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2 July 1981

Sub-Saharan Africa Report

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INTER-AFRICAN AFFAIRS

WESTERN, EAST BLOC TRADE IN AFRICA COMPARED

London NEW AFRICAN in English No 165, Jun 81 pp 40-41

[Article by William Gutteridge]

[Text] THE PRONOUNCED tendency not only in South Africa and in former white Rhodesia, but in some parts of the inustrialised West, to equate ideological rhetoric with communist activity and connections, has clearly been counter productive.

It has not only made what once was termed "the godless faith" attractive to dissident nationalists and others, but it has distorted commerical and investment judgments.

The emergence of avowedly Marxist-Leninist states like Guinea-Bissau, Angola and Mozambique has made little difference to East-West proporations of trade with Africa. The Soviet bloc still accounts for only five per cent of the continental total.

Heavily reliant

The majority of exports from Africa to Eastern Europe are foodstuffs, and the recent expansion of trade between African states seems to have been at the expense of Soviet bloc trade.

Nor is it true to say that what such trade still lacks in quantity it has in any way made up for by its qualitative characteristics.

Centrally planned economies might have been expected, particularly if they conduct their business without using convertible currency, to provide stable markets avoiding wild fluctuations in commodity prices. This has not been the case, whether with Tanzanian coffee or sisal or with Ghanaian cocoa.

In the latter case there seemed to be little distinction in economic relationships with the USA, the USSR or the United Kingdom – the largest purchasers. They were all similarly susceptible over a long period to fluctuations in supply rather than demand.

With the possible exception of Tanzania, which did manage to diversify its range of exports to the USSR for a time, the effect of Soviet bloc trade on African countries has usually been to increase their dependence on a single product. As a result of Soviet assistance, for example, Guinea has expanded bauxite mining at Kindia and at the same time become much more heavily reliant on the sales of what is by no means a scarce mineral.

The Soviet Union is not free either from the worse habits of Western multinational companies who are often charged with putting too great an emphasis on primary products. In some cases there has been undercutting of locally processed goods by other countries using raw materials from the same source. Poland was not popular with Tanzania for buying up wattle bark and processing it for its own and other needs.

Industrially also there have been problems. Eastern Europe has found itself restricing imports of, for example, African canned goods on grounds of poor quality – expensively produced from uneconomic assembly lines in Soviet built canneries. This seems to have been one source of friction with Somalia. The tying of Soviet credit to particular projects and purchases has in a number of cases – in the metallurgical industry in Algeria and in Guinea, for instance – left African countries dissatisfied with defects in the machinery supplied.

Indeed, the Czech Chamber of Commerce, first in 1977, has not been alone in warning of the need to be more competitive. In general from Ghana in the 1960's onwards, and with the exception of the oil producing countries on the Mediterranean, the controls imposed by centrally planned economies and the limitations of rigid bilateral trade arrangements with long term credits have not worked in favour of Black Africa.

Free Enterprise

Nor, it must be said, does the Soviet Union seem particularly to have benefited, because it has not necessarily acquired the most appropriate goods from Africa competitively priced.

In the same period the Republic of South Africa, though subject to boycott, covertly, seems to have increased its trade with Black Africa, precisely because of the free enterprise nature of its economy and the needs of its own diverse population, by supplying appropriate cheap consumer goods.

To some extent, as the earlier experience of Guinea-Bissau, Mali and Ghana, and more recently Angola and Mozambique have shown, the tendency of Eastern Europe to impose its development models on African states has been critical.

Western governments and multinationals have also been guilty but they seem to have responded a little more flexibly to local circumstances. Soviet ideology and rhetoric has seemed to bear little relation to local needs. The recent demonstration in a BBC-TV programme of connections between the USSR and South Africa, at least over diamonds and platinum, has simply served in African terms to change a charge of irrelevancy into one of hypocrisy.

A wedge has been driven between ideology and economic self-interest. It is, moreover, likely that one concern of the Soviet Union in relation to a number of key metals, like chrome and vanadium, is that her costs of production, not necessarily those primarily attributed to labour, are much higher than those of South Africa or Zimbabwe while the quality of the end product is lower. This recalls the transactions in Rhodesian chrome which the USSR apparently indulged in in spite of sanctions, even allegedly supplying the United States.

Soviet pricing policies based on the concept of "equivalent exchange" are regarded as no more satisfactory for Africa than those of multinationals insisting on off-loading the full effects of inflation. There is little difference, either, in the effects of indebtedness. Zambia has been spending 30 per cent of the proceeds of its exports to repay the West, Guinea 25 per cent of overseas earnings and Egypt considerably more to repay the Soviet Union.

Air tickets

Indeed, there has been some concern about the Soviet Union trying to make existing trade pay by the application of free enterprise principles and increasing the foreign exchange content of credit. The toughest deals have been in Soviet arms sales to Africa which grew so rapidly in the period 1975-80 that the purely commercial element in the sale primarily of date weapons and equipment is now seen as predominant. This is in keeping with Russia's demonstrable ability to help in time of conflict but her inadequacy in attempting to consolidate peace.

Terms of trade and credit which may or may not actually turn out to be unfavourable are one thing. Exploitation is another.

Mozambicans readily recall the sale by Aeroflot of discount air tickets on the black market thus depriving their country of much needed foreign exchange. Ironically, perhaps because of political dependence, such cases have been most frequent in Marxist-Leninist states. The Soviet-Guinea-Bissau joint fishing enterprise provided for 85 per cent of the catch and the profits to be retained by the Soviet Union.

'The lesson for Black Africa is that the interests of the people should be placed before political considerations'

Similarly in Mozambique there has been little concern for fish stock conservation and re-investment and it was the Dutch and not the Russians who built cold storage plants. It could almost be argued that there has been an inherent difficulty in reconciling ideology with profit and food supply.

Western multinationals and the Soviet Union have stimulated the export of mineral raw materials at the expense of local refining and processing reflected in a tiny proportion (0.6 per cent) of the world's manufacturing output located in Black Africa.

It has frequently been a matter of comment why Algeria, with its socialist development programme based on "industrialising industries" (that is to say industries which generate acillaries), has had closer economic relations with the West than monarchist Morocco. The reason is essentially because she has been able to secure favourable natural gas and other deals with America based on secondary production of synthetic resins, methyl alcohol and hydrocarbons.

In the view of the late President Boumedienne, Algeria so far from selling out to American capitalism was using it to achieve the objectives of the socialist revolution. The Soviet model focussing on capital-intensive heavy industry would not have worked.

The implications of Soviet economic relationships with Africa are many and related to unfulfilled political aspirations. There is no doubt that few states in Africa have established a political order entirely satisfactory to the Soviet Union. The USSR has found itself, therefore, collaborating with countries of diverse ideologies.

At first the Pan-Africanist aspirations of Dr. Kwame Nkrumah, which did much for African self-confidence, and more recently the well defined nationalism of Robert Mugabe and others have failed to conform to the desired mould.

Where, as in Guinea under Sekou Toure, the breach with the former colonial power virtually forced upon the country close links with the Soviet Union, the relationship quickly began to deteriorate and Soviet technical aid was not always what it seemed, even if the well-worn joke about the delivery of snow ploughs is wholly discounted.

The inadequacies of the Soviet Union in relation to African development are partly due to the strength of the capitalist economic order, which dominates world relationships. Ironically this may particularly apply to countries which have achieved their independence as the result of a guerrilla war.

It could well be argued that the devastation of Zimbabwe in such a war has temporalily deprived its post-independnence government of freedom of action in terms of choice of system. The revival of agricultural, and modernisation of the railways, to achieve a measure of freedom from dependence on South Africa, require huge sums which can only be met by foreign investment. And foreign investment would be deterred by the expropriation of companies, which might also cause a flight of technicians.

Soviet economic relations with Africa then have had a chequered history, because of the commitment of African leaderships to their countries' economic development and in some cases actually to survival.

The lesson

South African maize in the case of Zambia or South African technical assistance in running Mozambique's railways and harbours are symbols not only of African pragmatism, but of the inability of the Soviet bloc in many cases to fill the economic gaps.

The ability to adapt African economies to fit into the "Socialist trading community" has not been demonstrated. It is ironic for the USSR that Zimbabwe, which of all African states, inherited, partly because of sanctions, the most sophisticated network of economic controls and a system of state control and national planning, has so far rejected any exclusive international relationship.

The lesson for Black Africa is that individual states should seek their economic independence by all means – and that in negotiating trade or investment, whether with East or West, the direct interests of their populations should be the first consideration. This is more important than political considerations.●

CSO: 4700/90

NEW AFRICAN OIL 'GIANTS'

Paris JEUNE AFRIQUE in French 27 May 81 pp 36-37

/Article by Philippe Simonnot/

/Text/ A few large exporters, generally members of OPEC, such as Nigeria, Libya, or Algeria, and a majority of countries buying oil at the full price--up till now this has been the situation in Africa. It is changing. New producers (particularly the Ivory Coast and Cameroon) will see their economies disrupted in the short term. Tomorrow, others will follow: Ghana, and perhaps Chad. Though still quiet, the African black gold rush is on.

A rush for African black gold? If rush there is, it is surprisingly discreet. Perceptible only by indirect indications such as the influx of businessmen and oilmen to the large hotels of Abidjan or Douala, the building of schools for the children of expatriate engineers or training facilities for local labor, the expansion of refining capacities, and the calculated indiscretions whispered in the ear of this or that journalist. As for the oil companies, they are almost as silent as carps. Manifestly, they have received from African governments orders to say as little as possible.

