

# FACTS AND REPORTS

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J1: Fin.Times (Br), 94 05 07 (abr)

J2: Guardian (Br), 94 05 09 (abr)

## regional administrations

Mark Suzman

Estate agents are warning that house prices in Cape Town are about to rocket. The reason? The National party scored its one election triumph in the Western Cape and the view is that whites fleeing black rule elsewhere will boost the region's property sector.

Such a response is one indication of the way the country's new regional structures might affect the shape of national policy.

The nine new regional parliaments, which sit for the first time today, mark as big a change from the past as the new national order.

Now, the new regions are striving to create a distinctive identity while portraying themselves as dynamic, stable growth spots that are well positioned to attract foreign investment and government resources.

But as the regions prepare for a new era, it is unclear just how much power they will have.

In four years of tortuous negotiations leading to all-race elections, the most contentious issue was federalism. The final constitution allowed each region significant powers including authority over health, education and limited tax-raising powers.

The central government reserves the right to intervene on almost any issue - but the terms are vague. Its rights will almost certainly be tested in the new constitutional court. Although final power resides in the national assembly, some strong local governments might swing the balance the other way.

But an outstanding problem for the regions is that none of their borders has yet been finalised. There is even speculation that Eastern Cape may be divided in two. In the sparsely populated Northern Cape, the ANC has narrowly failed to secure a majority, gaining 50 per cent of the vote.

Outstanding disputes, which will be adjudicated over the next few months, will be further complicated by the proposed negotiations for an undefined white homeland that could include portions of several regions.

## Critics carp at Mandela cabinet

David Beresford  
in Johannesburg

In a mood of national reconciliation, the only group that dared publicly question the new order was the multi-party Women's National Coalition.

It announced it had sent a letter to Mr Mandela expressing "strong reservations" about the presence of only two women in the 27-member cabinet.

But indignation behind the scenes was not confined to the gender issue.

F. W. de Klerk was believed to be making strong protests to Mr Mandela about the allocation of seats to the National Party - particularly its failure to be given one of the security portfolios.

Even more striking was the inappropriateness of the appointments made from within the African National Congress.

Sidney Mufamadi, given control of both police and home affairs, is a comparatively light-weight trade union leader. Alfred Nzo, the new foreign minister, has a reputation as a tired party hack.

Joe Modise, the defence minister, is regarded as a hawk

who is unlikely to preside over the ANC's promised transfer of budget allocations from the military to social welfare and housing. Stella Sigcau, a former homeland leader who becomes the minister of public works and one of the two women in the cabinet, appears to have been chosen largely because she is a Xhosa princess.

To compound his problems, Mr Mandela appears to have delivered his toughest snub yet to his estranged wife Winnie. He failed not only to give her the social welfare post she is believed to have sought, but to invite her to join him and their two daughters at lunch with the world leaders who will attend the inauguration.

But just as the election rigging has been largely overlooked - except in Natal, where ANC resentment is smouldering at the apparent abandonment by the national leadership - so the ham-handed cabinet appointments were being smoothed over in the name of national unity.

J3: Fin.Times (Br), 94 05 07/10 (abr)

## Mandela delights whites and investors

Mr Nelson Mandela does not miss a trick. Despite opposition from within his own African National Congress, he yesterday delighted investors, businessmen and white South Africans by retaining Mr Derek Keys as the finance minister.

Nothing else would have persuaded the outside world - not to mention sceptical South Africans - of his commitment to free market economics and political moderation.

The other central economic post, governor of the Reserve Bank or central bank, will also be unchanged: monetary disciplinarian Mr Chris Stals will remain as governor when his term ends in July.

The moderate tone established with the re-appointment of Mr Keys will be further strengthened by the news that Mr Thabo Mbeki is to be first deputy president, effectively Mr Mandela's prime minister and probably his political heir.

Few other candidates could have put such a conciliatory stamp on the cabinet. Mr Mbeki's chief rival for the post of deputy president, Cyril Ramaphosa, is a brilliant strategist and fearsome political negotiator. He would have been tougher, but perhaps not better. Mr Ramaphosa has opted to remain outside the cabinet, working to strengthen the ANC as party secretary general.

