

A Weekly Digest Of **African Affairs** 

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US/AFRICA Carter Said 'No" To \$300 Million For Zimbabwe WASHINGTON

[AN] When Secretary of State Edmund Muskie arrived at the White House for a regular foreign policy breakfast with the president on August 22, he brought along a proposal he felt would smooth the way for Jimmy Carter's scheduled meeting with Prime Minister Robert Mugabe of Zimbabwe the following week.

He suggested that an announcement of a \$300 three-year, million assistance effort for the newly-independent African nation could cap what the administration was billing as an importannt foreign policy success — the transition to majority rule in the formerly white minorityruled territory.

"The idea didn't exactly get a warm reception," says one State Department official who was involved in preparations for the

None of the other breakfast participants -Vice President Walter Defense Mondale, Secretary Harold Brown, Deputy Secretary of State Warren Christopher, national security advisor Zbigniew Brzezinski, and White House chief of staff Jack Watson - apparently backed Muskie's proposal.

So when Carter introduced Mugabe to a specially-invited and predominantly black au-dience at a White House ceremony on August 28, he offered warm words, but not the \$200 million in economic development aid and \$100 million in housing investment guarantees that Muskie had envisag-

"We thought the proposal could pay dividends in both foreign policy and domestic politics, but OMB [Office of Management and Budget] would not even consider it," another State Department aide declared. "Carter tends to be a pennydo-gooder pinching himself - he's got good intentions, but he won't write the checks."

But another administration official views the differently. issue "Zimbabwe has the funds required for right now, all it can in fact make use of in the short term. What - Mugabe needs is the assurance of medium- and long-term aid, and I'm sure we'll be able to put more in for FY 1982 [the fiscal year beginning next September]."

"Mugabe did a good job of laying the groundwork on the Hill," he adds, but for us to push for \$300 million now would open us to attacks that could demolish the real prospects for increasing the levels by next year."

In FY 1980 funds, the U.S. has allocated nearly \$26 million for health, education, rural road, and agricultural projects, according to Goler Butcher, who heads the Africa Bureau in the U.S. Agency for International Development (AID). "In addition, we are providing \$25 million in housing investment guarantees, which is a loan, but it has definite advantages for the Zimbabwe government because it is foreign exchange — they get the dollars and then pay for the housing in local cur-

rency." Butcher believes the administration, which has earmarked \$20 million in development assistance in FY 1981 and \$30 million in FY 1982 for Zimbabwe, has established a good record, "We got busy and moved right away," she says, "and we've gone ahead to address their

needs meaningfully."

Rep. Stephen Solarz

(D-NY) who chairs the House Africa Subcommittee, believes the U.S. should be doing more. "I think we have a tremendous opportunity in Zim-

babwe to demonstrate that peaceful change is possible southern throughout Africa. If it turns out there is a place for the white minority in Zimbabwe, it will significantly strengthen the forces for peaceful change in South

"Whether Mugabe can succeed will depend to a large extent on his ability to satisfy the legitimate aspirations of the African masses in his country, and this is going to require very significant and substantial resources, which I think we have a real interest in providing," he argues.

Solarz' subcommittee is holding hearings this with former week. Secretary of State Cyrus Vance and former Ambassador Averill Harriman testifying in favor of additional aid. "I'm hopeful their testimony will help to legitimize the view that we do have a very real national interest in being more responsive," the congressman

Although Solarz expresses optimism that a supplemental appropriation for Zimbabwe, probably totalling \$200 million, might receive: Congressional approval, especially with administration backing, White House officials say there is no possibility of such backing. And many Capitol Hill observers believe the best Solarz can accomplish is getting some members who were favorably impressed by Mugabe to go on record favoring more aid when it comes to a vote next year.

Meanwhile, the White House has scheduled a visit by another African leader, Nigeria's President Shehu Shagari, who will meet with President Carter on October 7. And Sierra Leone President Siaka Stevens, the current chairman of the Organization of African Unity, also plans to come to the U.S. to address the United Nations General Assembly in October, and efforts to schedule a meeting for him with Carter are still

under way. Two OAU chairmen who sought sessions with President Richard Nixon were rebuffed, and the administration seems intent on avoiding such an embarrassing snub even though the. president's schedule is already crowded.