Today, nevertheless, the new African oil hit parade is incontestably headed by the Ivory Coast and Cameroon (see below). Tomorrow's star will be Ghana.

Rumors

And the most extraordinary rumors are beginning to circulate, as happens whenever a government or firm wants to keep a secret. Thus Ivorian oil production, which this year hardly reaches 10,000 barrels daily, or 500,000 tons yearly, could rise to 20 million tons before the end of the decade, or even--by the most daring forecasts--to 50 million tons (we recall that this latter figure corresponds to the present production of the Algerian Sahara).

Likewise Cameroon, which in 1981 will have extracted some 4 million tons--already a splendid figure, since its 1978 oil production was only 600,000 tons--is promised 10 million by 1985 and--by the most venturesome seers--100 million by 1990. A new Nigeria! When oilmen's secrets are multiplied by those of governments, imaginations have free rein.

Prehistory

Those recent discoveries are no surprise to geologists (JEUNE AFRIQUE no. 1010). All coastal countries on the Gulf of Guinea in fact have an oil vocation. To explain it, we must go back to prehistory. Some 100 million years ago, indeed, before the Atlantic finally severed Latin America from the African stock, a basin was formed there whose precious organic deposits have been protected from stirring by ocean currents.

In the center of this immense deposit is Nigeria--and that prodigious gift of nature, unequalled in Africa, constituted by the Niger delta--whose oil producing capacity is 120 million tons. To the north stretch Liberia, the Ivory Coast, Ghana, Togo, and Benin. To the south, Cameroon and Angola. Wedged between Nigeria and Gabon, Cameroon could not but have great hopes for oil. But the same could be said of Equatorial Guinea, and likewise of the three enclaves separating the Ivory Coast from Nigeria--particularly Ghana and Benin, which already produce nearly a million tons each per year.

If this oil was in fact present, it will be asked, why was it not discovered sooner? Here the economist can contribute his answers: the price of oil was not high enough for oil companies to run the risks of costly prospecting in seas of ever growing depth where deposits are assumed to be small. And then, it takes time. If we consider that it was the second oil shock, of 1978-79, which gave the decisive impulse to the discovery of new African oil, we can even be surprised at the speed of that discovery.

Luck

In fact, the first wells were drilled some 10 years ago, perhaps not always with the needed perseverence. Many, it is true, proved dry or insufficiently attractive. Thus, for example, Elf-Aquitaine abandoned its prospecting in the Ivory Coast after three unsuccessful wells had been drilled. No luck: the fourth was to prove the good one, and today Exxon and Phillips Petroleum share the Ivorian gold mine! But Elf and Total are both catching up in Cameroon.

All this, we note, is taking place within one African oil "province." Three others exist on the continent: the north African province (Algeria, Tunisia, Libya, Egypt), already well explored, but which could still hold some surprises, even in Algeria; the Chad basin, closed to exploration for the past three years for political reasons, but which oilmen today seek to approach from the south--that is, at the Central African border; and finally the Zaire basin, where a first well has been drilled. Considering that those two basins are still unknown quantities from the oil standpoint, the Gulf of Guinea appears today as an easy stage in the history of African oil resources exploration, though only 3 years ago it was considered very risky.

Prudence

Does all this justify the secrecy surrounding African oil? Quite understandable is the concern shown by the governments of those countries to avoid the negative effects which announcements of discoveries could have on development efforts. We can only take satisfaction in their determination to reserve for investment purposes the revenues from black gold, as is apparently the case in the Ivory Coast. Examples of other countries where the oil manna was foolishly squandered serve to counsel wisdom.

That secrecy, however, does make for certain disadvantages. First, because it cannot be perfect, and consequently gives rise to all sorts of uncontrollable rumors which whet the appetites of interested parties. Secondly, because wealth attracts wealth. For countries cruelly short of capital, nothing would be more convincing to financiers and other backers than dependable and accurate information. In the era when oil was entirely a capitalist affair the companies, once certain of their discoveries, hastened to proclaim them from the housetops; their stocks rose on the exchange, and capital came in a flood!

Calculations

Is there a fear that to appear less poor would result in a reduction of aid? That would be a poor reckoning, insofar as aid-dispensing countries and agencies have means of knowing exactly what the facts are, and since in any case their contribution is still but a pittance in proportion to anticipated oil revenues.

In a word, the effects of this secrecy may well be more negative than positive, insofar as it might appear, in the end, as a sign of governmental weakness.

6145
CSO: 4400/1261

BENIN

BENIN FOUR YEARS LATER

Paris AFRIQUE-ASIE in French 25 May 81 pp 31-32

[Article by Ginette Cot: "Four Years Later"]

[Text] Repercussions from the mercenary aggression organized by Paris are still being felt. But 10 May seemed like a new and bitter defeat for French imperialism.

Certainly, after the bitter failure of the mercentary aggression of 16 January 1977, and the indignation that it provoked everywhere, the Giscard Administration was compelled by the force of circumstances to observe a more reasonable attitude toward the People's Republic of Benin, which was "guilty," according to the administration, of breaking with a neo-colonial status quo that had led the country to a condition of chronic instability and economic and financial bankruptcy, to being committed, since September 1972, to a course of courage and dignity.

In the face of irreversible evidence of this new course, demonstrated by a strong popular consensus, Paris seemed to have abandoned its plan of resorting to further armed aggression, whether open or camouflaged. And since the meeting of the Franco-Beninese joint high commission in May 1979, cooperation between the two countries had experienced a new impetus, as we know. But it was in vain, and for good reason, that Cotonou had demanded that the mercenaries involved in the attack, most of whom were French, be punished, and that the record of the aggression and of its serious human and material consequences for the country be officially opened in Paris.

A Vulnerable Economy

Therefore, although the RPB [People's Republic of Benin] had continued the restructuring of political, social, cultural and economic life, step by step and obstinately, the country was dealt a severe blow, and its consequences are still felt seriously today. In fact, the damages caused by this "restabilization" operation were estimated in 1977 at more than 5 billion CFA francs. And the assistance, both in cash and in kind, later contributed after several international survey commissions by various African and European countries (Niger, Liberia, Tanzania, Seychelles, Iraq, Cyprus, Switzerland, and the German Democratic

Republic), as well as by the UNDP and the OAU--assistance which amounts to a total of almost 1 billion 500 million CFA francs--is still short of the needs.

As President Kerekou stressed on 4 May, when receiving Mr Farah, the assistant secretary-general of the UN, who came at the request of Cotonou after a resolution adopted in that regard last December by the international organization, in order to reeveluate the economic problems facing the RPB and to establish an adequate international assistance program, that is to say that "the direct and indirect, multiple and many-sided consequences of the armed aggression of 16 January 1977 are still having a dangerous effect on our economy." An economy that, in addition, as can be imagined, is being made more and more vulnerable by the fallout from the international economic crisis.

Personal Interests

At the same time, this also means that the concrete difficulties created in this way, which from time to time, will slow down, if not undermine, the efforts being made to control key sectors of the economy, to increase production and to improve the level and the quality of life of the masses in all areas, are always eagerly exploited by the reactionary forces from within.

Undoubtedly, and this is a unanimously acknowledged fact, the nationalist and revolutionary process, which answers the deep-seated yearnings of the populace, is now largely implemented, and the regime resulting from the change of 22 September 1972 has a strong foundation which makes impossible any attempt to turn back. In this respect, the release which occurred at Easter time--without causing the least controversy or the least anxiety among the population--, of three members of the former presidential council, Justin Ahomadegbe, Sourou Migan Apithy and Hubert Maga, is significant.

However, one cannot overlook the fact that the Beninese revolutionary process is unfolding in a rather unfavorable environment, since neighboring countries, such as Togo and Nigeria, seem to be veritable paradises for unscrupulous businessmen. Especially since the aggressive and threatening policy of Giscardian France in Africa continues to act as an encouragement to the dealings of conservative forces and to have a negative influence on the more moderate elements, who are more concerned with personal or short-term interests than with the nation's future.

In any case, it is this difficult combination of circumstances which explains in great part the intensive struggle that the more radical elements must carry on at all times in order to deepen the revolutionary process and to promote true popular democracy, both within the party and in the grassroots organizations as well as in basic government structures. Which also explains how they could arrive at this paradoxical situation where a certain number of cell members, holders of key responsibilities in the economic sectors, continue to hold themselves in positions of reserve, if not more or less veiled hostility, vis-a-vis the political course determined by the party in power.

It goes without saying that the pressures exerted by a dangerously aggressive "environment" cannot help but aggravate the inherited contradictions of the former system. These are contradictions which were brought to light during the conference of cell members organized on the eve of the election of the revolutionary national assembly, in November 1979, who seem to have taken a sharp turn in favor of the vast labor of reflection and control that, for a year, has been undertaken in all sectors of the political, social, economic and cultural life of the country.

Special Session

Therefore, it is in a much more favorable context, in any case, forever rid of the threat--which was always present until 10 May 1981--of a possible "destabilizing action or of restrictive pressures on the part of the former colonial power, that the tasks that are now planned in the People's Republic of Benin will go forward. These tasks include, in particular: the renewal and the expansion of the party's authority, the holding of congresses by grassroots organizations, the establishment of an exhaustive economic equilibrium (which must be the subject of a special session of the central committee, and which will be the occasion for drawing up a statement of the status of the health of national enterprises, and deciding what mergers or reorganizations may be necessary).