This is exactly the post he always said he wanted; but no one believed him, suspecting he had higher political ambitions.

Apart from these certainties, some posts remain unfilled. The ANC has said there will be six National Party ministers, but has named only one (Mr Keys); and it has not named the three Inkatha Freedom Party ministers due to be appointed to the government of national unity. Somehow, Inkatha Freedom Party leader Mangosuthu Buthelezi must be accommodated in a post which acknowledges his surprisingly strong electoral showing: 10.5 per cent of the national vote. Easily offended, his pride must be assuaged; this will not be an easy task. **Patti Waldmeir**

The government of national unity neared completion with the announcement of six ministers from the outgoing National party government. Mr Pik Botha, former foreign minister, becomes minister of mineral and energy affairs, Mr Roelf Meyer, chief constitutional negotiator, was named minister of provincial affairs and constitutional development, and Dawie de Villiers, Cape NP leader, was appointed minister of environment.

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J3a: Guardian (Br), 94 05 04 (abr)

## presidential party

David Beresford

A provisional budget of £5.5 million has been set aside for the festivities.

The oath-taking and Mr Mandela's inaugural speech will be attended by 6,000 foreign dignitaries - including at least 80 heads of government. One hundred and fifty thousand members of the public will also be watching from the lawn.

Speeches will be made by the president of Egypt, Hosni Mubarak, as chairman of the Organisation of African Unity, and the United Nations secretary-general, Boutros Boutros-Ghali.

A five rand coin (worth about £1) and a stamp are to be issued, both featuring Mr Mandela. And 200 gold coins will be struck as gifts for foreign dignitaries.

All the ceremonies will be inter-faith, with prayers and readings by Christian, Muslim, Jewish and Hindu leaders.

Choirs, African and Indian dance groups, jazz artists and music from Ladysmith Black Mbazos and Johnny Clegg will add glitter to the occasion.

J4: SouthScan (Br), 94 04 29

## New system for fixing kwanza rate

The Angolan government on Monday introduced a new method of fixing foreign exchange rates through agreement between the central bank and commercial banks.

The central bank met with the commercial banks to define the new exchange rate, which will be "subordinate to the objective of monetary equilibrium".

The new rate for the kwanza is likely to be around 65,000-70,000 per dollar. Last Friday the now abolished fixed official rate was 35,000 kwanza a dollar.

The free market rate available in commercial banks was around 125,000 kwanza to the dollar and the black market rate on the streets was 135,000.

J6: Weekly Mail/Guardian (SA), 94 04 29 (abr)

## Savimbi waits for Angola to fall into his lap

In the darkness, silhouetted figures approached. Some 100 Unita soldiers, muffled in vast grey cloaks — the temperature at this time of year on Angola's high plateaux drops to below 10°C — unloaded the plane's cargo in record time. Ten tons of salt, cartons of cooking oil and soap, goods unobtainable in regions under Unita control.

The scene is repeated several times a week. UN Security Council Resolution 864 is blithely ignored and sanctions seem to have no effect on Savimbi's rebel movement. He has had cash — including dollars.

Governor Jeronimo Elavoko Wanga of Huambo, the country's second largest city, which fell to the rebels after 55 days of fighting and an official death toll of almost 12,000, also confirmed that UN sanctions were ineffective. Businessmen were pulling out all the stops to get goods through, he said. "The sanctions have penalised the civilian population most, not Unita as a political and military organisation."

Unita officials live in luxurious colonial villas, suffering few shortages. But it is a different story for the city's 500,000 inhabitants, who survive on international aid handouts.

Two C-130s chartered by the Red Cross arrive at Huambo airport every day bringing in maize. In the markets of a city without water, electricity or telephones, barter rules — a chicken for some paraffin, a goat for a bag of sugar. In the diamond mining regions, even uncut stones are exchanged for a few feet of cloth or a kilo of salt, according to an aid organisation employee, who said malnutrition was now acute among children.

