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9 January 1980

Sub-Saharan Africa Report

FOUO No. 660

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SUB-SAHARAN AFRICA REPORT

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ACP-EEC CONFERENCE IN KENYA

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 23 Nov 79 p 3258

[Text] A conference organized by the EEC and the Secretariat of the ACP (Africa, Caribbean, and Pacific) in order to promote trade between the two institutions and especially within the ACP group, ended on 16 November in Nairobi after 10 days of work.

The delegates of the 57 ACP countries represented formulated some recommendations which will be examined early in 1980 by the ACP Council of Ministers. The two working commissions, presided over by a Jamaican and a Mauritian, recommend particularly the establishment of structures to develop trade within the ACP countries: a financial institution, and establishment of a service for exchange of trade information, experience in marketing, etc.

It would specifically entail the establishment of an export development unit of the ACP countries, responsible for assembling and disseminating information on the products available in these countries. This unit would be established at the level of a secretariat charged with identifying the sources of technical and financial assistance for development of exports in the framework of the Lome convention. It would organize and coordinate meetings of regional and national organizations for the development of the exports of the ACP countries in order to proceed to an exchange of information on export development programs and the facilitation of the transfer of technology.

Mr J.F. Kiti, president of the conference and ambassador of Kenya to the EEC and Belgium, especially stressed, for example, that Kenya could import meat from Botswana instead of going to Argentina for it. Mr Peter King (Jamaica) emphasized the technological capacities of countries such as Kenya and the Ivory Coast which could benefit other developing countries.

We have always conducted a dialog in a north-south direction, one of the participants stressed, but it is time that we begin to conduct a dialog among ourselves. Kenya particularly proposed the establishment of a Federation of Chambers of Commerce and Industry in the ACP countries.

6108
CSO: 4400

INTER-AFRICAN AFFAIRS

SUCCESS OF LOME II DISCUSSED

Paris JEUNE AFRIQUE in French 7 Nov 79 pp 33-36

[Article by Jacques Vignes: "The Crowning of Lome II]

[Text] Concessions have been wrested from the Europeans. But the "associates" have made no breach in the selfishness of the haves.

Here is a folktale: in the beginning was Yaounde the First, who came to the throne in 1963. His power extended to 18 African states which had formerly been under the domination of France and Belgium, two powers which became members of the European Community, called then "the Europe of the Six", or "Little Europe." Yaounde the First represented the Community in Africa.

His son, Yaounde the Second, succeeded him smoothly in 1969. Nothing distinguished his reign from the preceding one, except that the allegiance of Mauritius extended his sphere of influence. The allegiance of Arushi enabled him to gain a foothold in East Africa where he won Kenya, Uganda, and Tanzania.

In 1975, with Lome the First, third of the line, things change. The Community has grown. It is now called "the Europe of the Nine" and it includes an island called Great Britain which at one time possessed a great empire. Lome the First now shelters in its bosom the African countries which had belonged to that empire, as well as a few others which had been shunted aside until now; this, in addition to several Caribbean and Pacific republics, for a total of 46 states, is going to make a very powerful lord of the new ruler. But under the terms of his constitution, he must step down before his successor next April. For a long time, it was not known whether this successor would be Lome II or Khartoum I, as the Sudanese had presented the candidacy of their favorite. Lome II prevailed. On 31 October, he will be acclaimed by 57 states, plus the 9 states of Europe.

Now let us become serious. The second cooperation agreement between the African, Caribbean, and Pacific states (ACP countries) and the European community (EEC), an agreement known as Lome II, will be signed at the end of the month in the capital of Togo. For five years, it will regulate the economic relations between 57 developing countries and the EEC. This is no small matter. All of sub-Saharan Africa is concerned, with the exception of Angola, Mozambique, Rhodesia, and South Africa.

This is the second agreement and not the fourth, because under the Yaounde regime, it was known as an association rather than a cooperation, as in the Lome system. This shading is of some interest. Together with this new label, Lome I had brought two important innovations.

The Yaounde agreements instituted a trade system known as the reciprocal preference system. Europe facilitated African exportations -- or some of them at any rate -- to its territory, and Africa returned the favor. At Lome, after long and difficult debates -- negotiations lasted 18 months -- reciprocity was eliminated; 99.5% of ACP exportations to Europe benefitted from privileged status while ACP countries were not obligated to extend privileged terms to European exportations. The remaining 5% were products considered as critical for Europe (mostly meat and fresh vegetables.)

The STABEX system of stabilization of exportation revenues was established, and it possessed funds of its own. This system was intended to allow for correcting, under certain conditions, the sudden revenue deviations caused by fluctuations in rates of exchange or in insufficient productions. The system applied to twelve basic agricultural products.

At the financial level, the European Development Fund (FED) was endowed for five years with 3,076 million European account units (UCE) or 3,842 million dollars. The EIB received, for its part, 390 million UCE (487 million dollars) for loans known as rebate loans (with lowered interest rates).

On the eve of starting negotiations which were to result in the Lome II agreement after one year of discussions, the 57 ACP countries were in essence making the following demands:

At the commercial level, extension of the preferential system to so-called critical products (beef from Botswana, tomatoes from Senegal, onions from Cap-Vert, and so on).

Protection of this preferential system so that it would not be gradually submerged in the system of generalized preferences affecting exportations from the whole group of developing countries. In other words, preservation of the special character of the ACP-EEC association at the trade level.

Improvement of STABEX operation; greater flexibility of conditions under which the system could intervene; and above all, extension of its protection, especially to mineral products. For example, the consequences suffered by such countries as Zaire and Zambia as a result of the falling copper market are well known.

Adjustment of the level of the financial structure so as to take into account the factors of inflation, of the increased number of beneficiaries, and of their real needs.

In this connection the ACP countries pointed out that several European countries, in particular the wealthy Federal Republic of Germany, are still a long way from setting aside 7% of their GNP for aid to development, as had been agreed. According to Ousmane Seck, the minister of finance of Senegal, the endowment for Lome II, if it is to be truly significant, should reach 10 billion UCE or nearly three times the endowment for Lome I.

Finally, the new agreement sould plan for true co-management rather than simple consultation of the interested parties by the European Commission; it should also plan for increased marketing promotion facilities for ACP products, alleviation of administrative delays which hamper financing, and increased industrialization efforts.

The EEC turned a deaf ear to these claims. It was no secret in Brussels that the preference of European countries went to pure and simple renewal of the Lome I agreements, with appropriate financial adjustments and some minor improvements.

This led to close bargaining, and the emergence of a compromise which is more or less satisfactory to the European side but leaves the ACP wanting, as well as taken aback by the strenuousness of the confrontation. Clearly, the ACP had expected greater understanding of its problems. The essential aspects of this compromise are as follows:

With respect to trade, a few concessions have been noted. Thus, Europe will henceforth allow duty-free entry of limited shipments of "critical" products. But it will retain the right to invoke the safeguard clause if its own productions should find themselves in jeopardy. So many restrictions are regrettable. These products (meat and fresh produce) are among those which are apt to develop rapidly, enabling the producing countries to extend their exportations while modifying their structures. These countries may thus find themselves being condemned to confinement within traditional tropical single-crop productions (peanuts, coffee, cocoa, and so on.)

Still with respect to trade, few provisions have been made to facilitate distribution of ACP products in Europe. It is useless to find the door open if there are no means to enter it. Know-how on the part of the sellers is as important in this case as goodwill on the part of potential buyers. But these particular sellers are still at times inexperienced in the techniques of the markets they are facing, especially in the case of the poorest countries. It is clear that this pratical aspect of the question goes somewhat beyond the competence of the Lome negotiators. Nevertheless, a little imagination could have brought forth the right sales promotion structures to palliate current inadequacies and to help overcome them.

STABEX will now be applicable to an extended field. It now covers 44 agricultural products and by-products. The system has been made more flexible. A sort of "Second STABEX" will consolidate revenues from exportations of the main mineral products (copper, phosphates, bauxite and alumina, manganese, iron, and tin).

This constitutes the most important achievement of Lome II, with the ensuing hope that mineral investments, which had become nearly nonexistent in Africa since 1974, will now recover. Europe, which relies heavily on the outside for mineral supplies, is counting very much on this secondary effect of the new system.

The blackest mark is in the financial area. It is a far cry from the 10 billion UCE which are felt to be necessary: barely more than half, or exactly 5.6 billion. From this sum must be discounted 180 million in management costs, and 200 million earmarked for the EIB for standard loans; this is not very compatible with public aid and did not exist under Lome I. This leaves 5.22 billion as compared with 3.46 billion for Lomé I, which amounts to an increase of less than 50%. The real level of five years of inflation is barely covered. As for the real level of the increased number of beneficiaries, it is not covered at all.

On the European side, it is being underscored that the financial impact of the "sugar protocol" must be taken into account. Guaranteed purchase of 1,400,000 tons of raw sugar per year at double the current world market price is not a neglibible factor. It is also being noted that aid of European origin does not cancel bilateral aid extended by each country of the Community. But the sugar protocol and bilateral aid already existed in conjunction with the first Lome agreement. The comparison between figures therefore remains significant. The hoped-for progress has not taken place. In this connection, the economic difficulties of the industrialized world are being cited. Unquestionably. But is not the development of the Third and Fourth World one of the means of resolving these difficulties?

As for the rest: joint management, administrative awkwardness, industrialization, and so on, to discuss them now would be to pre-judge the future. Daily practice rather than often inaccurate texts will provide the means of judging whether real progress is being made, and of assessing the passage of the reign of Lome II in history.

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BRIEFS

INDIAN OCEAN COOPERATION--The Federal Islamic Republic of the Comoros on November 13 became a full member of the Permanent Mauritius-Reunion-Madagascar Agricultural Collaboration Committee during the annual conference of the committee held from 6 to 12 November in Nauritius. Created in August 1951, the agricultural collaboration committee, which had only two members in the beginning (Mauritius and Reunion), welcomed a third member in 1965, Madagascar. The aims of the committee are to establish permanent liaison among agricultural technicians of the islands of the southwestern part of the Indian Ocean and to facilitate exchanges of views, ideas, documents, knowledge, and work methods in the different islands. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 23 Nov 79 p 3258] 6108

CSO: 4400

ANGOLA

BRIEFS

PRODUCTION STILL LAGGING--With a population of 5,952,00 (1977) and a gross national product of $1 billion 970 million, Angola has a per capita gross national product of $330, which ranks it among the intermediary income countries. Angola has still not reached its level of output of before 1975. Petroleum production alone has quickly developed. In 1977 it brought in $600 million. However, agricultural output remains substantially inferior. It is estimated that the growing of coffee which, in 1973, was in second place in exports following petroleum, has reached no more than 37 percent of the 1975-1976 level, or about 80,000 tons. The same applies to the mining of diamonds and the production of iron. The processing industries as well have not regained a satisfactory level of activity. The current situation prevents the obtaining of recent information on this country. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 16 Nov 79 p 3116] 5157

CSO: 4400

BENIN

EFFORTS TO SOLVE FISHERY PROBLEMS YIELD MIXED RESULTS

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 19 Oct 79 pp2828-2829

[Text] The news we have received during recent weeks has caused us to turn our attention to Benin's fishing industry. We know, for example, that Benin is not a stock-raising country such as Niger, its neighbor to the north. This is because the fisheries sector was regarded in 1974-1975 as a vital sector of the economy and should therefore be taken in hand, and the National Shipping and Fishing Company was subsequently created. The company has a monopoly over the export of shrimp and is charged with the promotion of fishery in general and industrial-scale fishery in particular. It has accordingly developed a program for the acquisition of fishing boats, but the financing is somewhat inadequate. Nevertheless, the company recently took delivery of two boats--the Popo and the Requin--and put them into service. These two secondhand trawlers are the company's initial acquisitions and will possibly be instrumental in increasing the total catch (the company also plans to acquire two new trawlers). In 1971-1972, for example, Benin's total catch was approximately 33,500 tons. This figure decreased following the takeover, partly because of the age of the boats in the private sector and their withdrawal to Togo, Ghana and elsewhere.