And there is no doubt: for Cotonou, for the Beninese people, who were completely mobilized, on 16 January 1977, to defend their independence, which they have barely recovered, the victory of the left in France can only appear to be a second and bitter defeat for the arrogant and criminal colonialists aggression which hit the country so hard 4 years ago.

9174
CSO: 4400/1265

BENIN

KEREKOU RELEASES SOME DETAINEES

Paris JEUNE AFRIQUE in French 13 May 81 p 41

[Article by Siradiou Diallo: "Toward Reconciliation?"]

[Text] Ahomadegbe, Apithy and Maga were released 19 April. But other people are still in prison.

Is a new political era beginning for Benin? They have been asking this question in Cotonou since 19 April. In fact, that Easter Sunday coincided with the release of three former members of the presidential council: Justin Ahomadegbe, Sourou Migan Apithy and Hubert Maga.

Indulgence

Arrested following the military coup of 30 November 1972 which would bring Colonel Mathieu Kerekou to power, the three old campaigners of the Beninese (then Dahomean) political scene were imprisoned together, first at Avrankou and then at Abomey, before being separated. Mr Maga remained at Abomey, Mr Apithy was assigned to Prakou and Mr Ahomadegbe to Natitingou. However, since they were suffering from high blood pressure, the first two were cared for in the Cotonou hospital for several months. On Easter morning, all three returned to their respective homes where a succession of relatives and friends congratulated them. "They are certainly thinner and have aged a little," one of these visitors confided in us. "But in general, they seem to have withstood these 8 years and 5 months of detention very well." It is true that the three illustrious prisoners were at no time mistreated, and that their families visited them regularly. They were allowed to choose their meals, as well as their favorite books and newspapers.

After all, until now, Colonel Mathieu Kerekou's regime has been careful not to commit excesses. Aside from this small mistake.... Aikpe (this minister of the interior was killed 20 June 1975 under doubtful circumstances, J.A. No 756), the Beninese revolution, unlike many other African revolutions, has always been able to combine firm principles with a certain amount of humanity. It prefers to wield cutting slogans, rather than the executioner's knife. This earns it a certain amount of indulgence, even on the part of its avowed adversaries. Therefore, former president Emile Derlin Zinsou did not hesitate to proclaim:

"Bravo Kerekou!" at the announcement of the release of his three predecessors at the head of government, before adding: "Provided he goes all the way, that is, that he releases all of the political prisoners and firmly commits himself to the path of national reconciliation."

Judgment

The three former members of the presidential council were not, in fact, the only prisoners in Beninese prisons. Some people close to the former regime are still awaiting their freedom, purely and simply for lack of an equitable judgment. This is the case of former ministers Chabi Kao and Theophile Paoletti, in the Cotonou Guezo camp, or of Adrien Glele, in the Porto Novo prison. The same is true of Abbe Alphonse Quenum and of Robert Tagnon, former Secretary General in charge of planning. Many officers have also been in prison for several years, such as Captain Janvier Assogba, former minister to President Kerekou; Commander Hacheme and Colonel Alphonse Alley, who for some time carried out the duties of the chief of state. On the other hand, it appears that Commander Chabi Ibrahima may have died in prison.

Severity

How long does Colonel Mathieu Kerekou intend to prolong the martyrdom of these men whose only fault lies in not sharing in the orientation and methods of the regime born of the 30 November 1972 coup? Certainly, within the presidential entourage, there are those who urge intrasigence and severity. In Cotonou, it is whispered that President Kerekou had to override their opposition to release Messrs Maga, Apithy and Ahomadegbe. Why doesn't he do the same to restore freedom to other political prisoners, some of whom are suffering from various illnesses? In any case, this is the only way he can live down the past, turn the page and permanently establish his regime. And thus create the conditions for a real national reconciliation, which is the basis for the renewal desired by all Beninese.

9174
CSO: 4400/1265

CAMEROON

BRIEFS

VICTORIA REFINERY INAUGURATION--President Ahmadou Ahidjo opened on 16 May the Victoria oil refinery with an annual volume of 2 million tons and built at a total cost of 72 million CFA francs. The National Refining Company (SONARA)--where the Cameroonian state holds a majority interest (66 percent) in partnership with the companies Total (10 percent), ELF (8 percent), Pecten-Cameroun (8 percent) and Mobil (8 percent)--was in charge of this project with technical assistance provided by CFP-Total. After inviting tenders for bids, a construction contract was signed with the Proco-France company on 25 May 1979. Funds to finance this project were provided by the state, by international banking institutions and by the Central Fund for Economic Cooperation. The Victoria refinery will process crude oil pumped from offshore oil fields which are operated by the ELF-SEREPCA/PECTEN group 20 kms off the coast of Cameroon. In 1981, these oil fields will yield around 4 million tons of crude oil (compared to 2.7 million in 1980). Their production could go up to 8 million tons a year by 1984 and Cameroon's current requirements for refined oil stand between 700,000 and 600,000 tons. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 22 May 81 p 1425] 8796

CSO: 4400/1284

CENTRAL AFRICAN REPUBLIC

BRIEFS

FRENCH MILITARY WITHDRAWAL POSTPONED--The withdrawal of a company of French soldiers from the CAR, planned for the beginning of May, has been suspended until President Mitterrand takes office. Note that at the end of Mr Giscard d'Estaing's presidency there were 1,300 French troops in the CAR, 800 at Bouar and the rest at Bangui. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 22 May 81 p 1426] [COPYRIGHT: Rene Moreux et Cie Paris 1981.] 9693

CSO: 4400/1283

CHAD

BRIEFS

CYCLOTCHAD OPERATION--In our article on the situation in the south of Chad (No 1850, 24 April 1981, p 1171) we indicated that the Cyclotchad company had ceased operations. In fact, the company's shops at Moundou are not closed, but production has been slowed down. A subsidiary of CFAO [French Company of West Africa], the Cyclotchad company assembles cycles and mopeds. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 22 May 81 p 1427] [COPYRIGHT: Rene Moreux et Cie Paris 1981.] 9693

CSO: 4400/1283

EQUATORIAL GUINEA

BRIEFS

DELAY IN PROJECT IMPLEMENTATION--Significant delays, technological and especially financial, are presently occurring in the execution of development projects in Equatorial Guinea financed by foreign aid. It is a matter particularly of delays in signing letters of credit and warrants for payment as well as in executing payments. A serious shortage of national financial experts appears to be at the root of the situation. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 22 May 81 p 1426] [COPYRIGHT: Rene Moreux et Cie Paris 1981.] 9693

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GAMBIA

GRIM VIEW OF WORLD BANK REPORT GIVEN

London NEW AFRICAN in English Jun 81 p 28

[Article by Nana Humasi: "Few Options for Gambia as World Bank Gives Details of a Failing Economy"]

[Text] A RECENT World Bank report discloses that half of The Gambia's 12 public services are financial losses. The document attributes their failure to inadequate financial structure and insufficient qualified staff.

Worst hit are the Livestock Marketing Board (LMB), the Gambia Utilities Corporation (GUC) and the Gambia Produce Marketing Board (GPMB). The LMB, created in 1976, organises cattle marketing and is already £200,000 in the red. The GUC, since its inception in 1972, has been bedevilled by power failures and an accumulated loss by June 1979 of £2.8-million.

The GUC's difficulties, the report says, in part are due to inefficient, uneducated, inexperienced staff – a staff that is too large, anyway. Other factors are low tariffs compared to costs, uneconomical ventures like stretching services to the Provinces, high cost of repairing poor equipment, and unsatisfactory debt collection. By July last year the corporation had £500,000 in unpaid bills with private, civic and government consumers.

The burden

To tackle the electricity crisis, government contracted a loan from the African Development Bank (ADB) on terms which, the report says, will burden the GUC with heavy repayments. The loan would purchase two three-megawatt generators which were to have been installed by January this year.

The GPMB, by far the most important financial institution in the country, has a yearly turnover of £60-million, twice as much as the government's 1980 budget. It contributes heavily to current and development budgets, and last year lost £4-million in the process.

Since independence in 1965, the Gambia has launched three modest development programmes, with 80 per cent of the capital being provided by foreign aid. This has been problematic since the country has a low capacity to absorb capital. In the mid-1970s the government deviated from previous cautious policies to launch the first five-year development plan. Although the annual investment rate increased from 10 per cent of the GDP in 1975 to 27 per cent in 1979, the actual growth was only 1 per cent a year – a rate much lower than the population growth figure. This severely reduced the standard of living for all Gambians, the report discloses.

The increase in investment by the government necessitated heavy borrowing from the Central Bank, rocketing government debts to £8-million by June 1980 – up from £1-million three years before. The report says that government efforts to correct this might be too late. One reason for this was that world market prices for groundnuts were expected to decline considerably.

The Gambia lies in the Sahel region and suffers acutely from insufficient and irregular rainfall. With 95 people on every square kilometre of arable land, the soil potential has declined progressively. Irrigation could be the answer, the report concludes. But a planned bridge-barrage to effect this has already become an inhibiting £55-million proposal.