"A humanitarian disaster has been narrowly averted," said Philippe Lazarini of the International Committee of the Red Cross (ICRC).

"The government has three objectives," said General Urbano. "Huambo for political reasons, and Soyo and Kafunfu for economic reasons."

Government aircraft have resumed pounding the Soyo oil installations which Unita seized a year ago and government troops are trying to

Planning and Economic Coordination Minister Jose Pedro de Moraes said that under the new exchange regime, administrative devaluations of the currency were a thing of the past. Black market money changers working on Luanda's streets were offering 140,000 kwanza per dollar on Monday.

The move should end the system of multiple exchange rates, with a subsidised official rate available to certain sectors of the economy such as state bodies, and a free market rate available at commercial banks.

The *Jornal de Angola* said the new regime was part of the government's 1994 economic programme which aims to free exchange rates, reduce foreign debt of almost \$10 billion, and slow inflation, currently at over 1,500 percent per year.

punch their way into the diamond mining region of Kafunfu in Lunda Norte province. The aim is clear: to cut off Savimbi's revenues. For the moment, however, the offensive seems to be stalled.

While government forces have succeeded in occupying some localities, they are having problems controlling the surrounding bush. Airlifts are therefore necessary to supply isolated army bases as land routes cannot be used.

Unita's military drive has, however, stopped short in Cuito, 180 km from Huambo, where government troops are showing fierce resistance. Since Unita's unilateral ceasefire on September 20, the two sides have eyed each other warily. One employee of a military organisation said they were sharing food supplies air-dropped by the UN and the Angolan government. The same thing is happening in Malange — the last barrier before the capital — which the government is defending tooth and nail, and in Menongue, whose fall would enable Savimbi to control the whole of southeastern Angola.

This is the background against which the Luanda government and Unita have been negotiating in the Zambian capital, Lusaka, under the chairmanship of UN representative Alioune Blondin Beye of Mali. While Beye continues to make optimistic noises about the talks, only a couple of weeks ago UN Secretary General Boutros Boutros-Ghali expressed his "impatience" and called for fresh momentum.

"I'm optimistic. In a few days we're going to sign the agreement," said Savimbi. "I recognised the elections, but I said they were fraudulent." He added that he challenged the first round on September 29 and 30, 1992 which the United Nations ruled were "free and fair".

"What I'm asking for is a place for the opposition, a framework in which it can express its views," explained the rebel leader. He said he was still a candidate for the second round of the presidential election

J5: Radic Report, 94 04 29 (abr)

## Government and UNITA agree on specific principles for presidential elections

(a) *Radio Nacional de Angola, Luanda, in Portuguese 1900 gmt 29 Apr 94*

[Antonio - recording] Good evening. At a plenary session today, negotiating teams from the government and UNITA finally approved the eight points of the specific principles for the conclusion of presidential elections. The second round of presidential elections will take place at a date to be set by the National Assembly, after a declaration by the UN that conditions stipulated by law have been created. Other conditions required for the implementation of this process include security guarantees, free movement of people and goods, and people's freedom throughout the national territory. Sources close to the talks told Luanda radio that it had not been easy to approve the document [words indistinct] open and constructive discussions from the negotiating teams from the government and UNITA, even experienced periods of despair.

Also regarding the conclusion of the second round of presidential elections, the negotiating teams from the government and UNITA now have, until 3rd May, the task of preparing documents dealing with modalities for the implementation of this process.

J7: Radic Report, 94 05 03 (abr)

## No agreement reached at Lusaka talks; US envoy expected in Luanda soon

*Radio Nacional de Angola, Luanda, in Portuguese 1900 gmt 3 May 94*

Good evening. The Angolan peace talks being held in Lusaka were unproductive today. The government and UNITA negotiators achieved nothing. They are staying put on the modalities for the implementation of the second round of presidential elections. The mediators presented a new version, which the government and UNITA negotiating teams assessed this afternoon. [UN special envoy] Blondin Beye is doing everything to dispel doubts and overcome the differences. So far that has not been easy. The next hours may be decisive.

