plant (potential: 10 million units a year).

Beginning in 1981 a pilot-plant will be built in the Kivu region for the processing of niobium ores, but it is not possible to envision industrial exploitation before 1984, that is, following the solution of the technical problems involved.

The SMTF [Mining Company of Tenke-Fungurume], which had suspended all its activities in January 1976, has been studying since July 1979 the resumption of its initial project in successive stages (130,000 tons of copper-metal and 6,000 tons of cobalt a year) with the cooperation of the French BRGM [Geological and Mineral Prospecting Office] whose interest in the SMTF was raised to 34.4 percent.

Zaire also has sizable iron ore deposits in Haut-Zaire [Upper Zaire] and even more sizable bauxite outcrops in the region of Bas-Zaire [Lower Zaire], a potential which is still being converted into value.

Industrial Sector

The first and principal problem presenting itself in Zaire in the industrial field is none other than that of guaranteed minimal supplies in raw materials and spare parts. At the second stage retooling problem will have to be tackled.

Since 1975 the production of manufacturing industries has witnessed a significant downslide but it is in 1978 and even more in 1979 that this sector's situation became critical, some units operating only at between 30 and 50 percent of capacity. Halts on account of a disruption in the flow of supplies and the lack of spare parts are increasing, and dismissals and structural unemployment are rising from month to month. To enable firms to establish their operational estimates over several months a system of guaranteed minimal monthly allocations was recently adopted.

For 1978 aggregate sales of the 121 industrial firms counted represented 2.2 billion zaires as against 1.7 billion zaires in 1977. With the exception of the mining industries, oil exploitation, and textile firms, all branches of activity in 1978 witnessed an increase [sic] in their turnover, the upswing being especially sizable in the foodstuff, beverages, cigarette production, chemical, and the basic metallurgical sectors.

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Constituted to assist financially the creation, extension, or modernization of industrial or agricultural enterprises coming under the public, mixed, or private sector, SOFIDE [Finance Company for Development] is increasing every year its amount of participation which, in 1978, totaled 22.6 million zaires and which rose to 50.4 million in 1979. This increase is however slated to go higher considering the monetary adjustments made in the meantime.

In the foodstuff sector the supply of flour to the two Matadi mills will undoubtedly be better secured in 1979 even though that supply will be insufficient for lack of foreign exchange. For more than 6 years now national sugar production has no longer been sufficient to meet demand. With a production index standing at 128 in 1978 (computed on a basis of 100 in 1968), the two sugar companies supplied 49,240 tons (down 8.4 percent compared to 1977). Their production in 1979 is estimated to reach 51,500 tons. The breweries have suffered because of a lack of fuel oil, malt, and sugar supplies and their beer production totaling 3.9 million hectoliters [in 1978] evidenced a drop of 9.8 percent. The production of carbonated beverages also showed a drop of 7.8 percent compared to 1977.

Since 1975 the production of cigarettes has continued to be handicapped by a restriction on tobacco imports. In 1978 production with 3.5 billion units improved by 20.3 percent thanks to the increase in tonnage supplied by local tobacco cultivation.

The cotton textiles industry was strongly affected in 1978 by the shortage of Zaire's cotton-fiber stock. Woven fabrics dropped by 32.6 percent with production of 48.4 million square meters of cotton fabrics. The production of printed fabrics in 1978 also dropped by 38.2 percent with an output of 42.8 million square meters. Despite supply difficulties woven synthetic fabrics making use of imported yarns increased by 1.7 percent with a total of 3.8 million square meters. The capacity of the five cotton spinning and weaving units represents 128,344 spindles and 2,592 weaving looms. Their needs for 1979 were estimated at 19,000 tons of cotton and the import of 10,000 tons was sought to reconstitute inventories.

Bata-Zaire, the leading footwear producer, saw a drop of 39.1 percent in its production in 1978 because of the insufficiency of supplies and, since May 1978, its operations have been reduced to 3 days a week.

The lumber industry was on the upswing because of the activities of the important industrial processing complex located in Maluku. In 1978 the production of unprocessed lumber totaled 350,000 cubic meters (up 12.9 percent compared to 1977 and up 40 percent compared to 1975). For 1978 exports totaled 43,200 cubic meters of lumber, 37,500 cubic meters of cut wood, and 4.2 million square meters of veneered wood.

The wrappings sector continues to experience difficulties because of a lack of paper supplies. One firm has specialized in the production of cardboard sheeting from recycled cardboard.

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A small part (9.2 percent) of Zaire's rubber production was processed locally. Tire production by Goodyear-Zaire for two- and four-wheeled vehicles used 2,022 tons of the commodity.

Following a drop of 7.2 percent in 1977, the production of paints in 1978 witnessed a further slide of 5.2 percent. The industrial production of kitchen and toilet soap, which had already seen an increase of 5 percent in 1977, rose by a further 4.7 percent in 1978 (47,400 tons in all).