The barrage, about 130 miles up country, is expected to hold back salt water which has ruined healthy farmland over the years, thus achieving self-sufficiency in rice production. "This strategy is not without considerable risk," the report warns, "considering the country's limited irrigation experience, the labour constraints and the substantial capital investment."

In The Gambia, 80 per cent of the labour force works in agriculture which generates 45 per cent productivity. Industry contributes a meagre 8 per cent in productivity and employs only 5 per cent of the labour force and clearly cannot stand as an alternative despite government attempts to introduce technology, and to establish an industrial estate in Kanifing on the periphery of Banjul, the capital.

The government has invested heavily in tourism, the report discloses. The purchase and development of the £30-million four-star Atlantic Hotel, chains of other hotels, beach development, and game park reservation works, indicate the government's interest in expanding this sector. Yet, the report points out, tourist figures have been falling drastically. The government hopes to increase hotel facilities to 6,000 beds in 1985, raising The Gambia's tourist accommodation potential to 80,000 a year. This is, however, an optimistic target as the northern European market is almost saturated, and *Roots* has already lost its promotional effect in America.

The report continues: "Besides, the recent price increases in The Gambia are likely to be detrimental to the sector and cause The Gambia to lose its comparative advantages to countries such as Seychelles, Mexico, Sri Lanka, and the Canary Islands which compete for beach-type holiday demand."

This disclosure does not complement the enthusiasm of President Dawda Jawara when he recently said in a speech that, on looking back, the Gambia's investment in hotel construction and other basic tourist infrastructures, represents a major step in the government's efforts to diversify the economy.

Poor health

The document reports a poor performance in groundnut production – the main agricultural produce harassed by drought with losses to the country close to £15-million in 1980. Faced with poor health and malnutrition, the 570,000 population is growing at a rapid 2.8 per cent annually – with one doctor to every 12,390 citizens, 793 patients per hospital bed, and 217 babies dying each year out of every 1,000 live births.

The report advises that the highest priority should be investments in the groundnut sector, though the expected price movements in the world market could discourage this. It says that over the next five to 10 years, groundnut production and exports will probably remain the prime determinant of economic growth in The Gambia, given the long gestation period of the bridge-barrage project. However, it says, with the EEC-ACP promise of compensation for losses in agriculture, reliance on groundnuts may not be as risky as it appears.

The policy makers in The Gambia have a choice. They can rest their stakes on loans and compensation schemes. Or they can return to more cautious and educated management of the country's meagre resources●

CSO: 4700/88

KENYA

COUNTRY DRAGS FEET ON ENERGY CRUNCH

London NEW AFRICAN in English No 165 Jun 81 pp 36-37

[Article by Shabanji Opukah]

[Text]

WHEN PRESIDENT Moi formed his post-Kenyatta Cabinet after the December 1979 elections, observers noticed a definite focus on certain key areas of the Kenyan economy. Fuel was one of them.

The creation of the Ministry of Energy, hitherto non-existent in Kenya, was one of several innovations.

Energy today is a prime concern of the Moi Government. It is agreed that Kenya needs an energy policy – a clear direction in this vital sector of any developing country's economy.

Kenya does not produce oil. It spends 35 per cent of its foreign exchange earnings on the importation of fuel. This figure, as Vice-President Kibaki recently told Parliament, represents "the whole of the earnings from coffee, and even this is not enough to finance the imports of oil".

Coffee is Kenya's main foreign exchange earner. To highlight the problem the country faces over oil, Kibaki told Parliament: "Our economy is very heavily dependent on petroleum. As much as 85 per cent of all the energy utilised comes from fuel-oil or petroleum, and only 15 per cent from hydro-power."

But, Kibaki claimed, despite those difficulties "the price of petrol in Kenya is still the lowest in any part of the continent other than Nigeria and Libya, which produce their own supplies".

Premium petrol costs Kshs 6.15 a litre, regular costs Kshs 5.70 a litre while diesel sells at Kshs 3.93 a litre.

Kibaki is in charge of the Ministry of Finance. The man in charge of energy is John Okwanyo. And Okwanyo has yet to offer the country effective direction in this area.

So far, all that his ministry has done is to quote Sessional Paper No. 4 of 1980. That refers only to the need to conserve energy. It does not provide any concrete energy programme for the country now or in the future.

At a recent Press Club lunch, Okwanyo told journalists that his ministry will shortly produce an energy policy. He also dwelt at length on the country's preparations for the forthcoming United Nations Conference on New and Renewable Energy, due to be held in Nairobi in August.

He said the country would spend an estimated Kshs 14-million on hosting the conference. But Kenya would recoup several times the cost of the conference by way of revenue from hotel bookings by the more than 1,000 delegates who will attend the talks. Meanwhile, the government has set aside Kshs 4,000-billion to cover oil imports this year alone.

The backbone

Many people are asking whether the Kenyan Government will actually come out with a definite energy programme. The Press, the general public and Parliament have all voiced their concern in view of the deteriorating economic situation. Oil, it is agreed, is the backbone of the economy and many shortcomings in the economy can be blamed on the cost of it.

There is talk of Kenya reducing its dependence on oil and rationing the consumption of it in an effort to reduce imports.

Others see the direct importation of fuel from oil-producing countries as another method of reducing the cost. At present, Kenya imports her oil through multi-national companies.

The government seems apprehensive of taking a decision. Unlike socialist Tanzania, Kenya prides itself on what is regarded as freedom from government control. This means that those who drive the latest Mercedes Benz and other luxury cars should be left free to "enjoy the fruits of their sweat".

As to the choice of alternative energy sources, some oil company officials recently told journalists that in their opinion alternatives such as solar energy would be more expensive.

The same officials, Kenya Shell's General Manager H.J. Muriuki and Chairman J.W. Gordon, also said the prospects of striking oil in Kenya were "slim". Oil in Kenya, they reported, was "burnt out during the formation of the Rift Valley". Shell had prospected for oil in Kenya several years ago but stopped when prospects seemed non-existent.

Power demand

It is known, however, that the Kenya Government is continuing its efforts to find viable alternative sources of energy.

There are plans to increase the country's output of geothermal power. The Olkaria geothermal plant south of Naivasha in the Rift Valley is expected to generate 15 megawatts by this month.

Minimum power potential at the plant is estimated to be 170 megawatts over 25 years, while the maximum is estimated at 1,400 megawatts. Total power demand in Kenya is about 300 megawatts.

There are also plans to reduce dependence on oil and utilise gasohol. To this end, the country has embarked on the construction of a gasohol plant at Kisumu in the heartland of the sugar belt. The plant is estimated to cost about Kshs 1,000-million.

But critics claim the multi-national companies concerned are fleecing Kenya of badly needed foreign exchange. The cost, it is said, even exceeds the World Bank estimate for a plant producing 100-million litres a year which should cost between 50-million and 100-million Kenyan shillings. It is claimed that Kenyan costs are approximately double the original figure quoted.

Other critics say the plant will demand that more acreage of agricultural land is set aside for the production of sugar cane. This, it is feared, would worsen the country's food situation●

CSO: 4700/91

MALAWI

BUDGET SHOWS DEFICIT FOR FIRST TIME SINCE INDEPENDENCE

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 22 May 81 pp 1432-1433

[Text] Since the end of the budgetary year on 31 March last, and for the first time since independence, the Malawi budget shows a deficit.

According to the 1981-1982 operating budget provisions, that deficit will amount to 20.1 million Malawi kwachas [MK] which is double the figure for the previous fiscal year (MK 10.6 million). The main reason for the deficit is an increase in the public debt as a result of a poor agricultural performance combined with the higher cost of imports in recent years.

The operating expenses have gone up by 11 percent compared to the previous fiscal year. These expenses will be as high as MK 236.1 million. The service of the public debt which is included in the operating budget will cost MK 71.5 million (MK 52.5 million for the external debt) compared to MK 58.8 million in the 1980-1981 period, representing an increase of 22 percent. The main operating expenses for the administrative departments involve education (MK 25.9 million or 11 percent of the overall budget), defense (MK 22 million or 9.3 percent), health (MK 14.1 million or 6 percent) and the police (MK 13.4 million or 5.8 percent).

Cash generation will be provided by direct taxes (MK 57.2 million) and indirect taxes (MK 112.8 million or 60.5 percent). These resources will be 5 percent higher than those of the 1980-1981 period and will total MK 186.6 million. It must be pointed out that, for the fiscal year starting on 1 April this year, import taxes will be up by 15 percent and taxes on hotels and restaurant by 10 percent.

With regard to the development budget, it should be noticed that during the current fiscal year, expenses have dropped (down by 5.8 percent) and will total MK 156 million. The deficit of MK 28.1 million will be 34.7 percent smaller than the 1980-1981 deficit. The local share of the projects will be financed with foreign loans to get the budget balanced again.

The main expenditures for development will be affected to: transportation, MK 48 million (or 30.8 percent of the total budget); agriculture, 25.4 million (16.3 percent); education, 21.6 million (13.8 percent); water supply, 12.5 million (8 percent); construction of administrative buildings, 9.7 million (6.2 percent).

The necessary resources will come from loans which will cover 59.4 percent of the expenses (MK 76 million or a 24 percent increase over the 1980-1981 period) and the balance will be provided by international donations (MK 51.9 percent or 15 percent less than in the previous fiscal year).

The main suppliers of multialteral aid will be the UNDP [UN Development Program], the EDF [European Development Fund], the IDA [International Development Association] and the ADB [African Development Bank] group. Bilateral aid will be mainly provided by Great Britain, the FRG, the United States, Canada, Denmark, Japan and France.