J8: Radio Report, 94 04 29 (abr)

## US president's envoy arrives in Luanda

*Radio Nacional de Angola, Luanda, in Portuguese 1900 gmt 29 Apr 94*

The United States wants to see a new impetus in the peace negotiations. Thus, President Bill Clinton has addressed a message to his Angolan counterpart Jose Eduardo dos Santos, urging greater efforts to overcome quickly obstacles which prevent an agreement. The US president's envoy is already in Luanda and will deliver the message as soon as the Angolan president returns from Brazil where he is on a private visit.

J9: Marchés Trop. (Fr), 94 04 22 (abr)

## Luanda réduit l'enveloppe financière de Cabinda

Le gouvernement angolais a décidé de réduire de 20 % la part du budget destinée au développement de l'enclave pétrolière de Cabinda, a rapporté le 14 avril l'AFP. La province de Cabinda bénéficiait de 10 % des recettes du pétrole exporté par l'Angola, et la réduction a commencé à être mise en pratique en début d'année, a annoncé à Cabinda le ministre angolais du Plan et de la Coordination économique, M. Jose Pedro de Moraes. Celui-ci a justifié cette décision par la chute des cours du pétrole brut exporté par son pays.

J10: SouthScan (Br), 94 04 22

## SA mercenaries' role described in MPLA's changed battlefield fortunes

Around 500 highly trained former SA special services men may be making a significant difference in the Angolan government's war against the rebel movement Unita.

A director of Executive Outcomes, the Johannesburg-based firm recruiting the men for the Angolan government, this week ascribed the changed military situation in part to their presence.

Last year Unita held 80% of the countryside and now it was nearer 50% Lafras Luitingh said in a television interview.

At the same time he implied that former Battalion 32 chief Col. Jan Breytenbach was operating on a double agenda in seeking to get the men returned to SA.

This week Breytenbach called the Executive Outcomes operation in Angola foolish; he has sought to bring pressure on the men through their families. Unita recently released photos of the bodies of SA soldiers killed in the fighting (*SouthScan* v9/14 p110).

Luitingh implied that Breytenbach was being fed information, presumably from Unita, to get him to act. He said that the around 500 men were engaged in training and were also giving battlefield advice to the MPLA against Unita. But he admitted also that they had been engaged in fights with Unita, and that they have come out "not second". He would not specify where they were stationed, but according to another recruit, Angolans are being trained at a camp south of Luanda called Caboledo.

Executive Outcomes was formed to employ some of the large number of covert operations and other military men now finding themselves without jobs. Another executive is Eben Barlow, like Luitingh from the former Battalion 32 reconnaissance wing. Luitingh is a former Civil Cooperation Bureau (CCB) agent, one of the covert units of the SADF uncovered in the hunt for a 'third force' in SA.

The men were first sent in to guard the Soyo oil installations, which subsequently fell to Unita attack. They were also offered the job of restructuring the Angolan army, said Luitingh.

In one of the many local ironies of history the men now on the side of the

MPLA were in the most notorious forces fighting against it and against Swapo in Namibia. They are ex members of Battalion 32, Koevoet, the Recces, the CCB, as well as paratroopers. Men are being recruited from whichever part of the SA military machine is thought necessary for special training in Angola, said Luitingh.

He justified their work for the MPLA, saying it was democratically chosen, and that in any event he had not in the past liked working with Unita, which he described as an organisation of scoundrels and liars, engaged in trade in ivory and diamonds. He said he had witnessed the murder of a policeman by Unita leader Jonas Savimbi in Luanda.

The SADF has expressed its antagonism to their operation in Angola, but he said this was in part because some SADF members had sought the same contract, while some also retained an emotional adherence to Unita.

Luitingh accused one SA company in particular of supplying Unita - Ben van Heerden's Transnamib Trading - and he said he had approached the Goldstone Commission last year with evidence.