The total catch in 1975-1976 did not exceed 20,000 tons, which represented only 2 percent of the GNP of that period. This circumstance led to an increase in imports, in a country where fish is the major source of protein because fish (at least in the southern part of the country) is one food item that the entire population is able to acquire. For example, Benin--which in 1971-1972 imported only 4,000 tons--in 1976 imported a total of 10,000 tons from the Russians and from fishing fleets operating out of Latin America. During the same period consumption reportedly decreased by from 12 to 13 percent.

This phenomenon of a decline in production has produced other phenomena:

The EDF [European Development Fund] was scheduled to finance the expansion of the fishing port out of the Fourth EDF. This operation will have to be postponed, however, since it cannot be justified from an economic standpoint. The political authorities were disturbed by the decline in production and decided to take a number of vigorous actions within the framework of the "Rely on Our Own Forces" campaign while leaving the rest to foreign aid.

Freshwater fishing has declined because of overexploitation of the lakes, rivers and lagoons. It was therefore decided that each province should have a pond for the hatching of fish, while a fish hatchery comprising 75 ponds is being constructed at the national level (with assistance from the EDF) for the purpose of stocking lakes, rivers and ponds in the provinces (10 of these ponds have been completed to date).

Some fishing boats have been purchased, and provision has been made to purchase additional ones.

Joint companies have been created, as for example the Beninese-Libyan Fishing Compnay, whose corporate structure is now being put in place. A fishing agreement has been signed with the Soviet Union.

A dam has been built across Cotonou Lagoon to prevent the infiltration of seawater into the lagoon.

At the political level, "lake districts" have been created to deal with the specific problems of the lake dwelling populations. The United Nations Capital Development Fund has reportedly also been solicited in connection with this sector.

However vigorous these actions, they will have little impact on Beninese fishermen unless the latter are educated to organize into cooperatives, which will enable the National Agricultural Credit Bank to grant them credit to modernize their equipment (boats and nets) and to acquire adequate managerial personnel.

The new lake districts created in Oueme and Atlantique provinces should undertake to assist small independent freshwater fishing operations on a priority basis. With respect to small independent marine fishing enterprises, the Grand Popo districts in Mon Province, and the Cotonou districts in Atlantique Province, should take into account the aforementioned problems of training and consciousness-raising and facilitate the granting of credit.

The fishing sector still has need of investment in the areas of equipment and training. Praiseworthy efforts have already been made, but much remains to be done in respect to marine fishery (both small-scale and industrial) and in respect to a freshwater fishing industry that will be based on modernized small-scale enterprise.

Given the problems encountered in financing the fishing industry, growth in this sector is not expected to exceed 5 percent per year in 1980-1981.

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CSO: 4400

BURUNDI

BRIEFS

FRENCH TELECOMMUNICATIONS AID--On 16 October, the Central Fund for Economic Cooperation granted a loan of 12 million French francs to Burundi. This loan will be applied to the financing of a telecommunications program including the installation of a ground station giving access to the international satellite system. The Central Fund loan will be supplemented by a grant from the French Aid and Cooperation Fund (FAC). [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 26 Oct 79 p 2905]

CSO: 5500

CENTRAL AFRICAN REPUBLIC

UNDERLYING PROBLEMS FACED BY BOKASSA STILL EXIST

London NEW AFRICAN in English Dec 79 pp 28, 29

[Text] After students protested at the French-backed coup which toppled Bokassa, Dacko contrived the arrest of their favourite, Ange Patasse. Child persecutions persist.

PRESIDENT David Dacko of the Central African Republic will sleep more soundly in the Palais de la Renaissance in Bangui following the arrest of former Prime Minister Ange Patasse close to the Chad border in early November after a manhunt involving helicopters.

Patasse, with Libyan backing, had been exploiting the unreal situation in the CAR capital following the overthrow of Emperor Bokassa on September 20 and showing up the wide gap between the liberal rhetoric and the continuing authoritarianism of Dacko's new government. In doing so, Patasse, leader of the *Mouvement pour la Libération du Peuple Centrafricain* (MPLC), fanned the flames of discontent among CAR's large student population which, though happy at the removal of Bokassa, had protested vehemently against the inescapable evidence of French planning and execution in the *coup* which toppled him.

The students took to the streets as soon as Dacko, cousin of the former Emperor, arrived in Bangui at the head of around 1,000 French troops, his only visible means of support. They protested at the exclusion from the new government of representatives of the so-called opposition parties, Patasse's MPLC and Adel Goumba's *Front Patriotique Oubanguien* (FPO).

Patasse, in Paris at the time of Dacko's *coup*, was not allowed to leave France to return to his country. The French authorities argued that his travel documents were not in order. So Patasse took refuge in the Libyan Embassy in Paris from where he was taken, on the wave of popular discontent at such obvious manipulation of CAR domestic affairs, to Tripoli.

While in the Libyan capital, Patasse was the inspiration for further popular demonstrations in Bangui. Finally the new CAR government decided it was better to have him back than to allow him to whip up support from a neighbouring and hostile country. Dacko gambled that neither Patasse nor Goumba would have the necessary political organisation in CAR to threaten him for long.

However, the new President reckoned without his own political problems. As a member of a minority ethnic group which makes up only 1% of the population, he quickly fell victim to the entrenched ethnic rivalries fostered in Bangui by his predecessor. He found himself, far from drafting a new constitution and allowing free opposition, falling back on the support of many of the Ministers and close associates of the former Emperor.

Waste

Certain things had changed. There was no longer the conspicuous waste at court which had characterised the regime of his predecessor. Indeed it is now known that Bokassa, residing in some comfort and style in exile in Ivory Coast, has disposed of the extensive assets he built up in France on the proceeds of diverted French aid money. The ex-Emperor has signed over his French property (five châteaux, three farms, a hunting concession and other accommodation) to a Paris businessman, Bernard Tapie, for the knock-down price of £1.4m. Bokassa apparently feared the French Government would confiscate his assets unless he made a quick sale. Now Tapie says he will donate the profits on the resale of Bokassa's property (conservatively estimated to be worth £6m.) to the charity UNICEF to atone for the ex-Emperor's murder of schoolchildren in what was then the Central African Empire in April.

But if the extravagance and whimsical brutality of the previous regime has gone with Bokassa, much of its underlying problems still exist. With the arrest of Ange Patasse, there can be no further pretence of multi-party democracy in the making. Indeed President Dacko has said that there will now be no dialogue with the opposition. Yet since his accession he has made much of his promises to restore democracy and guarantee personal liberties. On October 24 he announced the formation of a National Commission to draw up a constitution which must be submitted to the country by referendum within 18 months. He also promised a general election within six months of adoption of the new constitution.

Clashes

However, the President's speech provoked a renewal of unattainable expectations and political infighting in Bangui, culminating in the clashes which led to the arrest of Patasse. On October 25 student supporters of Patasse organised a march through the streets of the capital ending in an assault on and the destruction of the home of Prime Minister Bernard Christian Ayando, whom they accused of supporting the "fascist and neo-colonialist" government of Dacko.

In retaliation supporters of Dacko staged a similar raid on Patasse's house which was also rased to the ground. A curfew was imposed in Bangui, while Patasse sought refuge in a number of embassies including the Sudanese and UNDP representative offices.

It is not clear where Patasse eventually holed up. But he escaped from there towards the Chad border, while his student acolytes demonstrated once again in the streets of Bangui on November 1. This time government forces opened fire, officially wounding 25 people including 10 of their own number.

President Dacko says he still believes in the future of multi-party democracy for CAR. But he argues that since neither MPLC nor FPO have registered as political parties with the Ministry of the Interior, there can be no round-table conference as demanded by the opposition.

Arrested

Meanwhile French newpapers have reported a disturbing continuation of the police state activities encouraged by Bokassa. One young Bangui resident claimed he was arrested on his way out to buy some provisions. He was locked in a cell 20 metres square together with 35 others, of whom six were not more than 12 or 13 years of age. For two days until his release through the good offices of friends, he was given neither food nor drink, while the guards on duty became drunk in the evenings and beat prisoners with electric cable wire.

The basic toughening of attitude of the new regime has been brought home with the appointment of two hard-line army officers to crucial Ministerial posts. General Gbale, chief of staff since September 22, has replaced Gelen Doithe as Minister of the Interior, and General Bozize, deputy chief of staff since September 29, has become Secretary of State for the armed forces in place of Lieutenant Colonel Dieudonne Gbokoumande.

Meanwhile President Dacko has admitted "the Central African army no longer exists." He said that 400 soldiers who had been undergoing training in Libya in the last days of Emperor Bokassa have been recalled, but a quarter of them had since fled to the countryside, leaving the CAR capital to all intents and purposes occupied by French troops. The new President added, however: "When our army is trained and equipped I see no reason why French troops should remain here."

But with the economy in ruins following the ravages of Bokassa, and with the new government committed to immediate revitalisation of agriculture and of the roads network, it seems the French will find it difficult to pull out easily. Indeed, since captured opposition leader Ange Patasse is heavily dependent on Libyan support (it is noteworthy that he was arrested *en route* to Southern Chad where there has recently been strong Libyan influence), CAR could be in for an action replay of the troubles which have plagued its northern neighbour Chad. Libya, anxious for influence in Africa, is keen to show up the apparently neo-colonialist manoeuvres of France on the continent, while Paris, for its part, wants to maintain its dominant position in a country which, despite its troubles, is known to have important uranium reserves. At the time of his fall Bokassa was tilting away from France towards Libya for financial and diplomatic support. Thirty-seven Libyan soldiers were arrested by the new regime when it came to power in September.

The situation in CAR could be even more complicated than in Chad because certain sources report that Israel has more than a passing interest in events in Bangui.

CSO: 4420

GOUKOUNI'S QUALITIES, CHIEFS' PATRIOTISM SEEN AS ASSETS

Paris JEUNE AFRIQUE in French 28 Nov 79 pp 16-17

[Article by Marc Yared: "Chad Reconciled?"]

[Text] Chad has two advantages: the patriotism of enemy brothers and the serenity of Goukouni Oueddei.

For the first time since the independence of Chad in 1960, all the political families--there are at least 11 of them--are sharing the ministerial posts. That was the masterstroke achieved on 10 November at the meeting of the enemy brothers in Douguia, 80 km from Ndjamena (see JEUNE AFRIQUE No 985). Are these the first signs of a resurrection and a rebirth of a country torn by 13 years of civil war? Or is it only a smokescreen that superficially and temporarily hides irreconcilable antagonisms?