8796
CSO: 4400/1285

NIGER

FOOD PRODUCTION COULD EXCEED POPULATION GROWTH RATE

London NEW AFRICAN in English No 165, Jun 81 p 26

[Article by Nana Humasi]

[Text]

BEFORE THE takeover by a benevolent dictatorship of the military, Niger suffered grave economic and social problems, many of which related to hardships caused by long spells of drought and subsequent declining living standards.

That was a decade ago. Then in 1974 Lt.-Colonel Seyni Kountche led the forces responsible for the overthrow of former President Hamani Diori. Since then conditions have improved steadily with Kountche as Head of State.

Now, the US Agency for Development in Niamey, the capital, has disclosed that Niger could achieve a level of production that will exceed its 2.7 per cent population growth-rate. With a gross national product (GNP) of £385-million in 1980, the Supreme Military Council, composed of soldiers and civilians, has channelled industrial revenue into food programmes. Uranium, tin and iron deposits have been exploited at a yearly growth rate of five per cent.

Checking up

The uranium mines in the north of the country produced 1,306 tonnes in 1975 and by 1978 had increased output to 1,710 tonnes. From this comes 75 per cent of Niger's annual revenue and the government funnels it into increasing groundnut exports to 200,000 tonnes – the major agricultural export. Millet, the main food crop, reached 978,000 tonnes in 1977, up from 627,000 tonnes in 1974. Sorghum and rice are two other important crops sustaining the 6.5-million population.

A diversified economy has helped Niger tackle years of deficit and it was not until 1976 that an increase in uranium and groundnut exports, plus a tight control on oil imports, brought relief putting the country 1,616-million CFA francs in the black. In 1974, when drought hit the Sahel hardest, Niger had incurred a 10,532-million CFA deficit.

Colonel Kountche has practically abandoned traditional bureaucratic means of checking on inefficiency or corruption. Instead he has adopted authoritarian and arbitrary ways of checking on his subordinates. For instance, he ordered a full two months of auditing of all government revenue offices after the arrest of Diori's former Secretary-General, Baboukar Adamu. The surprise checks have not eliminated corruption but they have made life harder for dishonest officials.

With 90 per cent of the population still peasant, the government has devised a programme for a broadly based organisation which will allow for the participation of rural dwellers in determining government policy. Called the Theory of Development Society, it takes cognisance of food production being a top priority.

Most of the revenue and agency aid money will continue to be directed toward providing farming equipment, conducting experiments with grain improvement, working on methods of conserving water, and ensuring visible benefits to the farmers and their communities.

K untche, an ascetic who sees his country's poverty in realistic terms, has been known to say that one cannot make a hungry man a democrat. He detests dependence on aid which, he says, might encourage control of one's affairs by donor countries and agencies.

Ethnic element

"Our primary needs are food, housing, education, health, and being clothed," the colonel told the Press in Niamey. The second most important factor, he says, is the possible disruptive ethnic element.

Neither the Supreme Military Council nor the colonel himself have given any indication as to when the country will return to civilian rule. If his performance record is anything to go by, Seyni Kountche is likely to stay at the helm for a while yet●

CSO: 4700/93

NIGER

BRIEFS

LOAN GUARANTEE--On 5 May, the Nigerien Council of Ministers adopted a draft statute authorizing ratification of the agreement in which the Republic of Niger guarantees the loan in the amount of 7 million units of account signed on 27 March 1981 at Abidjan between the African Development Bank and the BDRN [Development Bank of the Republic of Niger]. This loan, which amounts to 2,016 million CFA francs, is intended for the financing of various projects of small and medium-sized industrial concerns and for the training of BDRN personnel in techniques for evaluating and supervising projects. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 22 May 81 p 1418] [COPYRIGHT: Rene Moreux et Cie Paris 1981.] 9693

NIAMEY WATER SUPPLY PROBLEMS--Since the beginning of May, the people of the Nigerien capital have been experiencing a certain decrease in the flow, and even intermittent shutoffs, of water from the taps. The two waterworks presently supplying Niamey produce 40,000 m^3 of water for a population of approximately 250,000 inhabitants and are insufficient to respond to demand and to the needs of the population. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 22 May 81 p 1418] [COPYRIGHT: Rene Moreux et Cie Paris 1981.] 9693

CSO: 4400/1283

NIGERIA

ABUJA OFFERS INTERESTING INVESTMENT PROSPECTS

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 15 May 81 p 1367

[Text] Reporting on the conference organized by the Nigerian-British Chamber of Commerce at the beginning of May in London, the 11 May FINANCIAL TIMES emphasizes the interesting investment possibilities offered by the future Nigerian federal capital in Abuja. Moreover, these possibilities have repeatedly been emphasized by federation officials and again quite recently in Paris by Minister of Industry Alhaji Adamu Ciroma, who noted that the project was in a good position among those included in the 1981-1985 National Development Plan (MARCHES TROPICAUX, 8 May, p 1303).

However, Great Britain has to date shown only relative interest, as in the case of the railroad and other projects, for which it was criticized, particularly by Minister of Foreign Affairs Alhaji Umaru Dikko during his visit to London at the beginning of April (MARCHES TROPICAUX, 10 April, p 1012).

The FINANCIAL TIMES notes that investments planned in Abuja during the period of the plan amount to 1.9 billion pounds, which places the project among the very first ones to be completed. Already, he notes, pledged investments according to contracts total over 800 million pounds, of which the British share is very small. The only British contracts of any importance are those concluded by the Milton Keynes Development Corporation and Taylor Woodrow for a residential program and infrastructure projects in one of the outlying districts of the city.

The major contracts were concluded by other European companies, particularly Julius Berger, Dumez and Strabag (road construction, dams, airports, hotels, construction of commercial and administrative buildings, telecommunications).

One participant in the conference, Fred Roche, vice president and managing director of Conran Roche, noted that federal authorities were particularly anxious to see the activation of projects so that the future capital might begin to play its role before the 1983 elections. They would like the first residents and the entire administration to be established there by that time.

The city was planned for some 1.6 million inhabitants by the year 2000, which number would gradually increase to 3 million.

Along with the London Chamber of Commerce, the Nigerian-British Chamber of Commerce is to organize an important commercial and investment mission in Nigeria in October. The mission will be aided financially by the British Overseas Trade Board.

11,464
CSO: 4719/25

NIGERIA

COMPANIES EXERT PRESSURE TO REDUCE CRUDE OIL PRICES

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 22 May 81 p 1420

[Text] Nigeria is said to be under heavy pressure on the part of several oil companies to make this country reduce its crude oil prices. The Gulf Oil Corporation, Nigeria's most important client which buys 229,500 barrels a day (112,000 barrels through its joint pumping operations with the Nigerian National Petroleum Corporation and 117,500 barrels by virtue of a long-term purchase contract signed last year) has suggested a $3 cutback on the price of a barrel now costing between $40.40 and $41 for top quality crudes. The American company has threatened to follow the example of Atlantic Richfield (Arco) by revising its purchase contract (see MARCHES TROPICAUX ET MEDITERRANEENS of 24 April, p 1194).

According to the technical bulletin EUROPE-OIL PRICES, two French companies have also threatened to reduce or even completely discontinue their purchases of Nigerian oil when their contracts, covering the current quarter, expire.

Since last year, these circles point out, Nigeria has already been forced to lower production by almost one-fifth after losing some of its American clients. Nigerian crude oil is, in fact, the most expensive one within OPEC along with the Algerian and Libyan crude oil, as well as the North Sea crude.

In the present situation of glut, Nigerian oil is therefore becoming hard to sell in competition with the less expensive oils from the Gulf region and particularly from Saudi Arabia.

It is also reported that the companies have pointed out the fact that when world supplies were tight, Nigeria has always been one of the first countries to demand that its clients pay a premium using the argument of "market pressures." So, in the view of the companies, Nigeria should continue to react to these pressures which now justify a price cutback.

But in London oil circles, people are quick to point out that unlike most of the other OPEC members, Nigeria urgently needs now the oil revenues to finance the projects of its ambitious development plan.

Let us mention that at the beginning of May the federal authorities also announced that regardless of the oil glut on the world market, Nigeria had no intention of lowering its prices (see MARCHES TROPICUAX ET MEDITERRANEENS of 8 May, p 1303).