The GECAMINES group produces sulfuric acid from gas originating from the roasting of sulfur of zinc. Its production (137,800 tons in 1978) was entirely used by the group. In 1978 the production of MAZAL [Zairian Match Company] totaled 115,000 cartons of 1,500 boxes each (up 18.6 percent). The problem of lumber supplies was solved by the opening of a new forest exploitation. The various firms producing plastic items and articles experienced difficulties and shortages in securing supplies of imported materials.

The Maluku iron and steel mill of SOSIDER [Iron and Steel Manufacturing Company] has a production potential of 250,000 tons a year in wire, rods for reinforced concrete, sections, and sheets. Its 1978 production was limited to 8,100 tons whereas that of 1979 will reach 12,200 tons. On the same Maluku site a study was made with a view to building a copper refining unit to be supplied by 100,000 tons a year of cathodes originating from the new GECAMINES installations. Its realization continues to be conditioned on the securing of outside financing.

As in many other sectors that producing metal items saw its operations restricted by shortages of supply. The most representative enterprise is the complex of CHANIMETAL [Naval and Industrial Metal Construction Workyard] (which produces shipyard and miscellaneous construction items), whose sales in 1978 totaled 39.3 million zaires.

One firm, the offshoot of an American outfit, specializes in the production of electric batteries. Its production, halted by the lack of raw materials, covers only a small portion of domestic demand.

General Motors-Zaire, whose potential is 4,000 vehicles a year, assembled nearly 790 automobiles and trucks in 1978. Fiat-Zaire was not active at all in 1978 and the plan to assembly truck cabs was temporarily placed on the back-burner for lack of foreign exchange. Magirus-Deutz-Zaire assembled 134 trucks in 1978 compared to 409 in 1977. Renault-Zaire assembled about 920 vehicles in 1978.

Since 1975 the production of Zaire's cement works has shown a steady drop (down 4.3 percent in 1978 with 468,000 tons). Among the major projects under way at the end of the first half of 1979 were the completion of the Inga II dam and hydroelectric power station and the construction of the Matadi bridge on the Zaire River.

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Prices

The upsurge in inflation these past few years has significantly reduced purchasing power in Zaire. Furthermore, the large-scale import of consumption goods and supplies by license without the purchase of foreign exchange has increased the price of goods tenfold. Furthermore, the insufficient supplies of agricultural and finished products have created such a shortage that its repercussion on purchasing power has made itself felt heavily.

Under these conditions the retail price index of consumer goods since 1976 has shown dizzying records: Using the base of 100 for June 1960, the price index in Kinshasa's stores rose from 375 at the close of 1964 to 4,738 on 31 December 1976 and then to 7,050 at the end of December 1977, 13,041 on 31 December 1978, 23,065 on 31 June 1979, and 29,578 on 30 November 1979.

Currency, Balance of Payments, and Transfers

Difficulties in the management of public finances in the past few years have burdened Zaire's monetary situation.

The budget, showing a constant deficit since 1973, has obliged the government authorities to resort to monetary remedies, thereby enhancing the inflationary trends. The share of the government in indebtedness to the issuing bank rose from 66.2 percent in 1976 to 74.4 percent in 1977 and 82.3 percent in 1978.

Approved in June 1979, the new stabilization program, by defining priorities in the realm of public expenditures, has mandated a limit on these expenditures to the maximum extent possible.

Furthermore, to contain the circulation of money within bearable limits, demonetization measures were applied on 25 December 1979 through the exchange of bills and the freezing of bank accounts--measures whose effect pre-slated to reduce the amount of bills in circulation from 850 million zaires to 250 million zaires (bills 892 million zaires were in circulation on 31 March 1979).

As regards exports, sizable volumes of coffee shipped out in contraband have shortchanged public revenues from corresponding inflows in foreign exchange.

Too, the monetary parity of the zaire, set from the start in January 1968 at U.S. \$2 each, could not be maintained over the years. After its affiliation in March 1976 with the SDR's [Special Drawing Rights] whose impact was the "de facto" devaluation of the zaire, changes in parity followed each other, four of them in the course of 1978. The most recent one which occurred in August 1979 reduced the official exchange rate to one zaire equals 0.375 SDR. Compared to the Belgian franc the zaire which, in 1968, was equivalent to 100 Belgian francs, fell to 14.30 Belgian francs, the black market applying even lower exchange rates.

The balance of payments account, which had again shown a surplus of 71.5 million zaires in 1976 (after the reinclusion of 98.8 million zaires in commercial debts brought forward), once more indicated a deficit of 227.7 million

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zaire's trade in goods and services. The 1978 balance of payments has not been published yet. For the first three quarters [of that year] the deficit in financial settlements totaled 145.2 million zaires. The deficit in the balance of payments worries the International Monetary Fund which subordinates any new aid to its elimination.