The evil spirits that have been governing Chad's destiny for so long have inflicted upon it two original blights.

The first plague is a natural predisposition to breaking up, like an amoeba, whose task it is to fission infinitely. One of the sources of the trouble is the country's being divided into two religious camps. On the map, half of the Chadians, living in the northern two-thirds of the country, are Moslem. The other half, living in the south, is made up of animists and Christians. In Chad, as in most of the countries of the Third World, the spiritual, cultural, social, and political are intimately linked. The religious cleavage even extends to social conflicts.. When a peasant revolt broke out in the east central part of the country in 1966, it extended to the Islamic areas of the country, which then chided the Christians in the South for monopolizing power. Since last February, 13 years later, the Christians are the ones who suspect their Moslem compatriots of wanting to impose a dictatorship.

As recently as a few weeks ago, the gap seemed all the deeper because blood had been shed in abundance. More than 10,000 people in the two communities had been killed since the beginning of the year by massacres and reprisal raids.

There should be no mistake, though: sectarianism is not an insurmountable obstacle. The neighboring countries of Nigeria and the Sudan also experienced the ravages of fanaticism in the 60's. There, Christians and Moslems took up swords against each other. However, harmony and concord finally prevailed.

Actually, Chad has long been the sick man of Africa because of the unparalleled bitterness of the regional and personal rivalries in that country. Neither the Islamic North nor the animist and Christian South is a coherent, homogeneous bloc. Each of the two zones is crossed by innumerable ethnic and linguistic barriers. The Kanembu in the West, Arabs in the Center, Tubu in the North, and Sara in the South still sometimes think with nostalgia about their ancient kingdoms, some of which were still flourishing on the eve of French colonization in the 19th century.

The various particularisms have remained all the more lively because most of the country's regions are isolated by the lack of modern communications. The various warrior traditions and the ambitions of the different chiefs, who are motivated now much more by ambition than by a coherent national ideology, explain why Chad in the 70's is comparable to China in the 20's: it is a country where a dozen "warlords" hold sway, making and unmaking coalitions as they feel like it or as the interests of the moment prescribe, so much so that the Chadian leader is probably the most unpredictable politician in the world today.

Chad's other wound is that foreigners want it. For one thing, these desires seem natural, for power "abhors a vacuum" and strives to fill it. For another, Chad is a particularly tempting prey. Of course there has been talk of "fabulous wealth": oil and uranium. But it has not yet been proven that it would be profitable to mine the deposits that have been discovered. What is fascinating is the remarkable strategic position of the country. It is a veritable crossroads at the heart of the dark continent, equidistant from the Indian and Atlantic oceans, the Mediterranean and Red seas and the Gulf of Guinea; it also borders on six countries: Nigeria, the most populous country in Africa; Libya, one of the two biggest oil producers on the continent; gigantic Sudan, and Niger, Cameroon and the Central African Republic.

It is no wonder that these neighboring powers have been eyeing Chad, whether for defensive reasons--as may be the case with Nigeria, which fears "contagion"--or for expansionist purposes, like Libya, which has occupied the Aouzu strip in the north of Chad and seeks to extend its influence into black Africa. Moreover, Chad is the passageway to central Africa, and France, which seeks to "protect" the gateways to French-speaking Africa, is not at all unaware of this.

Does this mean that Chad is condemned to being coveted and, as a consequence, torn apart?

Great illnesses call for drastic treatment. Fortunately this is possible in Chad.

The country's primary advantage is the unflagging patriotism of its men. Despite the sectarian spirit they have often shown, none of the 11 Chadian politico-military groups has called for the partition of the country, unlike the Katangans in the Congo in 1960 and the Biafrans in Nigeria in 1966, for example. Even though they are confined to the far north, the Tubu guerrillas have always insisted they are fighting for a change of regime in Ndjamena and that they respect national unity. Despite temptations, the partisans of Lieutenant Colonel Wadal Kamougue, who had to beat a retreat to the South 10 months ago, after the revolutionaries' victory in Ndjamena, have never proclaimed the secession of the southern provinces under their control.

The people have generally taken to arms against foreign powers, not that some Chadian movements have not sought to increase their influence by taking advantage of military, logistical, and financial favors from a neighboring country or a great power. In turn or simultaneously, Goukouni Oueddei (present head of state), Wadal Kamougue (vice-president), Hissein Habre (minister of National Defense), Ahmed Acyl (chief of diplomacy), and Abba Siddick (minister of Higher Education) have drawn on Libyan funds. Some have even set up shop in the Libyan capital and have had free access to Radio Tripoli. Similarly, the "Western Armed Forces" received subsidies and discreet support from Nigerian authorities.

But none of the Chadian leaders supported by Tripoli has ever endorsed the occupation of the Aouzu strip by Libya. A few months ago, the Western Armed Forces called for the departure of the Nigerian peacekeeping forces from Chad because they had been guilty of extortion. And, finally, the various governments that have succeeded each other in Ndjamena since 1976 (Malloum, Habre, Goukouni) have accommodated a French military presence "to avoid the worst," but they have seen it as only a temporary presence. Whenever they could, they demanded it be withdrawn.

Chad's other bit of luck is Goukouni Oueddei, who is now president. His importance is often underrated. Discreet and patient, the former rebel has shown his qualities as a statesman.

He is a Tubu--Islamic like most of his countrymen but a member of a minority group--which may make him a natural intermediary between the two main groups in the country: the Arabs and the Sara. It is generally admitted that Goukouni has very limited personal ambitions. In 1974 he even handed over the guerrilla command to his deputy Hissein Habre. And he emerged from retirement at the end of 1976 and opposed Habre for the sole purpose of freeing the famous French hostage Mrs Francoise Claustre. Goukouni's humanitarianism is not, as one might think, a sign of weakness; he has the largest military force in Chad, and his partisans occupy the main centers of the country.

Goukouni is prudent and well-informed. In 1978 he refused to throw the main force of his troops into the assault on Ndjamena because he was aware of the superior firepower of the French troops defending the capital. A lieutenant of his at the time, Ahmed Acyl, acted on his own and caused the disaster of Ati, in which several hundred guerrillas were lost.

Goukouni is patient. For months, from last July to October, he agreed to put off the meeting of party leaders that was intended to begin national reconciliation so that all the leaders could take part in it. But Goukouni also knows how to be stubborn. He gave notice in November that the Douguia meeting was imperative and that there should be no absentees.

Finally, Goukouni is a remarkable diplomat who seeks to neutralize the influence of foreign powers by neutralizing them. He wanted French troops to stay in Ndjamena until normalization was achieved, but he judiciously disapproved of Paris's intervening militarily in the Central African state, as it was his purpose to make friends with Libya.

In short, Goukouni is the Chadians' largest common denominator today. He is the true architect of the national union government, which is the first step toward the adoption of stable political structures. He also persuaded four Chadian movements to create a unified military police force, the "provost guard," which could become the embryo of an integrated national army.

Thanks to the patriotism of its men and the qualities of its leader, Chad now seems to be on the right track. But only the future will tell whether or not the locomotive will break down.

8782
CSO: 4400

APPROVED FOR RELEASE: 2007/02/08: CIA-RDP82-00850R000200040019-5

CHAD

NEW GOVERNMENT SAID TO HAVE GENUINE ASSETS

Paris JEUNE AFRIQUE in French 21 Nov 79 p 44

[Text] A new Chadian government, composed of 22 members, was formed on 10 November in Douguia (80 km from the capital, N'Djamena), after six days of bargaining between the leaders of the 11 politoco-military groups that are in control of the country.

For the first time since independence (1960) a government is uncontested, at least for the moment. For the first time it embodies Chadian society in its religious, ethnic and political diversity. Even though the Muslims of the northern and central part of the country have been fighting for 13 years (1966-1979) against the "domination" by the Christians of the south, and even though the latter have been complaining since last February of being subject to the Islamic "diktat," equilibrium is now reestablished: 12 ministers are from the north, 10 from the south.

Many reconstruction tasks await the new government: reorganizing administrative, economic and social life; withdrawal of French troops, dissolving the militia and creating a national army; elections in 18 months. Led by people who yesterday were violently opposed to each other (like Goukoumi Weddeye, Hisseine Habre, Wadal Kamougue and Ahmed Acyl), will the government be able to prove it is equal to the task?

There are innumerable pitfalls: the grudges of some and ambitions of others, plots by neighbors and the aims of the great powers. But the new team has reliable assets. First, the men: at once firm and adroit, "wise" in the profound sense of the word, President Goukouni Weddeye has shown that he has the stature of a statesman; Vice President Kamougue and most of the ministers are famous for their patriotism. Finally, the Chadian people appears to have decided to turn its back on civil war.

8946
CSO: 4400

CONGOLESE ECONOMIC CRISIS DESCRIBED, FRENCH AID NOTED

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 2 Nov 79 pp 2933-2934

[Article: "President Sassou Nguesso in Paris; Congolese Economy Struggling to Overcome the Crisis]

[Text] Col Denis Sassou Nguesso, President of the People's Republic of Congo, arrived in Paris on 28 October, on a visit for which we published the agenda in our issue of 26 October (p 2900).

President Sassou Nguesso has made this trip to France only a few months after being elected to lead the Congolese sate, thus emphasizing the bonds uniting the Congo to the former mother country in spite of noticeably divergent political orientations.

During a press luncheon on 30 October, the Congolese chief of state gave an initial account of his visit. Having met Robert Galley, the French minister of cooperation, on the preceding day, he discussed with him some issues of vital interest for the Congo, such as the realignment of the Congo-Ocean Railway (CFCO), the problems of agriculture and forest exploitation, and the future of eucalyptus plantations in the Pointe-Noire region.

Col Nguesso, accompanied by Pierre Nze, his minister of foreign affairs, made it a point to emphasize to the press the reasonable nature of Congolese positions concerning African issues: both men gave reminders of their trust in the Patriotic Front and in the countries of the "front line" in the Rhodesian conflict. However, they did not conceal the sympathy felt by some of their African partners toward the solution supported by Bishop Muzorewa.

This constitutes an element of tension on the continent which the Congolese president recognized, just as he acknowledged his concern for the future of the Central African Republic if public opinion in that country, having unquestionably played a part in overthrowing the Empire, is not taken into consideration.

The Congolese economy, which was for a long time based on food products agriculture, has developed thanks to the forest and mine sectors, while cash crops (cocoa, coffee, bananas) experienced a decline. The sugar industry which for a time yielded a production of 100,000 t, has diminished, but it should rise again. Transit and transportation remain very important (Southern Chad, Central African Republic, and Gabon.)

The manufacturing industry, around Brazzaville and Pointe-Noire, has grown since independence; it is undergoing certain difficulties in spite of the existence of the UDEAC (Central African Union for Customs and Economy) market, which includes Cameroon, the Congo, Gabon, and the Central African Republic.

The lumber sector was badly affected by the crisis of recent years: production, which went from 837,000 m^3 in 1971 to 233,000 m^3 in 1975, has risen back to approximately 400,000 m3, but the production of the north is difficult to market because of the current crisis affecting the Trans-Congolese Communications Agency.