8796
CSO: 4400/1285

NIGERIA

BRIEFS

REPAYMENT OF FOREIGN DEBT--The Federal Government of Nigeria has decided to release in 1983 the funds needed to pay the service on the foreign debt (interest and capital) inherited from the military regime: 6 billion naira on 1 October 1979. As for the debt to the World Bank accumulated since 1960, Minister of Finance Masi reports that it amounts to 1.2 billion naira, a substantial portion of which has already been repaid. Considering the small amount of Nigeria's foreign indebtedness, especially with respect to its monetary reserves, the regional vice president of the World Bank, David Knox, has announced a possible increase of 500 million naira in the line of credit. This decision came following the granting by the international organization of a loan of 300 million naira to the state of Sokoto to explore for drinking water. Nigeria also ratified the proposal of the board of directors of the African Development Bank (BAD), a proposal aimed at bringing non-African countries, especially the European nations and Japan, into funds managed by the Bank. The two main ones are the Nigeria Trust Fund (150 million naira) and the African Development Fund (FAD), in which these Western countries are already participating. It should be recalled that the bank is one of the three organizations of multilateral regional aid now existing, along with the Asian Development Bank and the Inter-American Development Bank. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 5 Jun 81 p 1539] 11,464

PROMULGATION OF 1981 BUDGET--The chief of state will have had to wait over 4 months, following approval by Parliament, to promulgate, on 8 May, the 1981 federal budget for the period running from 1 January to 31 December (for information on this delay and the means examined to rectify it, see MARCHES TROPICAUX of 17 April, p 1134). The chief of state has not concealed his concern over an additional 900 million naira in expenditures decided upon by the Parliament, bringing the total expenditures to 13,172,000,000 naira, even though no additional receipts were provided for. However, it is true that the original proposed budget was mainly balanced, with 14.7 billion naira in receipts, and that it is still substantially balanced with 13.1 billion in expenditures. It should be recalled that the proposed budget was presented to the Chamber of Representatives by President Shagari on 24 November, already somewhat ahead of time in anticipation of delayed approval (MARCHES TROPICAUX, 28 November 1980, p 3165). It will certainly be suitable in the future for coming budgets to be presented even earlier and at the latest, by the beginning of autumn. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 15 May 81 p 1366] 11,464

OIL DISCUSSIONS WITH IRAN--Hassan Essadat, Iran's acting minister of petroleum now visiting African oil-producing countries: Libya, Algeria, Gabon and Nigeria, was in Lagos last week, where he had talks with local officials. Essadat, who is accompanied by a delegation of six persons, expressed the opinion, along with Nigerian Vice President Alex Ekwueme, "that the OPEC countries should demonstrate solidarity in the face of current problems." Essadat and Dr Ekwueme noted that the interests of OPEC "were affected by the actions of one or two members of the organization on the world markets." [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 15 May 81 p 1366] 11,464

SOVIET COOPERATION--On 8 May, the president of the Nigerian Senate, Joseph Wayas, received the USSR ambassador to Lagos, Mr Sneduirev, and thanked him for Soviet aid given to Nigeria, especially in the iron and steel industry. He expressed the hope that there would be increased bilateral cooperation. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 15 May 81 p 1366] 11,464

OIL PRODUCTION CUTBACK--The drop in oil production registered in Nigeria during the month of February (see MARCHES TROPICAUX ET MEDITERRANEENS [MTM] 15 May, p 1367] became even more pronounced in March. Pumping dropped from 1.9577 million barrels a day to 1.875 million barrels, a reduction of 3.86 percent in one month. The same trend will continue in the coming months. Even during the first quarter of this year, production stood at 179.95 million barrels compared to 193.85 million barrels during the same period of 1980, which represents a 7 percent reduction (down by 13.9 million barrels). In March, the refineries were operating at a slower pace processing, on an average, 124.260 barrels a day compared to 164,217 barrels a day in February which represents a reduction of 24.3 percent. In March, Nigeria was able to export 96.33 percent of its crude oil production while in February it only exported 92.9 percent of it. Production figures for the various companies operating in Nigeria for the month of March were (given in millions of barrels and with February figures in parentheses): Shell, 1,013 (1,064); Gulf, 332 (344); Mobil 215.9 (214.7); Agip, 165.1 (173.4); Elf, -2 (84); Texaco, 49.8 (49.9); Mobil Tenesse-Sun, 8.5 (8.7); Pan Ocean, 8.1 (8.1); Phillips, 1.1 (1.4); Ashland, 9.6 (9.5). It is noted that several OPEC members have also reduced their production as a result of the present surplus situation in the world market and the latest country to do so was Kuweit which is cutting down its average daily production by 1.5 to 1.25 millions barrels for one year starting on 1 April 1981. [Text] [COPYRIGHT: Rene Moreux et Cie Paris 1981] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 22 May 81 p 1420] 8796

FISH CONSUMPTION--It is reported that last year Nigerians consumed some 960,000 tons of fish, of which 560,000 tons were fished locally and 300,000 tons were imported. According to the Department of Fisheries in the Federal Ministry of Agriculture, in 1979, local fishing amounted to 540,000 tons and imports to 220,000 tons, of which 60,000 tons consisted of canned fish chiefly imported from Japan, Bulgaria, the United Kingdom, Spain and Norway. But both domestic fishing and imports are not enough to satisfy the country's requirements which are estimated to be 1.5 million tons a year. According to an official from one of the fishing companies--and there are some 30 companies half of which are engaged in fishing acitivites while the other half only deals with imports from the USSR, the UK, Australia, Poland, Cuba and Japan--Nigeria could manage to satisfy its domestic needs without having to import fish if the Federal Government were to adopt a number of adequate measures. Some of the measures which he advocates are: increasing the fishing in the open seas with adequate vessels after establishing what are the fishing resources of the new exclusive economic zone which has been extended to

200 miles off the coasts; signing more fishing agreements with other African countries; increasing the number and size of vessels to fish in territorial waters; and finally, making loans available to the fishing enterprises. [Text] [COPYRIGHT: Rene Moreux at Cie Paris 1981] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 29 May 81 p 1485] 8796

TRADE AGREEMENT WITH GDR--Following a meeting of the Nigerian-East German Joint Commission held in Lagos at the beginning of March (see MTM of 13 March p 680), the GDR and the Federal Republic of Nigeria have concluded a long-term trade agreement which allows for preferential treatment to be applied and for the exchange of various commodities and equipment. The GDR will sell primarily mechanical and electro-mechanical equipment, transport equipment, public works and construction equipment and printing materiel while Nigeria's sales will consist of crude oil, cocoa and other agricultural products as well as minerals. [Text] [COPYRIGHT: Rene Moreux et Cie Paris 1981] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 29 May 81 p 1485] 8796

COTTON IMPORTS--According to estimated figures released by the Nigerian Cotton Board, cotton-mills will require 150,000 more bales of cotton than the amount supplied by the domestic production. The needs of that industry have been estimated to be 347,000 bales while the 1979-1980 crop only yielded 185,000 bales. The drop in the domestic production is attributed to late planting, adverse climatic conditions, high production costs, the lack of liquid capital and the bad organization of the marketing system. The Cotton Board has taken steps aimed at raising the yearly production to 250 tons in the near future by means of distributing seeds of better quality, promoting mechanization and creating permenent trade centers. To meet the requirements of the cotton industry in the 1980-1981 period, the Cotton Board will have to import 51 million nairas worth of cotton. [Text] [COPYRIGHT: Rene Moreux et Cie Paris 1981] Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 29 May 81 p 1485] 8796

EXPORT OF BOTTLES--Nigeria, which only a few years back had to import bottles--a factor which contributed to slowing down production in several beverage companies, particularly in the breweries--has become now a big producer of glass containers to such an extent that very soon it will start exporting them to several ECOWAS [Economic Community of West African States] countries such as Benin, Togo and Ghana. As a matter of fact, negotiations for this purpose are now underway between three local companies--the Metal Box and the Tokyo Glass Nigeria Ltd., the Delta Glass based in Ughelli and the West African Glass based in Port-Harcourt--with an aggregate production of 300 million bottles per year for beer and soft drinks. It is estimated that the country needs around 100 million beer bottles a year. This demand is fully satisfied by the domestic production. The same is not quite true regarding soft drink bottles since it is estimated that 140 million bottles of this kind are needed and the local production can only supply about 100 million bottles. This is why, at least for a time, the difference will have to be made up with imports, mainly for the types of bottles which are not manufactured in the country's plants. [Text] [COPYRIGHT: Rene Moreux et Cie Paris 1981] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 29 May 81 p 1485] 8796

CSO: 4400/1285

SENEGAL

BRIEFS

AID TO INDUSTRY--The World Bank and the IDA [International Development Association] will together grant to Senegal financing worth $9 million (a loan from the World Bank of $6.5 million and credit from the IDA of 2.1 million SRR [Special Drawing Rights], or $2.5 million) to stimulate productive investment in industry, an announcement from the bank on 14 May indicated. This project will supply technical assistance to two organizations which promote investment, as well as credit to small and medium-sized businesses. The IFC [International Finance Corporation], a subsidiary of the World Bank whose purpose is to promote investment in private enterprise, will participate in a capital issue for one of these two organizations, SOFISEDIT [Senegalese Financial Corporation for the Development of Industry and Tourism]. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 22 May 81 p 1410] [COPYRIGHT: Rene Moreux et Cie Paris 1981.] 9693

PRESS AGREEMENT WITH IRAQ--Mr Husayn Ali al-Samarra'i, director of the Paris office of the Iraqi press agency, arrived in Dakar on 20 April from Paris. He was welcomed by Mr Amadou Dieng, director of the Senegalese Press Agency, with whom he signed an agreement for cooperation between their respective agencies. This agreement is part of a strengthening of ties between national press agencies belonging to the pool of press agencies of non-aligned countries. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 22 May 81 p 1410] [COPYRIGHT: Rene Moreux et Cie Paris 1981.] 9693

SAUDI GIFT--On 25 April, King Khalid of Saudi Arabia contributed 250 million CFA francs (about $1 million) for the construction of a mosque at Tivaouane (a religious city of the Tidiane brotherhood, the largest in Senegal) 90 km from Dakar. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 22 May 81 p 1414] (COPYRIGHT: Rene Moreux et Cie Paris 1981.] 9693

CSO: 4400/1283

TANZANIA

NATION SAID TO BE FACING SERIOUS FOOD SHORTAGE

London NEW AFRICAN in English No 165, Jun 81 p 37

[Text]

TANZANIAN PRESIDENT Julius Nyerere recently told his countrymen they were facing "a serious food shortage" as a result of floods and droughts during the past four years.