## **SOUTH AFRICA** The Reforms Pay Off

[AN] For the first time since 1976, a major American bank has agreed to participate in a nonconfidential loan to the South African govern-

In a reversal of stated practice, Citibank - owned by Citicorp, the na-tion's largest financial holding company - has joined three other international banks in negotiating a \$250 million syndicated credit to finance schools and housing for South Africa's black population. A Citicorp spokesperson said agreement on terms is expected this week, at which time the loan managers will seek to interest other banks in providing portions of the funds.

The loan is expected to be a topic of discussion Thursday (September 25) at a scheduled meeting in between South African Finance Minister Owen Horwood and about eighty bankers in New York City. Horwood, who is travelling to

Washington, D. C., to attend the annual meeting of International Monetary Fund and the World Bank, will also meet business executives in Houston and Chicago.

Citicorp's decision to participate in a direct loan to the government is a sign that the financial community perceives an improvement in South Africa's image interna-tionally. In 1978, after domestic turmoil in South Africa prompted renewed

campaigns against corporations with interests there, several American and European banks announced restrictions on their lending practices.

Citicorp, in a statement to shareholders at the time, called apartheid "a negative effect on South Africa's economic viabili-

"So long as this is the case we will continue to moderate our business involvement in the country," the document declared. "Specifically, Citicorp is not making loans to the government of South Africa.'

A Citicorp spokesman denied that the new loan represents a substantive shift, but pointed to a statement January of this year which 'signaled a new readiness to review government loan applications by announcing, "Citibank is now prepared to consider selectively loans to both the private and public sectors in South Africa.'

"We said we would participate in loans that we determine would have a beneficial effect for all South Africans," said the spokesman. "This fits that category."

participating banks, led by Dresdner of West Germany, and including Barclays of Britain and Union Bank of Switzerland, have insisted on a 'needs and purposes clause' in the loan agreement to restrict the money for educational and housing needs. And this, they expect, will dampen criticism of the deal.

But critics are already mobilizing opposition. The National Council of Churches, a leader in the campaign to alter or end U.S. business ties with South Africa, has appealed to eleven other major volvement. "I expect there will be a chorus of opposition to this loan from churches, universities, unions, the black community and Congressional leaders, and many institutional investors," says Council President, William Howard.

George Houser, ex-ecutive director of the American Committee on Africa, a New York group that has coordinated previous anti-loan campaigns, charges that Citibank has stepped in whenever South Africa gets into trouble.

"In 1960 after the Sharpeville massacre alarmed the foreign economic community, and in 1976 after the Soweto uprising again raised concerns, Citibank provided financing to help restore international confidence. In a year when tens of thousands of students have protested against apartheid and workers have gone on strike, we see this latest loan as yet another effort to uphold the white minority government."

In spite of the criticisms, South Africa is expected to obtain favorable terms, as it did in several other successful forays into the money market earlier this year. West German banks have made two loans to government agencies, and Citibank co-managed a \$50 million deal for a private South African bank, all at relatively low interest rates. [Last fall, Citibank also participated in a government-guaranteed loan for a

black training hospital.] Financially, South Africa has far less need of the money than in 1976 and 1977, when unrest sparked a record outflow of capital, and loans were required to fill the gap. Most of those have been repaid, gold prices and production are up, and the country is considered "under-borrowed."

"What is important to South Africa at this time," says one banker who asked not to be identified, "is the optimism loan represents toward Botha's policies and his effort to end South Africa's isolation.'

NCCU Library Science School

## Awards Sixteen Scholarships & Fellowships

North Carolina Central University's School of Library Science has awarded fellwoships and scholarships to sixteen of its candidates for the "The confidence factor Master of Library Science is very important," Simon degree.