Petroleum production, on which much hope rested and which had reached a level of 2,500,000 t in 1973-1974, has dropped to 1,800,000 t; it should regain its 1974 level in 1980.

Three periods can be noted over the past 10 years: a favorable period from 1967 to 1972, during which national resources grew by 4% per year; a second very short period (1973-1974) corresponding to the petroleum boom, with a growth rate of 15% per year; during this period the state adopted an ambitious three-year plan; and finally, from 1975 to 1978, a reduction in petroleum production (at a time when the state had made some ill-considered increases in its commitments), this period having coincided with the world economic crisis. Since the end of 1978, there has been a recovery which is attributable to the resumption of petroleum production and particularly of lumber.

Mention should be made of transportation, whose progress from 1967 to 1975 encouraged every hope, and which was at the origin of the ambitious project for realignment of the Congo-Ocean Railway through the Mayombe chain. But the crisis experienced in 1977, which reduced traffic and therefore revenues, had serious consequences on the management and maintenance of the enterprise; in 1979, it experienced serious difficulties which are hampering its national and subregional function in every respect, jeopardizing supplies and production shipments.

Overcoming Crisis

The Congolese economy is having difficulty in overcoming the crisis. Its agriculture, which has been neglected since independence and which has been affected by the nationalization of sugar, does not ensure supplies for cities; exportations are low at best (2,500 t of cocoa, 2,000 t of coffee, 700 t of tobacco). Lumber, for which processing industries have been encouraged, is picking up with difficulty. Its shipment from Brazzaville to Pointe-Noire is hampered by the extreme slowness of traffic.

The petroleum sector, in spite of a recession of nearly 4 years, remains very hopeful, as long as the revenues which it earns are judiciously used.

The mining sector has not been able to rise to expectations, in spite of research conducted, after BRGM (Geological and Mineral Prospecting Office), by Soviet and Bulgarian experts. The flooded potassium mine of Holle-Malela was shut down in 1977; it was never profitable and the deficit was made up by the French treasury; but it was the source of support for 1,000 families. The copper mine of M'Poaty was also shut down, its deposits exhausted; the lead mine of M'Foaty, after a decline in 1977, should recover after some new discoveries.

Industrial activity involves mainly electricity, which registered a production of 115 million kWh in 1976 but is now having difficulties, particularly in Pointe-Noire, for lack of maintenance and expansion of facilities. The beginning of operation of the Bouenza dam (Chinese aid), will not be able to improve the situation before several years, for lack of connection with the areas of consumption; a recovery program will have to be applied to Brazzaville and Pointe-Noire. However, the growth rate over 10 years has been 10.4% per year.

The processing or substitution of importations is an industrial activity being carried out through a state sector which has been in decline for 10 years, except in the case of fishing and electricity, as well as through a private sector with a growth rate of 8% per year; it concerns the various industries of lumber, beverages and tobacco, oils and soaps, shoes, and textiles.

State industries, overstaffed and lacking foresight in management and operation, have undergone crises leading to near-shutdowns in the cement, textile, oil, and sugar industries. A recovery effort should bring results in 1980-1981; however, the petroleum refinery of Pointe-Noire is still not in operation.

The private sector is having problems due to transportation of supplies, and its expansion remains very cautious; two new projects were carried out in 1979: the Pointe-Noire glassworks (Soverco) whose markets are uncertain, and the Kronenbourg brewery in Brazzaville. The Impreco textile printing plant, established in 1975, is successful. The latest investment to be noted is the 173-room Hotel Meridien.

Foreign trade reflects the fluctuations of petroleum production. Showing a deficit before 1972, it was balanced in 1973, had a surplus of 18 billion CFA francs in 1974, a new deficit in 1975, a recovery in 1976, and deficits once again in 1977 and 1978. Imports involve mainly food products but tend to be diversified. In Pointe-Noire, trade is favored by proximity to Angola, and in Brazzaville, from proximity to Zaire.

Budget and Foreign Debt

Public finances were affected by the development of the economy, notably by forest and petroleum production. In spite of an increase in resources, the crisis has remained constant since 1969; the petroleum boom has made it worse, because those in power during that time, anticipating future revenues, heavily increased investments. Aid to state enterprises, staffing for public and parapublic services, and education expenses all weighed heavily on the budgets whose deficits increased fourfold from 1967 to 1978, in spite of a twofold increase in budget resources from 1972 to 1974 (from approximately 25 CFA francs to 50 CFA francs). This crisis led to the discarding of the 3-year development plan for 1975-1977, whose revenues had been overestimated and a number of whose completed projects did not generate revenues.

Cumulative budget deficits for more than 10 years have brought the public treasury to a deadend. The need for ensuring payment of monthly salaries, thanks at times to loans made by brother-countries, has prevented meeting all current expenses. Services were reduced in order to obtain savings, to the detriment of efficiency in the administration and in state enterprises. The national debt has swollen, causing refusals on the part of suppliers to extend the customary trade terms.

The foreign debt is estimated to be over 150 billion CFA francs or 70% of the GNP; repayment of this debt is uncertain at best. It served mainly to finance development projects. It was contracted toward western as well as eastern countries with which the Congolese authorities wished to conclude moratory agreements, in order to spread out the costs of development activities. In fact, based on current figures, the yearly burden of the debt would amount to 15 billion CFA francs; it should then rise to 18 billion in years to come, after which it would become lower. This obligation is not compatible with the current level of resources.

In 1979 the government reached a stand-by agreement with the International Monetary Fund, limiting recourse to short-term and medium-term loans, and containing commitments with respect to repayment of the debt.

The authorities are aware of the seriousness of the problem, and they are anxious to provide a solution which should be made easier by the improvement of petroleum resources being foreseen in the near future; foreign aid may contribute, provided that it consists of gifts rather than loans, as is the case for French and European aid.

Recovery for the financial and economic situation, which entails austerity and rigorous management, can only come about through political determination. The staff designated by Col Nguesso perceives things in exactly this way: it has designed a legal framework, at the level of institutions, which should enable it to perform the task.

APPROVED FOR RELEASE: 2007/02/08: CIA-RDP82-00850R000200040019-5

Economic and financial difficulties were behind the political upheavals experienced by the Congo from 1968 to 1979. The leaders of the People's Republic became aware of this early this year; the military committee of the party was a temporary organization without the party's moral authority. Therefore some of its members were able to persuade this committee to turn over its powers to the party's central committee, suspended since the assassination of President Ngouabi. A new team of leaders was formed, and it placed Col Nguesso at the head of the party; Col Nguesso called a special session of the Congolese Workers Party, which has named a new central committee and designated a new political bureau; following this, a new constitution was framed and approved by referendum, while the voters elected deputies to the National Assembly and regional public officials from a single list drawn up by the cadres: by 15 August 1979, on the date of the national holiday, all the institutions were in order and the country had regained progressive legality.

This status should provide the country's leaders with the authority needed to secure acceptance for unpopular measures of recovery, economy, rigor, and work, as reflected by Col Nguesso's expression: "A hard life today for a better life tomorrow."

French Cooperation

French cooperation in the Congo is important. Generally well received, it tends toward improvement of formative activities (teaching, scholarships, training periods), and toward strengthening economic activities, notably in the transportation field. Its exact amount is difficult to calculate because of costs for technical assistance personnel (400, including 250 in teaching, for direct technical assistance). France is participating in the railroad realignment project, in the recovery measures for the Transcongolese Communications Agency, in agriculture (applied research, small-scale mechanized agriculture, and cassava), in health, and in telecommunications. The total sum which the managing committee of the FAC [expansion unknown] has set for 1978, amounts to 680 CFA francs; the central treasury for cooperation supplements FAC activity in the transportation and telecommunication sectors; the new Hotel Meridien was primarily financed by this fund, which is also involved with FAC and EDF in the recovery of the power company; its participation amounted to 2.1 billion CFA francs in 1978, and 2.7 CFA francs in 1979.

Cultural activity is significant through aid to the university, to educational research, and to literacy; the important part played by the Brazzaville and Pointe-Noire French cultural centers with respect to pupils and students should be noted.

Participation by the French private sector continues, although cautiously: the Congo glassworks, the Kronenbourg brewery, the Hotel Meridien; foreign competition is minor with respect to investments.

11,023
CSO: 4400

NEW EKUELE CURRENCY

Paris JEUNE AFRIQUE in French 21 Nov 79 p 47

[Text] Equatorial Guinea announced on 24 October that a new currency is being created. It will retain the name ekuele and will be in parity with the Spanish peseta (about 320 CFA francs). Until now the ekuele has been worth nothing on international monetary markets. This is easily understood if one is familiar with the financial situation that prevailed under Macias Nguema's reign.

Equatorial Guinea's monetary reserves were stored in a simple camp in the president's native village. At Nsangayong, deep in the Equatorial forest, several bagsful of banknotes were lying inside a hastily-constructed building. Some notes, in ekuele, were slowly deteriorating on the damp ground. Although he had a special building constructed in the capital to shelter the country's central bank, Macias had decided to transfer all the reserves it was holding to the village where he had settled. "To avoid theft," he explained very seriously at the time.

In reality the former dictator had simply transformed the central bank into a personal fund.

On the island, which was then christened Macias N'Guema, where Malabo, the capital was located, money had virtually disappeared; the bartering era had returned. In the entire country, civil servants and soldiers had not been paid for several months. It seems that at the time of the coup d'etat the "single miracle of Equatorial Guinea" opened the "public treasury" to his entourage. The investigating magistrate stated that the equivalent of $4,000,000 (840,000,000 CFA francs) then disappeared.

It is understood that one of the chief charges that sent Macias before the firing squad was misappropriation of public funds. The former dictator also held a bank account worth $6,000,000 (1,260,000,000 CFA francs) in the country.

8946
CSO: 4400

GABON

ECONOMY REVIEWED, GOOD PROSPECTS NOTED

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 16 Nov 79 p 3102

[Excerpts] In 1978 there was a gradual and substantial slowdown of the economy after the "overheating" of the country in the course of the summit meeting of the OAU. That year the gross national product declined 20 percent. Sources of foreign revenue dropped. In 1977 petroleum accounted for 74 percent of the value of exports and 54 percent of the budget revenue. The government fears this dependence. It has decided to slow down a type of industrialization considered out of step with national realities and too costly.

Nevertheless, with an assured relatively long-term output of 10 million tons of petroleum per year, and rich in uranium in which a number of its partners are interested, and possessing iron and manganese deposits and very good timber reserves, Gabon could calmly face the future providing that it maintains a proper pace for a steady development.

In 1977 its balance of payments showed a deficit of almost 45 billion CFA caused by interest and foreign indebtedness. In 1978 the balance of payments has improved. The second half of the year was influenced by austerity measures, repayment by the public sector and the advice given by the international monetary fund. However, this new rhythm resulted in a lowering of activites by manufacturing industries and servicies, specifically on the level of consumer goods.

The 1979 budget is balanced on the level of 283.4 billion CFA, 71 billion of which for investments; 11 billion would be kept available for "options." The 1978 budget totaled no more than 243 billion. The infrastructures account for 53 percent of expenditures, 32 percent for the Transgabon railroad alone.