He said this while addressing a mass rally to mark the 4th anniversary of the merger of Zanzibar's Afro Shirazi Party and the mainland's Tanganyika African National Union (TANU) which created the Chama Cha Mapinduzi (Party of the Revolution). Dr. Nyerere said that last year, Tanzania spent $83.3 million on food imports. This was in addition to aid and loans received from friendly nations.

His warning

The President said it was a disgrace that the country should depend on imported food, and called on farmers to modernise farming methods in order to increase agricultural output and lead the country to self-sufficiency.

In February last year, the then Minister for Agriculture John Malecela warned Tanzanians that the country would run out of food. He said: "We must caution the people that there is not enough food for next season and that includes cash-crops, groundnuts, sunflower and caster seeds."

According to the National Milling Corporation, a total of 194,306 tonnes of food crops had been bought by December last year, compared with 345,003 tonnes purchased during the same period the previous year.

During 1980, 94,575 tonnes of maize were bought against 139,425 tonnes bought in 1970.

During 1977-78, 2000,000 tonnes of maize were bought compared to 130,000 tonnes bought during 1976-77. The average requirements for the whole country is 200,000 tonnes of maize a year.

Between 1977-78, 34,500 tonnes of wheat was bought against 27,000 tonnes bought during 1976-77. Rice purchased in 1977-78 amounted to 31,000 tonnes compared to 19,000 tonnes in 1976-77.

Bullrush millet bought by December 1980 dropped from 1,168 tonnes to 318 tonnes, sorghum from 23,709 to 17,928 tonnes, while beans dropped from 26,070 to 12,291 tonnes.

CSO: 4700/93

ZAIRE

LEGISLATION REGULATING HYDROCARBONS INDUSTRY ENACTED

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 22 May 81 p 1430

[Text] We have just received the text of the ordinances issues on 14 February 1981 dealing with jurisdiction in the sphere of hydrocarbons and with the regulations applicable to imports and exports of these products.

The first ordinance transfers to the Energy Department all the prerogatives--incorporated in Title VII of Ordinance Law No 67-231 of 11 May 1967 (Articles 82 to 100) which gives the general legislation applicable to mines and hydrocarbons--previously assigned to the Mining Department. These prerogatives are: 1) the power to grant surveying and exploration rights as well as concessions to exploit hydrocarbon deposits; 2) the control over all stages of oil-related activities: survey, exploration, production, refining, transportation, storage, purchase and sale at home as well as abroad. This control is also exercised over ancillary activities (petrochemical industry).

The second ordinance stipulates that the state will retain all the rights with regard to local purchasing, importing and exporting hydrocarbons and their by-products. These rights will be exercised by the intermediary of a public enterprise (created by a bill passed on 20 January 1978) called the Zairian Petroleum Enterprise (PETROZAIRE). This enterprise, however, can authorize individuals or corporations to import or to exploit some petroleum products which will have to be specified in advance.

The third ordinance modifies and complements the law of 20 January 1978 which created PETROZAIRE. It should be noted that as soon as the ordinance goes into effect, and without prejudice to all the other regulations currently in force, the mining rights over hydrocarbons (as indicated in the Orginance Law No 67-231 of 11 May 1967 covering the general legislation for mines and hydrocarbons) will be assigned to PETROZAIRE on a preferential basis for the entire territory of the Republic of Zaire. To exercise all or part of these rights, PETROZAIRE can enter into contracts by which this enterprise can be replaced by or become a partner of already established corporations or corporations which will be created at a later date.

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ZAIRE

INGA INDUSTRIAL FREE ZONE ESTABLISHED

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 22 May 81 pp 1429-1430

[Text] A presidential order, issued on 2 April 1981, instituted a free zone system for industrial purposes in Inga (see MARCHES TROPICAUX ET MEDITERRANEENS of 17 April, page 1139). A second ordinance signed by President Mobutu Sese Seko on 30 April 1981, deals with "the creation, organization and running of the administration for the Inga free zone system."

The terms of the latest ordinance call for the creation of a public service department of a technical nature which will have administrative and financial autonomy and will be called the Inga Free Zone Administration (abbreviation ZOFI).

Excerpts from the ordinance-law of 2 April 1981 organizing an industrial free zone system in Inga:

--The main purpose of the Inga free zone is to encourage the creation...of industrial plants combining the following characteristics: they must be heavy users of electric power, they must produce goods primarily intended for export, preferably utilizing domestic raw materials.

In general terms, the purpose of the free zone is to help to meet the targets of the country's economic and social development by: 1) making the operation of the Inga hydroelectric complex profitable; 2) increasing the value of the national resources; 3) stepping up the industrialization of the country; 4) bringing a transfer of technology to Zaire; 5) improving Zaire's foreign trade; 6) mobilizing foreign capital investments.

--The management of the free zone is entrusted to a public agency under the supervision of the Presidency of the Republic.

--All requests to join the free zone system will have to be submitted to the abovementioned administrative authority. Each request will be accompanied by a supporting document, with 15 copies attached, drawn according to a standard form as yet to be determined by the administration of the zone and duly approved by the supervisory authority.

--Admission into the free zone system is ratified by a draft agreement reached between the Executive Council and the developer.

--Only projects meeting the established guidelines will be declared acceptable:

--The minimum consumption of electric power required must be 10 million watts or the equivalent of 10 percent of the enterprise's added value.

--If all the developers are foreigners, at least 80 percent of the total investment must be financed with foreign funds.

--The total of the loans raised to finance their investment cannot exceed 70 percent of the invested capital.

--Also, the total amount of loans repayable in 5 years cannot exceed 30 percent of the invested capital.

--Any enterprise gaining admission into the Inga free zone system is subject to the laws in force in the Republic of Zaire, mainly those applicable to the economic, social, fiscal, accounting and exchange spheres.

--Eligibility to the Inga free zone system precludes taking advantage of measures offered by any other investment system in Zaire.

--Inasmuch as the local market cannot provide, under the same conditions of quality and price, the equipment goods, implements, materials and raw materials required for the good operation of the enterprises, these items will be exempted from paying the import duties applicable under the tax and tariff legislation with the exception of the statistic tax.

--The industrial goods produced by the approved enterprises which can be sold inside the Republic of Zaire, by specific dispensation granted by the free zone administration, will be placed in the same category as similar imported goods and subject to custom duties.

The ZOFI administrative office is located in Mwanda; a permanent office will open in Kinshasa. The main responsibilities of this administrative office are: 1) to promote, plan and develop the free properties, the integrated industrial properties and the non-integrated industrial properties of the free zone; 2) to conduct any studies which will promote and coordinate desirable investments in the free zone and will improve its utilization; 3) to disseminate all information and documents dealing with the free zone system; 4) to map out programs and plans for the development of industrial properties in keeping with the plans and programs of development for the entire country; 5) to offer suggestions or advice prior to the creation of independently managed agencies having an impact on the operation of the free zone; 6) to initiate or participate in the training and skills improvement of native personnel working in the plants established in the free zone; 7) to study and suggest measures likely to improve the facilities offered to the enterprises established in the zone.

It should be noted that the development of the Inga industrial free zone has the backing of the UN Development Program (UNDP) which, according to the terms of an agreement concluded in 1980, will give $100,000 worth of financial aid for the project over a period of one and a half years.

Let us mention that the purpose of the project is to introduce, in the legal framework of a free zone, industries which are heavy consumers of electric power to utilize the electric energy produced by the Inga Dam.

An interdepartmental task force, presided by Councilman Kinzonzi and assisted by a UN consultant, has already been set up and is preparing a list of problems arising from this free zone. Other consultants are expected and they will prepare technical files which will serve as the basis for negotiations with future partners. The possibility of appointing a permanent consultant as early as this year is also under consideration.

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ZAIRE

INSTRUCTIONS TO TRANSFER REMUNERATION OF EXPATRIATES DETAILED

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 22 May 81 p 1430

[Text] A Bank of Zaire circular (No 176 of 6 April 1981) sets out the administrative measures to be complied with by employers to obtain from the Bank of Zaire the 1981 renewal for a "total authorization" allowing them to transfer abroad, and in foreign currency, a portion of the remuneration of their expatriate agents and the social contributions which they are obliged to pay in compliance with their contractual obligations toward those agents.

We should explain, the BELGOLAISE [Belgian-Zairian Bank] points out, that employers must submit to their particular bank, no later than 31 May 1981, their request for the renewal of the total transfer authorization.

Here are excerpts of that curcular:

1) Zairian enterprises employing expatriate agents within the scope of employment contracts duly authenticated by the appropriate authorities can submit to the approved banks a request for the transfer of a portion of the net renumerations of these agents as well as the payments due to social security agencies abroad.

2) The total amount requested to be transferred must be expressed in a convertible currency selected by the employer for the entire expatriate staff of his company. It will only cover the salaries contracted by the employer and does not include any indemnities, allowances, bonuses, premiums and other outlays of this kind, nor will it cover bonuses or payments of a similar nature given at the end of a person's career.