The Bank of Zaire draws up each year a geographic balance of effective transfers which differs from the balance of payments account and which, for each of the years 1977 and 1978, appeared as follows (in millions of zaires):

	1977		1978	
	Revenues	Expenditures	Revenues	Expenditures
Europe	803.7	599.7	816.6	681.1
America	106.5	229.4	164.8	234
Africa	5.6	40.9	6.5	50.2
Asia	5.4	20	9.6	16.3
Oceania	-	0.2	0.4	0.2
Total	921.2	890.2	997.9	981.8
Surplus		+31		+16.1

However, the surplus balance shown by the balance of transfers for 1978 must be corrected as a function of the four changes in parity of the Zairan currency which were effected during the year, the inclusion of commercial debts once again, and the rise in the price of industrial products. Under these conditions, the surplus of revenues over expenditures for 1978 would be increased to 134.9 million zaires.

Under the impact of the inclusion of commercial debts, the current commitments of the Bank of Zaire vis-a-vis the outside world increased considerably: From an exchange value of 446.2 million zaires at the close of 1977 they rose to 631.8 million zaires at the close of December 1978 and to 637.9 million zaires at the end of March 1979. Taking foreign assets into account, the net balance of the issuing bank showed a debit in exchange value of 201.7 million zaires at the close of 1977 and of 282.7 million zaires at the end of 1978. Following the establishment of a new Foreign Exchange Office, beefed-up control over coffee exports, and the spectacular rise in the sale price of cobalt, an improvement was seen in the first quarter of 1979, reducing the debit balance of the central bank to the exchange value of 56.7 million zaires at the close of March 1979.

Foreign Debt

Zaire has failed to keep its international financial commitments. On several occasions in 1976, 1977, and 1979, debt consolidation measures were negotiated with its creditors, both public and private. These measures, which consisted in obtaining a moratorium and extension in deadlines for debt repayment, were

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linked moreover to the new financial assistance placed at the disposition of Zaire allocated under the control of the International Monetary Fund (in the first place, elimination of the deficit in the balance of payments and adoption of rigorous budgetary discipline).

Zaire's foreign debt is now managed by OCEDEP [Office for the Management of the Public Debt] which has taken over all operations relating to the state's foreign indebtedness in the medium and long term whose repayment deadlines exceed a year, as well as credits of private firms benefiting from the government's underwriting and considered as public enterprises as soon as the beneficiary of the guarantee proves to be in financial difficulty.

On 1 January 1979 the total of Zaire's foreign debt represented, following accommodations by creditors, an exchange value of nearly 3 billion zaires (2,976 million zaires to be exact) and the total of its consolidated debt came to 367 million zaires according to the following breakdown (in millions of zaires):

Financial debt (for 10.4 percent of which the Treasury was not responsible)	1,948.1
Commerical debt	571.7 (13.1 percent)
Debt to governments and international organizations	456.2 (22.7 percent)
Consolidated debt	366.9
Total (including consolidated debt)	3,342.9

On the same date of 1 January 1979, out of the total amount of credits granted, that is, an exchange value of 4.9 billion zaires, reimbursements on account of principal totaled 604 million zaires and an operational fund of nearly 1 billion zaires was available under certain conditions.

In conclusion, the rehabilitation of Zaire's economy will call for serious efforts to be made over several years without letup and which may have impacts in the social realm. The International Monetary Fund set the framework of the financial discipline to be observed. This rehabilitation can be eased by the increase in export revenues from mining products and the reactivation of the manufacturing industry.

On the occasion of the Sixth International Fair in Kirshasa in July 1979, Zaire wished to reassert its commercial policy whose basis is the open door, economic independence, and concerted free enterprises. In this context Zaire, which in the industrial field has a potential that is barely exploited, encourages mixed investments susceptible to enabling Zairian and foreign partners to derive mutual benefit from their association while favoring the transfer of technology.

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ZAIRE

BRIEFS

MORE AGGRESSIVE ACTIVITY PREDICTED--In transit in Paris, Mobutu warned Giscard that preparations were being made in Brazzaville, Congo to relaunch aggression in his country. The Zairian president requested additional French military aid. [Text] [Paris PARIS MATCH in French 28 Mar 80 p 53]

RECORD FOR ASYLUM REQUESTS--Zairians hold the record for requests for political asylum in France. Each month, about 100 of President Mobutu Sese Seko's compatriots ask French authorities for refugee status. [Text] [Paris JEUNE AFRIQUE in French 2 Apr 80 p 42]

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ZAMBIA

BRIEFS

COBALT FOR USSR--In partial payment for the 85 million dollars (17.8 billion CFA francs) of weaponry purchased from the Soviet Union, Zambia will deliver cobalt. This is a source of concern to the Americans who in the last 2 years have doubled their purchases from Zambia, which is the second-ranking producer of cobalt. Having little confidence in the future of the Zairian economy, the United States would like to increase its cobalt imports (18 percent in 1979) from Zambia. [Paris JEUNE AFRIQUE in French 19 Mar 80 p 50]

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END

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