5157
CSO: 4400

GABON

BRIEFS

COMMUNISTS DESTABILIZING GABON--[President] Bongo has alerted [French Minister of Cooperation Robert] Galley to the serious disturbance in western Gabon. Tribal divisions are being exploited by communists from the Congo so as to destabilize the area. [Text] [Paris PARIS MATCH in French 28 Dec 79 p 31 WA]

CSO: 4400

GHANA

BRIEFS

BUDGET, DEFICIT NOTED--Controlling inflation which reached 100 percent in the final months of 1977 and beginning of 1978 remains the priority target. At the end of August 1978 the cedi was devalued 38 percent in terms of the dollar. The 1975/76-1979/80 five-year plan calls for 6.7 billion cedis in public and private investments and calls for developing averaging 5 percent annually. The 1978/79 fiscal year budget was 4.4 billion cedis with an anticipated deficit of 500 million. The previous budget totaled 2.5 billion cedis. Ghana has three development banks. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 16 Nov 79 p 3096] 5157

CSO: 4400

GUINEA

ECONOMY REVIEWED, FRENCH COOPERATION ADVANTAGES

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 16 Nov 79 p 3094

[Text] This country with an area of 250,000 square kilometers and a population of 5.5 million, increasing at an annual rate of 2.8 percent, seems to have a gross domestic per capita income of about $160. The gross national income breakdown is as follows: 40 percent agriculture, 25 percent mines and industry, and 33 percent the rest. For 1977 it was assessed at $1 billion 80 million, with a per capita gross national product of $230.

The mines account for 97 percent of export revenue. This involves bauxite deposits with estimated reserves of respectively, 13.75 billion tons and 16.60 billion tons. The deposits are rich.

The current trend is to let foreign companies exploit the mining resource: uranium, diamonds, iron, oil, and bauxite. For more investments the state owns 49 to 51 percent of the shares and receives 65 percent of the profits. Another tax is also levied on a scale whose purpose is to try to process the ore domestically.

The state owns all mining installations on which it borrows. Banks are repaid out of the output of the individual mines.

In 1978 Guinea's budget showed a surplus of 550 million sylis, compared with 180 million in 1977.

The sales figures of the 177 state companies and enterprises and mixed enterprises dropped from 30 billion 373 million sylis in 1977 to 29 billion 803 million in 1978. The earnings of these companies are declining because of the losses of the commercial sector which rose from 490 million in 1977 to 831 million sylis in 1978. The increased losses were detected thanks to an improvement in public finances which made it possible to discover a number of bookkeeping errors.

The recent resumption of cooperation with France should lead to the gaining of better knowledge concerning Guinea's economic and financial data.

In July of 1979 the International Monetary Fund allowed Guinea to purchase the equivalent of 2.97 million drawing rights as a first part of the loan. The 1979-1980 governmental program, on the basis of which the purchase was approved, aims at consolidating the accomplished progress, stimulate domestic production, encourage domestic savings, and draw foreign investments.

5157
CSO: 4400

GUINEA

BRIEFS

TOURE'S VIEWS ON EGYPT--Sekou Toure has sent a confidential cable to Habib Bourguiba for the Arab League summit taking place in Tunisia. Sadat's condemnation and Egypt's exclusion from the League are negative actions, according to the Guinean leader, who is asking the Arabs to reconsider their position. [Text] [Paris JEUNE AFRIQUE in French No 987, 5 Dec 79 p 45]

CSO: 4400

GUINEA-BISSAU

ECONOMY, TRADE DEFICIT REVIEWED

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 16 Nov 79 p 3094

[Text] Ginuea-Bissau, a small country covering an area of 36,000 square kilometers, with a population estimated at 925,000, bases its economy essentially on agriculture. It grows peanuts, copra, sugarcane, cashew nuts, and palm oil. It also grows rice and is developing its fishing industry.

Its 1977 gross national product totaled $150 million. Its per capita gross national product of $160 makes it one of the poorest countries. It has few industries, a few oil extraction and distillery plants, beer production and carbonated water, saw mills and furniture factories, and a clothing factory. There are 685 commercial enterprises in the country.

The trade balance is negative. In 1977 imports totaled 1,235,000 contos while exports amounted to 427,570 contos. Nevertheless, there has been an improvement in budget balancing. Trade is essentially with Portugal and the European economic community. The question of a merger between this country and Cape Verde has been raised.

The state owned company Caixa de Credito da Guine-Bissau, set up in June of 1967, is participating in the development of agriculture (37.5 percent of its investments), industry (32.7 percent), and real estate (26.6 percent). At the end of 1975 it had invested 87.7 billion pesos in 117 operations.

The loans breakdown is as follows: long-term, 10.2 percent; medium-term, 55.3 percent; and short-term, 34.5 percent.

There is no information as to whether or not this enterprise is still in operation or if it has been reorganized in recent years.

5157
CSO: 4400

GUINEA-BISSAU

BRIEFS

USSR GENERATOR--A 300 kilowatt thermoelectric power generator, built with the help of Soviet specialists, was recently delivered to Guinea-Bissau. In accordance with the USSR-Guinea-Bissau economic, scientific, and technical cooperation agreement, five other electric power plants are in various stages of completion. Two of them--each developing a 450 kilowatt capacity--are almost completed in Cacheu and Farim. The designs and technical specifications of two other plants developing 3,500 kilowatts each have been drawn up. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 16 Nov 79 p 3209] 5157

CSO: 4400

IVORY COAST

COCOA STORAGE PROBLEM REPORTED

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 23 Nov 79 p 3269

[Text] The Ivory Coast seems determined, despite many difficulties, to fight against what it judges to be a speculation on the drop in the price of cocoa, and to put none on the market as long as the price of its primary export product has not returned to a "normal" level, or in other words about 15 percent to 20 percent higher.

At the moment, the authorities are devoting all efforts to store the first tonnages of a crop which, luckily for them, is late (See MTM for 16 November, p 3211), and the Ivorian Minister of Agriculture, Mr Denis Bra Kanon, is making a tour of inspection in the cocoa-growing zones of the country in order to give his latest directives.

Since cocoa cannot be stored correctly except in humidity of less than 8 percent, the main problem lies in the drying of the beans, traditionally difficult, but made even more problematic due to the heavy unseasonal rains which the Ivory Coast is currently witnessing.

According to the specialists of the IFCC-Bingerville [French Coffee and Cocoa Institute] more rain fell this year during the first 10 days of November than during the whole month last year (39.5 millimeters against 32.5 millimeters). In a more general way, 422 millimeters more rain fell between June and October than during the same period in 1978.

The fermentation and drying of the beans, upon which the quality of the cocoa depends, are going to be particularly difficult this year, and experts doubt that the small producers, despite the strict instructions which have now been given them, can still dry the fermented beans in good conditions.

Added to this problem is that of storage, properly speaking. Of course the Ivory Coast possesses ultra-modern silos, especially at Abidjan, where the beans can be stored in inert gas, but their capacity risks being clearly inadequate. The experts note that while one can of course store the beans for a short time in the sheds of the ports of Abidjan and San Pedro, the surrounding humidity, which varies between 75 and 80 percent, does not permit good preservation. In these conditions the authorities at first thought of preserving the beans in plastic sacks, but their cost (34 French centimes per kilogram) was considered too high.

The Fund for Stabilization and Support of Prices of Agricultural Products nevertheless refuses to march to the rear and to sell even a small quantity of cocoa on the market. At the present time it plans to have the beans transported by train and truck to the northern part of the country, to the border of the Sahel, and consequently much drier, to ensure better preservation.

At the same time the authorities intend to ask four local processing enterprises (CHOCODI, API, SACO, and PROPACI), to make a maximum effort and to process what they can, ready for storage. The experts even imply that the government might requisition the plants in order to coordinate their activities better.

6108
CSO: 4400

IVORY COAST

BRIEFS

AMENDED BUDGET--A council of the Ivorian ministers, devoted to the state budgets, was held in Abidjan on 16 November. Mr Abdoulaye Kone, minister of the economy, finance, and the plan, presented his report on the corrected draft finance law for 1979. At the time of the presentation of the operating budget, the Ivory Coast opted for a policy of budgetary austerity, particularly in restriction of consumption by the administrative offices. This policy of reducing state operating expenses made it possible to free large credits for the financing of priority investments. The corrected financing law for 1979 was formally adopted by the Council of ministers and amounts to 27.2 billion CFA francs. Thus the balance of the general operating budget is set in resources and expenditures at 304.6 billion CFA francs, compared with 277.4 billion in the initial financing law. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 23 Nov 79 p 3270] 6108

CSO: 4400

KENYA

MOI HAS FREE HAND FOLLOWING ELECTIONS

Paris JEUNE AFRIQUE in French 21 Nov 79 pp 44, 45

[Text] Kenyans are noncomformist and anti-authority. That is the conclusion that is being drawn from the results of the legislative election of 4 November in which 150 deputies were elected.

Of course--as in the two previous elections occurring since independence in 1963--the candidates (742 in all) were all members of the single party, the KANU (Kenya African National Union). But that did not prevent the 6,000,000 voters from rejecting, primarily to the advantage of "newcomers," 10 ministers out of 19, several deputy ministers and the national president of the KANU. As in 1969, over 50 percent of the deputies were sent home.

For the first time since independence a white, Philip Leakey, the sone of the famous anthropologists who settled in Kenya several decades ago, was elected. A Kenyan of Indian origin, Mrs Krishna Gautama, will also sit in Parliament, for the first time since 1969.

For the most part the elections express a disaffection with the companions of former President Jomo Kenyatta, who died in 1978; there are still many of them in the executive. Among those defeated are Jomo Kenyatta's brother-in-law, Mbiyu Koinange, Natural Resources Minister; Njoroge Mungai, Kenyatta's nephew, and Munyua Waiyaki, the traditional chief of diplomacy, had the edge.

The chief of state, Arap Moi, who has thoroughly established his authority in a few months--many provincial tours earned him great popularity--now has a free hand to get rid of the "old guard." He will take advantage of it soon, to form a government composed of his close associates.

But the 4 November election is also a warning for Mr Moi himself. This is how it happened that Omelo Okero, minister of Energy and Communications and national president of the KANU, was defeated by a partisan of Oginga Odinga, his notorious opporent. President Moi had forbidden the latter to run, and six leaders of the students' organization who protested that decision were expelled from the university in October.

Liberalization or a harder line? No one knows which path the chief of state will choose, at a time when the country is threatened with unprecedented isolation, following the Tanzanization" of Uganda.

8946
CSO: 4400

KENYA

SIGNIFICANCE OF HARAMBEE PROJECTS NOTED

London NEW AFRICAN in English Dec 79 pp 49-50

[Text] Moi has been donating generously at harambee meetings as part of his election campaign. But for ordinary people the size of the contribution reflects their priorities.

1979 HAS been a bumper year for *harambee* projects. Although figures are still being compiled, it has been estimated that at least Kshs70m. has been raised in *harambee* fund-raising campaigns and more than twice that amount in other meetings.