3) For 1981, the monthly amount requested to be transferred (transferable amount) for each agent already on the post cannot be higher than the transferable amount allowed for 1980. Only the Bank of Zaire is entitled to study possible departures from this rule provided that internal adjustments do not lead to raising the overall ceiling. The portion of the monthly remuneration paid locally in Zaires (non-transferable amount) must cover the real local needs and living expenses of the agents and their dependents in Zaire. Any adjustment on that portion of the remuneration, for whatever reason, cannot result in an increase of the transferable portion.

4) The remunerations must be declared for business tax purposes. The transferable and non-transferable amounts represent the net remuneration paid to expatriate agents. This net remuneration is obtained by deducting the business tax from the taxable income.

5)--(a) The approved banks are authorized to issue total authorizations for the 1981 fiscal year providing that the following conditions are met: the enterprise requesting an authorization must have had a total authorization in 1980; the agents of the enterprise must have received a transfer in 1980. For those agents who only received a transfer for part of the year, the banks will do an extrapolation to figure out the total transferable amount for 12 months; the agents must have a working contract duly approved by the National Employment Department as well as a valid working permit. A copy of their work permit must be submitted to the bank and will be kept there, attached to the documents of authentication; the monthly salaries which can be transferred on behalf of each agent cannot be higher than those of 1980; agents who receive a transfer of remuneration cannot be partners in the companies where they work.

(b) The Bank of Zaire will determine the total amount that enterprises are authorized to transfer each month as remuneration of their expatriate agents who were not included in the 1980 transfer authorization.

6) Backed by the issued authorization, the approved banks must transfer the authorized remunerations directly into the foreign accounts of the expatriate agents who are entitled to them.

9) The banks are authorized to transfer abroad, directly to the recipient agencies, the amounts due as contributions to a retirement pension or as professional insurance premiums which the employers are obliged to pay in accordance with the contracts signed with the expatriate agents within the limits of the indicative ceiling figures established in that sphere.

10) No transfer can be made for remunerations, pensions or insurances connected with the employment of expatriate agents and paid out of accounts convertible into Zaire or into foreign currencies which have been opened under the employers' name, unless these employers have a total authorization.

11) The enterprises must request the agreement of the Bank of Zaire before they engage expatriate agents. This formality must take place before they submit a request to register these agents or to transfer their remunerations.

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ZAIRE

BRIEFS

DIAMOND MARKETING--Following previously reported news that Zaire is planning to market its own production of industrial diamonds (see MARCHES TROPICAUX ET MEDITERRANEENS of 8 May, page 1310), the London offices of the De Beers company said, on 15 May, that reports claiming that Zaire had broken the contract granting exclusive marketing rights to that company were premature and that negotiations were continuing. Tim Capon, one of the De Beers company's top officials, was scheduled to discuss this issue, in Brussels on the 15th, with the director of SOZACOM [Zairian Company for the Marketing of Ores], the Zairian state company responsible for marketing the country's mining production. But according to reports emanating from Brussels, Zaire is said to have just entrusted to three companies--the Antwerp-based Caddi and Glasol companies and the London-based Industrial Diamond Co--part of its diamond production in the context of a policy aimed at curtailing its trade relations with South Africa. It is reported that SOZACOM will continue to offer from 25 to 40 percent of its diamonds to the De Beers company which persists in its demand for exclusive rights claiming that this is absolutely essential to guarantee the stability of prices particularly under the present circumstances of glut on the world market. The De Beers company, which is part of the Anglo-American Corporation, a South African group, sells more than 80 percent of all jewelry and industrial diamonds mined throughout the world. Since 1967, it has had exclusive marketing rights for the large Zairian production. [Text] [COPYRIGHT: Rene Moreux et Cie Paris 1981] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 22 May 81 p 1429] 8796

RAILROAD RENOVATION--In our issue of 23 January this year (page 201) we mentioned that the Federal German Republic had granted a credit of DM 45 million to the Zairian National Railroad Company (SNCZ). This credit is part of a $48.8 million overall financing program subscribed by the World Bank, the International Development Association (IDA), the German KfW [Reconstruction Credit Bank] and the Saudi Development Fund. The program is intended to modernize 210 kms of track and to ballast 285 kms. The share of capital contributed by the Executive Council will be close to $59 million. According to SNCZ officials, this project is the initial phase of a program to modernize 700 kms of track, mostly in the Kasai province. The rails which weigh 29 kgs per meter are too light for the traffic and will be replaced by rails weighing 49 kgs per meter. To carry out this program, the SNCZ intends to build a plant to make concrete ties providing a better anchorage for the ties while, at the same time, cutting down on the expenditure of foreign exchange. Equipment will also be provided to reopen the ballast quarries which have been inactive for several years and to adapt those quarries to the needs of the intended modernization program. The program also involves the purchase of maintenance and service engines, locomotives, hopper cars and passenger cars. An additional $32.5 million are earmarked to build up the basic stock and to carry out repair work on the immobilized stock. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 22 May 81 p 1490] [COPYRIGHT: Rene Moreux et Cie Paris 1981] 8796

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ZAMBIA

BRIEFS

SAUDI PRINCE'S VISIT--On 14 May, Prince Nayif ibn 'Abdal-Aziz Al Salud, Minister of the Interior of Saudi Arabia, on a 5-day official visit to Zambia, had a series of talks with President Kaunda at Lusaka. At the conclusion of these talks, he declared that his visit to Zambia marked the beginning of a strengthening of Saudi-Zambia relations. The prince also affirmed that in the face of the "inconsistency" of the Western nations, it was the duty of the Arab and African countries to cooperate closely in economic matters. Upon his arrival in Lusaka, Prince Nayif expressed Saudi Arabia's desire to invest in Zambia development projects, particularly in the field of agriculture. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 22 May 81 p 1432] [COPYRIGHT: Rene Moreux et Cie Paris 1981.] 9693

PURCHASE OF FRENCH VEHICLES--The ZTTC [Zambia Travel and Touring Company] will form a car rental company called Rent-a-Car. The company will commence operations upon delivery of 30 Peugeot's ordered from France. ZTTC has ordered both vehicles and boats from France for 5.6 million Zambia kwachas, thanks to a French supplier's credit. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 22 May 81 p 1432] [COPYRIGHT: Rene Moreux et Cie Paris 1981.] 9693

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ZIMBABWE

MUGABE HANDLING OF WHITES ASSESSED

London NEW AFRICAN in English Jun 81 p 33

[Article by Albert Mawarire: "How Wily Robert Mugabe Is Scoring in Handling the Whites of Zimbabwe"]

[Text]

EVEN HARDBITTEN members of the once-entrenched Rhodesian Front (RF) are having to admit it now. White political opinion is completely divided in Zimbabwe.

The split was confirmed recently by the resignation from the RF of a former Minister and leading MP of Ian Smith's one-time ruling party, André Holland, to form a new party.

At the same time, white former MP Ahrn Palley called on whites to back Prime Minister Robert Mugabe's ZANU (PF), saying there was no middle-road option for whites any more.

The white pendulum is swinging away from the racist Rhodesian Front, which many whites are now seeing as representing an old order that hasn't much say in the running of the country today.

In fact, the dominance of white politics by the Rhodesian Front in Zimbabwe is slowly ebbing away.

This was proved during the last by-election in a Salisbury constituency when the RF candidate narrowly pipped a liberal independent white councillor whose rallying cry was: "Let's support the government's policy of reconciliation and show that whites are willing to stay and develop Zimbabwe."

New forum

The narrow RF victory must have surprised a lot of white Right-wingers because it was the smallest margin in nearly two decades of a white political stranglehold.

Prime Minister Mugabe has tactfully exploited this split in white ranks by calling for a new forum to represent white interests in Parliament.

He said the forum should not have the racial imprint of the RF, which at the moment controls all the 20 constitutionally entrenched white seats in Parliament.

The existence of the RF in its present form inevitably poses a threat to the country's sensitive racial infrastructure.

Because it is a white party, the RF gives the impression that all whites are in opposition to the government – a situation which was true yesterday, perhaps, but which today is far from true.

The government's policy of reconciliation has reassured many whites about their future, as long as they accept the new order.

Many now believe that Mugabe's assurances are genuine and are prepared to give the government a chance, something which the RF seems reluctant to do.

At the same time, as a veteran white observer remarks: "The days of 'good old Smith' are gone – and you can expect an exodus of whites from his party."

The breakaway Democratic Party of André Holland has been described by the old white Centre Party as "an important development which is long overdue".

Understandably, some whites have reacted to recent changes with caution.

"Having been boxed in by RF thinking for so long, we are bound to tread softly whenever there are developments like this. But one thing is for sure: we whites have been split right down the middle", a former RF supporter confided.

A survey carried out by a Salisbury newspaper shows that most whites are fed up with the RF. Most whites interviewed called for the dissolution of the party, saying it no longer had a role to play in Zimbabwean politics.

Though obviously welcoming the split, the Mugabe Government is not particularly happy with the formation of yet another white party. Hence his call for a new non-political forum for whites.

Courageous action

Farai Munyuki, editor of *The Herald*, wrote: "Mr Holland may deserve congratulations for his courageous action but he is to be chided for not going all the way. He has announced the formation of a new white party. Why? Who needs a white party at this stage in the country's political development?"

Nevertheless, the weakening of the RF is certainly a feather in Mugabe's cap. He has proved once again that he is not the blood-sucking Marxist killer that RF propaganda made him out to be●

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END