Four students received minister's chef economic the school's Jenkinsadvisor said in an inter- Moore Fellowship awards. view in Pretoria earlier The Jenkins-Moore year. "Lots of Scholarship Fund is sponpolitical plans depend on sored by the School of the economic objectives Library Science Alumni with economic realities." Association, and includes "One reason why the other private contriburecession has been so long tions to library science and drawn out is the scholarships funds. uncertainty in the business Students receiving the community, not only in awards were Ms. Arneice the economic field but in Bowen of the political field as well," Jerusha Okuth Brand added. "The prime Durham, Clifton Sawyer minister's appeals to of Salisbury, and Carolyn business, his commitment J. Stephens of Durham.

to improving the quality Okuth and Sawyer, of life of all our people both permanent residents and reducing tensions, has in the United States are, been welcomed by respectively, natives of business, but these objec- Nigeria and Sierra Leone. tives face real economic

The Jenkins-Moore Fellowships are valued at Brand sees and impor \$500 each.

tant role for outside funds Awarded fellowships in this process. "The funded by the Federal South African national government under Title IIeconomy became con-B of the Higher Education siderably more dependent Act of 1965 were Daniel on foreign capital in the Buggs of Washington, seventies than it had been D.C., Ms. Deborah in the sixties," the Ten-Year Development Plan and Ms. Hannah Williams Cherry of Harrellsville, his office has published of Baltimore, Md. The fellowships are valued at



**CAMPUS CLEAN-UP** 

Marc W. Butler, a Durham native (r), Polemarch of the Delta Gamma Chapter of Kappa Alpha Psi Fraternity, is shown supervising his men during a campus clean-up at Shaw University recently.

\$3,000 each.

Three students received fellowships under a grant from the Carnegie Corporation of New York. The Carnegie fellowships are for the training of Early Childhood Library specialists, and this year's awards are the last under the grant, which has provided \$199,000 to the school since 1971.

The Carnegie Fellows

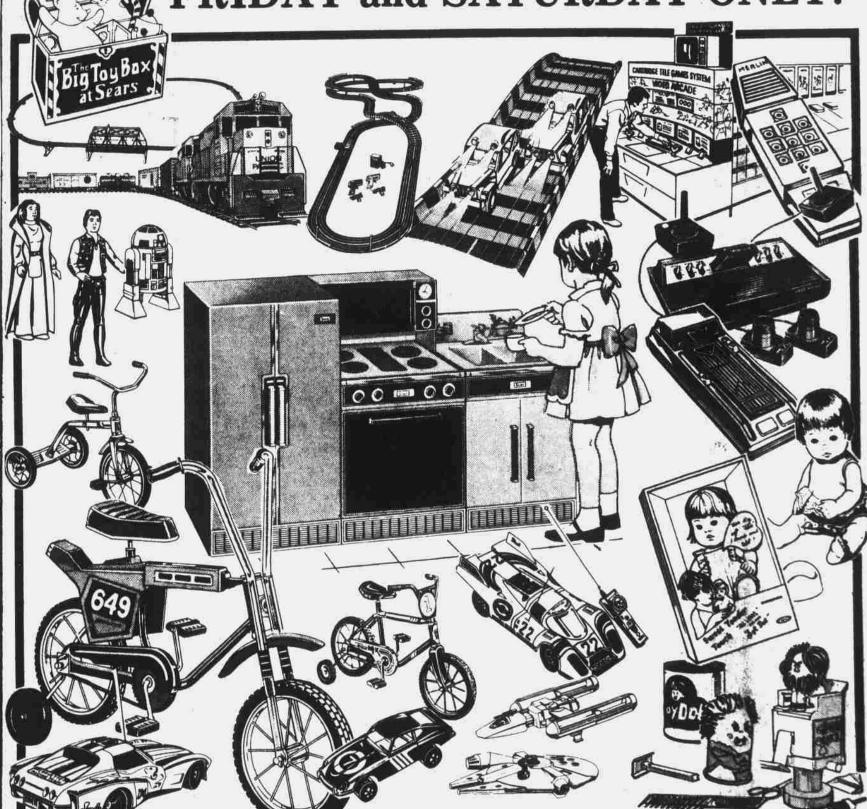
are Ms. Bonnie Battle of Whitakers, Ms. Evelyn Garner of Weldon, and Ms. Gloria Parker of Rocky Mount.

"minority State presence" scholarship awards have been made to Ms. Alice Bullington of Durham, Ms. Doris Hinson of Durham, Ms. Barbara Igoe of Chapel Hill, Mercer Tyson of Carrboro, Ms. Izella Warner of Raleigh, and Ms. Mary K. Gurney of Jacksonville. At NCCU, which is predominantly black, "minority presence" scholarships provided by the state go to students who are not black.

Dr. Annette Phinazee, dean of the School of Library Science, announced the fellowship and scholarship awards.

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