Two factors fuelled this bout of philanthropy; President Daniel arap Moi's exuberance and the imminent general elections. Moi has been stumping from one remote corner of the country to another and donating generously at *harambee* meetings. Taking their lead from him, incumbent MPs and their contenders have done likewise. Because in Kenya, where elections are not fought on issues, *harambee* contributions have proved veritable vote-winners.

The political aspect of *harambee* projects became evident last year during the KANU national elections when the party made it clear that candidates will only be sponsored if they have "identified themselves with the development efforts of *wananchi*" - clearly understood to mean contributions to *harambee* funds.

Harambee, a Swahili word meaning "let us pull together", was introduced by the late President Jomo Kenyatta 16 years ago, to rally a new but divided nation. In 1963 there was a rift in Kenya along party lines - between Kenya African National Union (KANU) and Kenya African Democratic Union (KADU). There was also a rift between those who waged the Mau Mau armed struggle that brought *uhuru* and those who opposed it. Kenyatta needed a simple, direct and neutral catchword to animate the nation and *harambee* was it. "The spirit of *harambee*" has survived him and now attends a whole range of activities - from the construction of schools, hospitals and roads to the funding of wedding feasts.

However, it is doubtful whether Kenyatta had self-reliance in mind when he first shouted the slogan, wrongly pronouncing it "karambee." The fact remains that, as a result of the *harambee* movement, rural areas have benefited, the central government has been spared millions of shillings, needed services have been provided, jobs created and wealth transferred from the well-off to the less fortunate.

The change of *harambee* from a catchword to a national motto and then to a vehicle for self-reliance and wealth redistribution was as spontaneous as Kenyatta's shout at a public rally.

When he died last year at least 14,165 self-help projects were under way; 1,671 had been completed that year and only 753 abandoned. A sum of K£8,650,232 was added to the economy, according to a Ministry of Social Services report.

This amount did not include funds raised for Institutes of Technology or other projects considered by the Ministry's officials to be "too political." What is significant is that 89% of the contributions to the projects came directly from the local people and mostly in small donations. While the government provided a mere 6%, the rest was made up by leaders. For instance, Moi donated KShs220,000 for various projects in his constituency compared with the KShs100,000 donated by Kenyatta for building a *harambee* school on the coast.

Practically every weekend, Kenyans from all walks of life are to be seen contributing to *harambee* projects. Some touching scenes have been recorded: old ladies clutching tattered five shilling notes and barefooted children in rags donating as little as 50 cents, while some well-fed and expensively dressed dignitaries have not shied away from making their donations in brief cases.

The *harambee* projects are a guide to the desires of the Kenyan people. At least 80% of funds raised last year were for social services for which there is a crying need, with education, both primary and secondary, at the top of the pile; nursery schools, clinics and dispensaries followed a close second, and trailing behind were churches, mosques and domestic projects. The rest of the funds went to access roads, water supplies, soil conservation and cattle dips.

As a rule, all projects must be initiated by the people who are organised in development committees. For the *harambee* projects the most important are the location development committees.

"We avoid telling people to start a *harambee* project because if we do so then it is looked upon as a government project," a Department of Social Services official has explained.

These projects must also be registered and the committees are required to maintain bank accounts. Once a project has been initiated the government steps in to ascertain that it is viable and, if it is, to make provisions in the development plan for teachers in the case of schools, health officers for dispensaries, and also see that there are no duplications.

Misappropriations

Experts are also brought in because, officials say, "it is important that the people know the cost of the project." It is also at that stage that the government announces its contribution.

After that the project is largely in the hands of the committee and the only accounting system is a booklet provided free by the Department of Social Services. A case of misappropriation must be taken to court and there are frequent complaints that vast sums of money are spent on dubious missions.

However, misappropriations of funds are difficult to detect because the accounting system is haphazard. Only now is there a proposal to start an accounting unit for *harambee* projects.

On the other hand, the *harambee* movement appears to have a built-in deterrent. Contribution and participation in *harambee* projects are a source of social esteem and act as a ladder to political offices. Misuse of funds, therefore, can spell loss of status, both social and political●

CSO: 4420

MADAGASCAR

TRADE DEFICIT IN 1978 REPORTED

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 19 Oct 79 p 2841

[Text] According to data published by the Malagasy National Institute for Statistics and Economic Research (INSRE), the foreign trade of the Democratic Republic of Madagascar in 1978 recorded a sharp increase.

Imports totaled 99.6322 billion Malagasy francs [FMG] in 1978, compared to 85.2169 billion in 1977: an increase of 16.9 percent.

Exports totaled 87.214 billion Malagasy francs in 1978, compared to 82.9267 billion in 1977: an increase of 5.2 percent.

The deficit in the trade balance is therefore also substantially larger: up from 2.2902 billion FMG in 1977 to 12.4182 billion in 1978.

The percentage of imports covered by exports--which was 97.3 percent in 1977 (with total trade in almost perfect balance)--decreased in 1978 to 87.5 percent.

Trade Partners

The deficit in Madagascar's trade with the EEC recorded an increase, because of the decrease in exports (31.1818 billion FMG in 1978 compared to 36.4012 billion in 1977) and the increase in imports (57.6099 billion FMG in 1978 compared to 50.3258 billion in 1977). The deficit accordingly increased from 13.9246 billion FMG in 1977 to 26.4281 billion in 1978. Federal Germany is the principal beneficiary of this increase: its sales to Madagascar increased from 7.070 billion in 1977 to 13.8325 billion in 1978.

In contrast, there was an increase in the already favorable balance of trade with the other European countries: from 2.3335 billion FMG in 1977 to 3.9807 billion in 1978. This was due to the fact that exports increased from 6.9647 billion FMG in 1977 to 8.313 billion in 1978 (up 19.4 percent) and that imports decreased by 4.9 percent (from 4.6311 billion FMG in 1977 to 4.4043 billion in 1978).

Imports from Africa and the neighboring countries were characterized by stagnation.

Trade with the Americas was relatively stabilized, in both directions. An increase in trade was recorded (in both exports and imports) with the United States, but a sharp decrease in trade with Brazil.

Trade with Asia recorded an increase in both directions. Imports increased by 8.1582 billion FMG (from 11.3939 billion FMG in 1977 to 19.5521 billion in 1978, up 71.6 percent); and exports increased by 7.576 billion FMG (from 23.1167 billion in 1977 to 30.6927 billion in 1978, up 32.8 percent).

Trade Classified by Product

Exports recorded an increase of 5.2 percent--in terms of total value--over the corresponding figure for 1977 (up 4.2873 billion FMG) but recorded a decrease of 6.3 percent in terms of quantity (down 28,920 tons).

The most noteworthy data relate to the following exports:

a. Coffee. A decrease was recorded in the average unit price (down from 806 FMG per kilogram to 663 FMG per kilogram): from 30,189 tons (valued at 40.456 billion FMG) exported in 1977 to 55,157 tons (valued at 36.5831 billion FMG) in 1978.

b. Cloves. A very sharp increase, from 3,635 tons in 1977 to 14,767 tons in 1978 (from 4.9341 billion FMG to 17.2226 billion FMG).

c. Vanilla. A situation of stagnation.

The above-mentioned products by themselves account for 71.5 percent of the total value of all exports reported in 1978. As to the other products, we may note a decline in the export of pepper (down 1,595 tons, representing a decline of 755.3 million FMG); a decline of 826 tons (representing 1.4375 billion FMG) in the export of fish, crustaceans and mollusks; and a slight increase in the export of chrome.

Imports recorded an overall increase of 14.4153 billion FMG (up 16.9 percent) in value and an increase of 133,236 tons (up 16.1 percent) in quantity in 1978.

In terms of categories of use, we may note:

a. A sharp increase in imports of the "raw materials" group, both in value and in quantity: 199,231 tons in 1978 compared to 173,740 tons in 1977 (28.2061 billion FMG in 1978 compared to 24.0085 billion FMG in 1977). This increase is due primarily to the increased imports of cement, chemicals and metal products.

b. An increase in imports of the "energy" group, due to the increased imports of crude oil (up by 37,750 tons in quantity and 442.7 million FMG in value) and of diesel oil (up 21,407 tons in quantity and 523.6 million FMG in value).

c. A sharp increase in imports of the "agricultural equipment" group (although this group still represents only a very small percentage of total imports).

d. The increased prices for products in the "industrial equipment" group.

e. The increased imports of the "food" group, due primarily to rice imports.

f. A slight decrease in imports of the "consumer goods" group.

10992
CSO: 4400

MALI

ECONOMY REVIEWED, BUDGET, DEFICIT AMOUNTS PROVIDED

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 16 Nov 79 pp 3090-3091

[Text] As a very big enclave, Mali is essentially an agricultural country. It has been said that it could become the granary of West Africa. The river supplies it with fishing resources. However, industrialization is underdeveloped and the country is suffering from the distance to the coast. It is also the victim of the doubtful management on the part of a number of state companies. In 1978 its agricultural output reached a good level and food reserves are being rebuilt. Nevertheless, more food has to be imported to reestablish the balance.

Mali is focusing its hopes on a mining and metallurgical industry, assuming that the surveys would be favorable, particularly in terms of oil discovery. Electric power production has doubled in four years. Nevertheless, compared with 1977, the 1978 general industrial output indicator declined.

The commercial balance is negative and affected by a number of negative factors: price increases, and increases in imports, particularly of materials, machines, and vehicles required for the construction of the Selingue Dam. Cotton is its main export item.

The 1979 Mali budget totals 69 billion 369 million Mali francs in revenue, compared with 56 billion 493 million in 1978. It represents a heavy burden. Expenditures total 70 billion for the operational budget with another 65 billion most of which going to public education, followed by defense. Equipment expenditures will be under 5 billion, showing a slight reduction, compared with 1978. Regional budgets have been increased. Some financial resources will be channeled to them, totaling 6.5 billion.

The slight budgetary deficit of 700 million will be balanced through foreign aid. This figure is quite lower compared with previous years. Therefore, recovery possibilities exist.

The current plan is sensible and would definitely result in development. Basically resting on progress in agriculture and livestock, it assumes, if it is to be successful, that the prices paid to the peasants would be sufficiently profitable to interest both public finances and the rural population.

5157
CSO: 4400

SOLAR ENERGY PLANTS A 'FIRST' WORLDWIDE

Paris JEUNE AFRIQUE in French No 988, 12 Dec 79 p 51

[Text] Mali is entering the solar energy era. On 24 and 26 November, two solar energy plants were inaugurated, the first in San in the southeastern part of the country and the other in Dire, a small town in the north-central region.

The plant in San (20,000 inhabitants), will provide energy for the first hospital in the world to use solar energy, which is produced by 2 generators. On sunny days, the first can provide 8,900 watts of energy, which can power medical appliances--from X-rays to sterilizers--as well as lighting and ventilation machinery. The second generator, of more modest dimensions, will power a water pump supplying a daily volume of approximately 30,000 liters. However, the main event will doubtlessly take place in Dire. This small town of 7,000 people located on the Niger River at about 100 kilometers southwest of Timbuktu, houses the largest medium-sized solar plant in the world since 24 November. Its volume of 9,000 cubic meters of water per day will provide potable water and electricity for the town. This volume of water will also allow the preservation of perishable foodstuffs in a refrigeration complex, and the irrigation of 200 hectares of arable land, thus contributing to the fight against desertification. All this, thanks to a kind of "raw material" with which Mali is amply endowed: the sun.