Luitingh indicated that he was interested in new economic opportunities opening up in Angola after the end of the civil war there.

Meanwhile Breytenbach has also claimed Executive Outcomes is training special forces for the African National Congress - a claim denied by Luitingh.

Breytenbach alleged that the connection was with PWV premier designate Tokyo Sexwale and said that some former SA special forces members were already working for the ANC and would be used against those suspected of "counter revolutionary activity" later. Sexwale said he had planned to visit the operation in Angola on his recent visit there but had not been able to do so.

• Unita has alleged that a 10-man commando attack was launched on its radio station Vorgan in Jamba, in the far south east of the country last week. It claimed the attackers came from Omega base in Namibia's Caprivi region. Namibia has denied knowledge of the raid.

J16: Citizen (SA), 94 04 13 (abr)

## Fighting around Angola gems area

State media and independent observers said yesterday that fighting was intensifying around the rebel-held town of Cafunfo at the heart of the Cuango Valley diamond region about 500 km east of the capital Luanda.

"UNITA is stepping up its activity," state daily *Journal de Angola* reported.

A diplomat in Luanda said "both sides are engaging in military actions" and that government artillery was within range of Cafunfo — captured by UNITA early last year.

The town would be a major prize for the gov-

ernment in the war against UNITA. Since the rebels captured the town, industry sources say as much as \$200 million (R720 million) worth of diamonds have leaked out, providing the rebels with their main source of funds.

J11: Radio Report, 94 04 24 (abr)

## Mozambican report says government forces take town of Zala in Bengo Province

*Radio Mozambique, Maputo, in Portuguese 1030 gmt 24 Apr 94*

Angolan government forces have taken the town of Zala in the northern region of Bengo Province after fierce clashes with UNITA troops. Luanda military sources say the clashes claimed many victims on both sides. The sources also spoke of fierce clashes near the Zenza region, where recently UNITA sabotaged power lines, disrupting the supply of electricity to the city of Luanda.

J12: Radio Report, 94 04 25 (abr)

## Army officer says government troops are in control of Cabinda despite attacks

*Televisao Popular de Angola, Luanda, in Portuguese 1930 gmt 25 Apr 94*

The military situation in Cabinda is under the control of the Angolan Armed Forces [FAA] despite operations by the Front for the Liberation of the Cabinda Enclave [FLEC] and the National Union for the Total Independence of Angola [UNITA] in that province. Colonel Paiva, spokesman for the Cabinda Military Front Command, says that FLEC is concentrating its actions in settlements so as to blame the FAA in the event of civilian victims.

J13: Radio Report, 94 04 27 (abr)

## UNITA blamed for renewed firing in Kuito

*Televisao Popular de Angola, Luanda, in Portuguese 1930 gmt 27 Apr 94*

*Text of report from Kuito by correspondent Faria Horacio*

The calm that had prevailed in Kuito in the past 72 hours was this morning disrupted by small arms fire and mortar explosions.

J14: Radio Report, 94 05 03 (abr)

## UNITA radio reports heavy government casualties in offensive in Cuanza Norte

*(b) Voice of the Resistance of the Black Cockerel in Portuguese 0600 gmt 3 May 94*

*Excerpt from report by UNITA radio*

Cuanza Norte Province continues to be the scene of fierce fighting and Eduardo dos Santos' men continue to suffer irreparable defeats. In a vain attempt to fulfil their dream of occupying the city of N'dalatando, the Luanda war chieftains chose to reinforce their forces with more mercenaries along the Dondo-N'dalatando axis.

Fighting intensified when the forces of the Luanda regime tried to move in the direction of the coveted city of N'dalatando, and it was especially fierce in the area of the bridge over the Lucala-2 River, where the People's Armed Forces for the Liberation of Angola [FAPLA] left 63 soldiers confirmed killed on the ground.

J15: Radio Report, 94 04 30 (abr)

## Luanda police communique warns against May Day demonstrations

*Televisao Popular de Angola, Luanda, in Portuguese 1930 gmt 30 Apr 94*