CSO: 4400

MOZAMBIQUE

ECONOMY, BANKING INSTITUTIONS REVIEWED

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 16 Nov 79 p 3116

[Text] Mozambique has an area of 783 square kilometers with a population of 9,644,000 (1977) and a per capita gross national product of $150.

The 1978 fiscal budget totaled 10 billion escudos (+ 3.5 billion) in revenues and 12.6 billion (+ 2.6 billion) in expenditures. The estimated 2.6 billion deficit is lower by 0.9 billion compared with the previous year.

According to United Nations estimates, the overall deficit in current accounts and capital rose from 185 million in 1977 to $225 million in 1978. The total budget deficit is $170 million, most of it financed out of bank loans which generate inflation.

Lack of reliable and recent information makes it impossible to supply specific and up to date information on the financing of the country's development. It is known, nevertheless, that in September 1976 bank deposits totaled 20 billion 389 million escudos, a figure similar to the one recorded in the two previous years. However, in two years the checking accounts had increased 34 percent, rising from 13 billion 928 million escudos to 18 billion 722 million, to the detriment of long-term deposits which have declined because of the precarious nature of the economic situation and a preference for cash, even though the interest they earn ranges from 4.5 to 7.5 percent annually rather than 1-2 percent.

The interest charged on loans is fixed by law and is based on the length of the term: 8.5 percent for no more than 180 days, and progressive interest rates of up to 11 percent for long-term loans.

The Banking Network

In November 1977 there were six private banks, as follows:

Banco Standard Totta de Mocambique, 60 percent of whose capital is of Portuguese origin. Toward the end of 1976 the bank held 20,000 accounts with 2 billion 350 million escudos in bank deposits. It had retained a certain financial participation in real estate which was nationalized and in cashew and cotton enterprises, totaling 500 million escudos.

Established in 1971 the Banko Commercial de Angola, accounted for most of Mozambique's operations with foreign countries, thanks to the participation of Barclays International, issuing credit documents and travelers checks. However, the Bank of Mozambique has taken over these operations.

The Banco de Credito Commercial et Industrial, established in 1965, had 2 billion escudos in deposits with 20,000 accounts in 1976.

At the end of 1975 the Banco Pento et Sotto Mayor, nationalized in Portugal in May of 1976, had deposits totaling 1.9 billion escudos and 9 million escudos in industrial investments.

The Banco de Fomento Nacional

The Casa Bancaria Mocambique, was set up in 1972 to handle the tourist enterprises of a private citizen, Brito, with a capital of 50 million escudos. It has financed the opening of four hotels which were nationalized. It holds shares in small enterprises (furniture, clothing, milling, fishing). It is the only one in the country to make personal loans. It lends up to the amount of three monthly salaries, repayable in one year.

All these private banks have a very uncertain future, the more so since the FRELIMO intends slowly to nationalize all financial institutions. Thus, it favors the following three state institutions:

1. The Bank of Mozambique, established in May of 1975 on the basis of the old central bank Banco Nacional Ultramarino which enjoyed a dominant position and owned a large number of enterprises of all kinds. Its assets were taken over by the state without compensation. At the end of 1975 the Bank of Mozambique held reserves in gold and foreign currency totaling 6.5 billion escudos and had loaned about 6 billion.

2. The Instituto de Credito de Mozambique, set up in 1970, with 18 agencies and 60 branches, has no capital. It receives the mandatory deposits and the amounts from the postal savings bank. It is interested in making farm loans and grants short, medium, and long-term loans to industry and trade. It finances enterprises dealing in textiles, tires, bicycles, and ceramics. In 1974 it invested 354 million escudos in public works, 385 million in agriculture, and 130 million escudos in the processing industries.

It provides direct help in the cultivation of rice, cotton, potatoes, tobacco, and corn. It was scheduled to become the main development bank in Mozambique.

Between 1970 and 1976 it conducted 22,238 operations totaling 8.9 billion escudos, of which 3 billion in industry, 1.7 billion in agriculture, and 2.6 billion in services. In 1976, 5,269 out of 5,362 operations were in agriculture, totaling 234 million escudos of a total of 518 million escudos. Medium-term operations account for 49 percent, earning 8.3 percent interest compared with 6.3 percent for short-term and 9.9 percent for long-term operations. It pays interest on savings accounts from 4.5 to 9 percent (for over 2 year deposits) and a 2 percent interest on regular savings accounts. In 1976 deposits totaled 6.6 billion, 4.6 of them mandatory.

At that time it had invested 105 million in 8 enterprises. Since 1971 it has participated in projects of national interest: a dam, planned implementation, equipment, water, telecommunications and plant construction; it has been involved in the financing of 28 operations totaling $2 billion 394 million 176,590.

3. At the end of 1975 the Caixa Economica Montepio de Mocambique had investments totaling 67 million escudos and 2.5 billion in deposits, one-half of which in savings accounts.

The banking sector is undergoing extensive changes.

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MOZAMBIQUE

BRIEFS

ISRAELI PILOTS ALLEGEDLY DOWNED--On 4 November Armando Panguense, Mozambique's ambassador to Lisbon, stated that two Israeli pilots "on the service of Rhodesia," were downed over Mozambique. The ambassador, who headed the FRELIMO delegation to the Palestine Solidarity Conference, held in Lisbon, did not specify when and where the Israeli pilots were brought down. The ambassador used this example to illustrate Mozambique's solidarity with the Palestinians. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 16 Nov 79 p 3227] 5157

CSO: 4400

SENEGAL

LEFT FACING DILEMMA IN DEALING WITH ISLAMIC MOVEMENTS

London NEW AFRICAN in English Dec 79 pp 22, 25

[Text] An "Ayatollah"-type sheikh has threatened to put President Senghor on trial, although his 300,000 strong Islamic Party is not even recognised by the government

WILL a fanatical Moslem revolution on Iranian lines occur in Africa today? Thirty-three-year-old Sheikh Ahmed Khalifa Niasse of Senegal thinks this could happen in his country if President Leopold Senghor "does not renounce, within the next 90 days, his French citizenship." And if he failed to do so – according to a warning given at the Sheikh's press conference in Paris in October – he would call upon the Senegalese people to revolt against their President.

Trial

Sheikh Niasse went on to declare: "If he will however give up his French citizenship he will be put on trial as he has squandered the nation's property." But Sheikh Niasse, referred to by his followers as the "Ayatollah" of Kaolack (the capital of the Sine-Saloum region and the country's second largest city), did not say how he was going to "try" one who holds constitutional power in Senegal.

He seems to be growing in confidence, nevertheless, since he formed the Islamic Party last August after experimenting on smaller groups of mutual assistance and solidarity under the collective name of Dahira Allahou Akbar. His Islamic Party with 300,000 followers is not officially recognised by Senghor's Government (there are only four recognised parties in the country including the ruling *Parti Socialiste.)*

The formation of Sheikh Niasse's party stems from the upsurge of Islamic fervour that has been rocking the world since the Ayatollah's revolution in Iran. Though 80% of the population of Senegal profess to be Moslems, Senghor is a Catholic and religious fanaticism has so far been low key.

But the past year has brought a feeling of self-confidence among Senegal's Moslems; traditional Moslem groups are either being re-organised or formed; and more militant ones, such as the Islamic Party, are getting off the ground.

On the traditional side, the four Moslem brotherhoods in the country, the Layanniya, the Khadiriya, the Tidjaniya and the Muridiya are fully functional. The Muridiya is the best known with its base in Sine-Saloum, the main groundnut production centre in the country.

While the brotherhoods are part of institutionalised Islam, Sheikh Niasse's party and its relative success reflects the social and cultural turmoil that is lurking beneath Senegalese life. "The world is today facing an abyss. It is facing total failure in the field of spiritual and moral values," Sheikh Niasse said.

Mahdi

Although he is referring to the world in general, there can be no doubt that for the mass of his followers this view means their own world, Senegal. As if in response to the Sheikh's call, an Islamic Liberation Group (GLI) has been formed with its leader calling himself the Mahdi.

For members of the Sunni Islamic sect, Mahdism has always been the answer to a crisis. To them, the appearance of a so-called Mahdi signifies the end of all corrupt practices and the beginning of a pure era which is achieved through violence.

That this Mahdist movement has emerged in Senegal is due to three main reasons: the existing degree of democracy in the country makes it easier for one to expound an alternate view; the country's economic performance is falling, due to the decline in production of the main cash crop, groundnuts, ("The government suffered a severe loss in 1978 with the failure of the groundnut crop," Finance Minister Ousman Seck said in his Budget speech in June this year); and, most important of all, the country appears to be still controlled by France.

With such a line of agitation, the opposition parties have been trying to forge closer links with the Islamic movements. For instance, the *Regroupement Nationale Démocratique* of Sheikh Anta Diop, not officially recognised, has for some time been trying to gain the support of the Muridiya which is also being courted by the conservative *Mouvement of Républican Sénégalais,* the fourth officially recognised party in the country and which has the best chance of providing an alternative government.

The MRS for its part is laying greater emphasis on religious education and in particular is proposing to create two Islamic universities at Touba and Tivouane. These two towns are the centres of the Muridiya and Tidjaniya sects.

Infiltration

Despite complaining about "excessive foreign infiltration of Senegalese policies," the Islamic movements and the opposition parties are turning to foreign countries to further their aim. The RND enjoys the friendship of the Algerian authorities. The leader of the PDS, Abdoulaye Wade, was forthright recently when he noticed "a certain similarity between his party and the Iraqi Baath Party".

The Senegalese Government reacted to this by denouncing the opposition parties as "foreign mercenaries," closed the Iraqi Cultural Centre in Dakar and refused the Libyans permission to open a cultural centre. Senghor's government has every reason to be very wary, in particular, of the religious fanatics.

At his Paris press conference Sheikh Niasse was very quick to praise the revolution in Iran and was even quicker to point out that his party was "extreme right wing," claiming unequivocally: "The party's main enemy is Communism and as we take over the government in Senegal we would force the ruling Socialist Party to leave the Socialist International, a Communist hiding place."

The struggle of an Islamic movement against an African country – among the few on the continent maintaining a European military presence – is not a sufficient reason for the Senegalese Left to try and replace a regime which is relatively liberal by African standards with one which would be hard-line in the extreme.

It is all the more serious when such a movement lacks any coherent solution to the country's central problem, the economy, other than the Koran which can only reflect medieval socio-economic structures. The sign of things to come if the fanatics gain power was the destruction of sacred places belonging to the polytheist, Diola, by a Moslem leader, Sheikh Ousmane Badji.

The dilemma, of the Senegalese Left, therefore, is obvious. It must strengthen its contacts with the Islamic movements which basically espouse a better way of life for the masses, just as the Left does. But such fanatical movements are so organised that when the crunch comes it would be difficult for even the Left to argue rationally with the movements●

CSO: 4420

UGANDA

INTENTIONS OF UNLF SHOWN IN MANIFESTO

London NEW AFRICAN in English Dec 79 p 37

[Article by Donald Kabeba]

[Text] THE RULING Uganda National Liberation Front (UNLF) recently published its first political manifesto since the liberation war in which Idi Amin was overthrown nine months ago.

The manifesto gives guidelines to the UNLF for its political and economic programmes during the remaining transitional period before the 1982 general elections. A motion has been passed by a two-thirds majority of the Uganda National Consultative Council (UNCC) that UNLF will dissolve itself before the elections, though observers feel that the Front might turn itself into a political party and fight the elections on its past achievements: the defeat of the Amin regime and the establishment of civilian government in Uganda.

To this end, UNLF is opening branches throughout the country, making known its four basic principles: national unity, democracy, national independence and social progress. Each of the 22 movements – of diverse political persuasions – which make up the organisation, aspires to these four ideals, though reputedly, their specific unifying factor was a combined endeavour to free their country from the dictatorial regime of the Field Marshal. Once Amin was ousted, however, their differences started to surface, witnessed by the turmoil resulting from the rise and subsequent overthrow of Professor Yusufu Lule. There is also some opposition from organisations within the Front to the forming of a political party.

However tenuous the unity which holds the front together, one thing is certain: should it collapse, the country would again be immersed in bloodshed and strife.

The publication of the manifesto purposely coincides with the inauguration of the UNCC, which has recently been augmented to 90 members from the original 30 elected during the time of the Moshi Conference.

Divisions which have caused religious, tribal and political rivalries among the people are attributed to local politicians as well as foreign powers, seeking their own advancement. The manifesto, therefore pledges itself to promoting unity by removing the old animosities and educating the population politically, socially and culturally, while at the same time taking into consideration the various ethnic distinctions.

All existing repressive laws, denying Ugandans their fundamental rights, are to be abolished and the UNLF, the manifesto said, "will guarantee the right of the people to freedom of conscience, speech, expression, association and movement," though it is not clear, in practice, how far these freedoms stretch.

Meanwhile, there is a crackdown on Amin's State Research Bureau agents who are being hunted down and arrested for alleged wanton murders.

For a few months, Kampala has been relatively quiet, though the night curfew is still in force and effects are still being felt of the commotion following the change of currency, during which many people were reported to have been killed in the suburbs of Kampala. In Nakulabye, for example, several people have left their homes for fear of being killed.

Law-and-order, however, has begun to be established in other parts of the country where the newly-established "Ten Houses Cell" system (*Mayumba Kumi*), borrowed from Tanzania, has been implemented. This is a system whereby 10 houses in a village are made responsible for security. They are allowed to arrest anybody suspected of being a thief, witch-doctor or smuggler. Several people – especially coffee smugglers – have already been arrested at road blocks manned by *Mayumba Kumi* people

CSO: 4420

ZAMBIA

ECONOMIC SITUATION IN 1978 REPORTED 'UNFAVORABLE'

Paris INDUSTRIES ET TRAVAUX D'OUTRE-MER in French Oct 79 pp 595-596

[Analysis of Belgian Foreign Trade Office report on Zambian economic situation in 1978]

[Text] The BULLETIN DE L'OFFICE BELGE DU COMMERCE EXTERIEUR [Bulletin of the Belgian Foreign Trade Office] analyzes the situation of the Zambian economy in 1978. The following facts reveal that the situation evolved in a very unfavorable manner.

The Zambian GNP for 1978 was 2.988 billion dollars compared to 2.512 billion in 1977. The mining industry accounted for 33 percent of this total. The measures taken by the Zambian Government at the instigation of the IMF did not result in a strengthening of the economy. The financial aid received may well have prevented a total collapse but was unable to prevent the further deterioration of the economy. However useful the structural administrative reforms may have been, they did not improve the conduct of public affairs. The increased production of copper and cobalt--stimulated by the high prices for these metals--was not sufficient to revive an economy that is grappling with stagnation and recession. Agriculture suffered a decline despite the fact that it was the sector toward which Zambia was supposed to orient its diversified production.

The situation in the transportation sector has deteriorated markedly. It is even critical with respect to the railroads because of an insufficiently rapid rotation of the available freight and passenger cars, the impossibility of fully utilizing the Tazara line, and the overloading of the Southern Railroad beginning at the Zambian border. Moreover, the poor condition of the secondary roads and the shortage of trucks have in some regions hindered the delivery of fertilizers and the harvesting of the crops.

In the agricultural sector, corn production--which had declined by 10 percent in 1977--declined by an additional 4 percent to 650,000 tons in 1978. Toward the end of 1978 Zambia also suffered from a drought which will substantially affect the coming harvest adversely. To avoid a famine it will be necessary to import large quantities of corn, the basic item in the diet of the Zambian population. In addition to the bad weather, other factors have had a negative influence on corn production. As a result, NAMBOARD [expansion unknown] did not have sufficient financial resources to pay the growers on time. Moreover, the price offered the growers provided no incentive for them to make a greater effort, and--as we have already noted--transportation difficulties slowed fertilizer deliveries and the harvest.

Tobacco production declined by 34 percent. After the decision by the Tobacco Board to take over the role of the foreign buyers at the auctions, and after the elimination of the subsidy, the majority of the planters switched to other crops.

The production of sugar followed the same downward trend. The torrential rains hindered work on the plantations, and the Nakambala sugar refinery had to cope with technical problems. The country was as a result without sugar for 6 months and had to import it from Malawi and South Africa.

Promising efforts have been made to develop wheat growing. With assistance from the EEC and Canada the Zambian authorities have launched a wheat-growing project in the Mpongwe and Mbala regions. The Zambians are also--with the cooperation of Belgium--developing a study of varieties of wheat with a view to selecting those varieties which would be best suited to Zambia. Everything therefore indicates that in a few years Zambia will be producing sufficient wheat to satisfy its own requirements.

Results have been equally positive with respect to sunflower, soybeans, rice and cotton (all of which Zambia must still import), and prospects for the future are favorable. The same is true in the case of tea and coffee, sectors in which Zambia (with assistance from third-party countries or international organizations) is currently laying the foundations for a future expansion of production.

Meat production continued at a high level, with the result that supply was able to satisfy demand, although the high prices to the consumer may have been partly responsible. The high prices for pork had in the past induced many peasants to take up hog raising, but in 1978 the shortage of feed abruptly reversed the situation. The forced slaughter of hogs that ensued almost doubled the supply of pork, the quality of which also proved to be very mediocre.

An identical situation occurred in the case of poultry raising, where the feed shortage had the effect of reducing the production of day-old chicks by 10 percent to a total of 13 million units. The production of chicken meat and eggs was reduced by 30 percent and 50 percent, respectively. On the other hand, a slight increase in milk production was recorded.

In the mining sector, copper production totaled 662,000 tons--almost the same quantity as in 1977. Copper exports, however, declined by 7.5 percent to a total of 600,000 tons. Production costs increased by 15 percent and currently stand at approximately 1,000 kwacha per ton.

Employment in the mining sector has been maintained at 68,000, but the number of highly qualified foreign workers has decreased. Recruitment abroad has been difficult. Despite the adverse situation there were no mine closures or layoffs.

A new cobalt installation with a capacity of 2,400 tons per year was completed at Chambischi, and there are plans for its further development. In 1978 Zambia exported 1,700 tons of cobalt, the price of which tripled within 1 year by virtue of the small amount of the metal offered for sale on the world market. Zambia is currently the second largest producer of this strategic material and hopes to be able to increase production to 10,000 tons within the next few years. It is expected that over the medium term the prices for this metal will remain very high.

Zambia has only one colliery, and it had a bad year. Its production declined by 15 percent to a total of 600,000 tons, because of technical problems. Demand also decreased, but the construction of a new cokery at Kabwe--and the possibilities for exports to Malawi and Zaire--could revive it. A consultative committee was created within MAAMBA [expansion unknown] to reform the enterprise. Approximately 20 million kwacha would be necessary to replace the obsolete installations.

Early in 1978 an agreement was concluded with a foreign group for the processing and marketing of emeralds. These precious stones are extracted from two mines but are also present at other locations and are placed on the market illegally. There has never been an effective organization of the emerald trade. The increasing incidence of smuggling caused the government to prohibit the extraction of emeralds until such time as effective regulations are in place.

New geological explorations have confirmed the presence of uranium ores, but some doubt remains as to the profitability of future exploitation of the deposits. Negotiations with Italian companies are continuing.

Various factors have continued to restrain the nation's industrial and commercial activity. The industrial index, however, has improved slightly, but this is due to the intensified curtailment of imports and to the goodwill of certain foreign suppliers who have accorded easy terms for payment. The industrial index, moreover, has not attained a high level except in a few sectors such as textiles and clothing. Most of the enterprises have in fact been operating well below capacity. This is one of the factors that have caused productivity to remain at a low level, especially in the "parastate" sector, which has not resorted to layoffs and closings such as has been the case in the private sector.

Supply on the market has remained weak, and this fact has exerted an upward pressure on prices, although according to the official index the prices for consumer goods have gone up only 20 percent. This figure is deceptive, however, because essential products such as food (which have a relative weight of 65 percent in the calculation of the index) are sold to the public at prices fixed by the authorities. The prices of clothing, furniture, household articles and the like have increased very rapidly, but the volume of business has been low both for locally manufactured products and for imported products. Merchants have used this as grounds for increasing their profit margin.

The level of investment has left a great deal to be desired, even in the parastate sector. Two new enterprises were launched in 1978: one for the manufacture of intravenous liquids, the other for the manufacture of storage batteries. The latter has never functioned well. Various projects conceived long ago--such as the bicycle factory at Chipata--were still pending; others which were already under way were impeded by various difficulties. To cite only one example, the Kafue fertilizer plant--which cost 264 million kwacha and was scheduled to go into operation in 1978--will probably not be operative until 1979. Zambia will meanwhile have to continue to import some 150,000 tons of fertilizers annually.

The production of electric power in 1978 totaled 8.682 billion kilowatt hours--10 percent less than in 1977. For lack of financial resources the electric power network was scarcely developed. The economic stagnation led to a decline in the consumption of electricity. Present production capacity should under normal conditions enable Zambia to meet its requirements for electric power until 1985 without constructing any new power stations.

The rise in prices, and the industrial stagnation, caused the consumption of petroleum to decline by 7.4 percent to 732,931 tons. Zambia's imports of crude oil cost the nation 68 million kwacha--10 percent of the figure for total imports.

These economic difficulties were translated into a decline in total trade with Belgium. Specifically, Belgian imports from Zambia declined by 55.2 percent (from 1744.36 million Belgian francs to 782.22 million) while Belgian exports to Zambia declined by 36.2 percent (down from 493.19 million Belgian francs to 314.71 million).

The decline in Belgian imports (down 962 million Belgian francs, or 55.2 percent) is due to the negative results recorded in the categories of copper (down 838 million Belgian francs), metallic ores (down 89 million), precious metals and precious stones (down 25 million) and tobacco (down 9 million).

The decline in Belgian sales to Zambia (down 178 million Belgian francs, or 36.2 percent) is explained basically by the unfavorable trends in the categories of rubber (down 30 million Belgian francs), ironmaking steel (down 20 million) and chemical products (down 20 million), among others.

Note: 1 kwacha (K) equals 100 ngwee or 5.58 French francs.

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