The S. African threat to Mozambique

by Z. Nkosi

Economically South Africa is linked far more closely with Mozambique than with Angola. Recent trade figures, in fact, show that South Africa is Mozambique's second biggest customer, taking more of her exports and providing more of her imports than any other country except Portugal itself. The following tables also indicate that South African penetration of Mozambique has been steadily increasing:

		IMPORTS (in contos)	
	1968	1969	1970
Portugal	2,223,502	2,337,543	2,568,807
South Africa	793,330	1,127,222	1,368,015

		EXPORTS (in contos)	
Portugal	1,595,895	1,679,148	1,723,630
South Africa	456,473	419,563	464,944

In 1970, 13.3% of Mozambique's foreign trade was with South Africa. (Source: *Africa South of the Sahara 1974* published by Europa Publications. The unit of currency is the escudo; 1,000 escudos=1 conto)

The *Sunday Times* reported on June 2, 1974, that in 1971 South Africa provided R107 million of Mozambique's total foreign exchange earnings of R246 million. The R107 million was made up of harbour and railage duties, R50 million; imports to South Africa, R11 million; South African tourists, R6 million; and money sent back to Mozambique by black miners working in South Africa, R40 million. (Some estimates put this last figure at between R50 and R60 million.)

According to the Mozambique Convention, signed in 1928 and amended in 1934 and 1964, governing the economic relations between the two countries, South Africa had to send a minimum of 40 per cent of its total rail tonnage from the Transvaal through Lourenco Marques every year. Though this section of the Convention was scrapped in 1969 the established patterns have continued.

A spokesman for South African Railways told the *Sunday Times* that Lourenco Marques handled about 36,000 tons of South African goods every day – twice the amount handled by Cape Town and Port Elizabeth combined.

AFRICAN MINEWORKERS

According to a *Rand Daily Mail* report on May 23, 1974, the number of Mozambican Africans working on gold and coal mines belonging to the Chamber of Mines at the end of 1973 was 100,000. Between 1969 and 1972 the number varied between 120,000 and 133,000. In terms of the Mozambique Convention, on registration of each Mozambican employee, R4 is paid by the mines to the Mozambican Government, making a total of R400,000 a year.

African miners earned an average of R350 in wages in 1973, and the *Mail* said this figure was expected to rise to between R400 and R450 during 1974. After six months' employment, 60 per cent of their wages are sent back to Mozambique to be paid to the employees on their return.

In the past this payment was made in gold valued at the official price of only 42.22 dollars an ounce. The Mozambican government paid the Africans in escudos, and sent the gold to Lisbon which sold it on the free market at four times the official rate. The value of gold transmitted to Portugal by Mozambique in this way between 1970 and 1973 is estimated at R125 million. This has been a long-standing source of grievance to the Mozambique administration, and since the April 25 coup in Portugal steps have been taken to redress the financial imbalance.

Furthermore, Portugal's communist Minister of Labour in the first government set up after the coup, Mr. Avelino Goncalves, has stated that, while his own responsibility was confined to metropolitan Portugal, "it goes without saying that these things will be changed" and the Mozambican Convention reviewed by the new administration in Lourenco Marques.

The Mozambican economy is largely based on agriculture, which contributes about 45 per cent to the national economy, about two-thirds of the territory's export earnings and engages about 90 per cent of the population. Manufacturing is largely concentrated on the processing of primary products and contributes only about 14 per cent of the gross domestic product.

Investment in both agriculture and industry has been restricted by Portugal's policy of tying the economy in with her own needs. Up till the coup, the law required companies operating in most sectors to have a majority shareholding in Portuguese hands, and this restricted foreign investment.

IN THEIR POCKETS

"Lisbon-based banks have most of the Mozambican economy in their grip", stated a special report published in the *Star* on July 27, 1974. "The system of exploitation applied especially to agriculture. A law removing the preferential treatment and prices given for Portugal's imports of sugar from Mozambique is now being promulgated.

"This move marks the end of a system in which cotton, sugar and other goods were exported raw or semi-processed to Portugal at prices far below the ruling world rate, processed there, and sold to Portugal's profit.

"In fact, Portugal's old ruling class, a small group of families, had cornered the colonial economy. Although some of the old legal backing for this hegemony has disappeared in agricultrue, estates in Mozambique are often owned by the raw material processors in Portugal . . .

"It has been estimated that if the economy of Mozambique was allowed to earn the surplus revenue Portugal has been taking from it, including that from gold and agricultural products, it would mean up to R150 million a year more revenue".

Mozambique's mineral potential is enormous, but investment has been restricted because of the absence of the necessary infrastructure, particularly transport and communications. However, South Africa has been contributing an increasing share of new investment in Mozambique, and has been contemplating massive further investment on the completion of the R300 million Cabora Bassa dam project, which will open up huge fields of coal, iron, copper fluorite, titanus-magnetite, manganese, nickel and bauxite. The dam itself, the building of which has been undertaken by a consortium headed by Anglo-American, represents the biggest single item of South African investment in Mozambique.

Many of the conditions of colonial subserviency which apply to Mozambique apply also to Angola, with the difference that Angola is a far more wealthy country and has received a greater injection of foreign capital. Angola's four chief exports are coffee, crude petroleum, diamonds and iron ore, in that order, and it is not surprising to find, therefore, that South Africa's share of Angola's trade falls below that of Portugal herself, West Germany, Britain, America, Holland, Japan and Canada. Here are the recent trade figures:

		IMPORTS (in contos)	
	1970	1971	1972
Portugal	3,728,308	3,832,299	2,485,084
South Africa	419,761	443,460	490,336
		EXPORTS (in contos)	
Portugal	4,173,095	3,698,708	3,632,551
South Africa	146,493	161,144	152,858

In 1972, 2.6% of Angola's foreign trade was with South Africa.

(Source: *Africa South of the Sahara 1974,* published by Europa Publications.)

Although little more than 2% of Angola's vast area (as compared to 6% in Mozambique) is under cultivation, agriculture supplies between 20 and 25% of Angola's gross domestic product. Industry supplies only 17% of GDP and the bulk of foreign investment has been placed in the extraction of oil, iron and diamonds, mainly by multi-national companies in some of which South African concerns such as Anglo-American, De Beers, Bonuskor etc. have a share. South Africa's biggest single venture in Angola in recent years has been the R50 million Kunene River dam project in partnership with the Portuguese, designed to supply water and power to Angola and Namibia.

Both the Kunene River Scheme and the Cabora Bassa scheme were designed to fit into the power grid planned by ESCOM to cover the whole of southern Africa, giving the Republic the key to unlock and control the resources of the entire sub-continent.

UN COMMITTEE REPORT

A United Nations special committee has reported that foreign interests and monopolies directly contribute to the misery of the indigenous inhabitants of Zimbabwe, Namibia, the Portuguese territories and other colonial territories in southern Africa by rapaciously exploiting the natural resources in their lands; by ruthlessly taking advantage of the cheap labour of the indigenous peoples; by helping colonial governments to stay in power; by transferring most of the profits out of the colonial territories; and by dominating the economies of the territories (especially exports). Thus, it said, the territories' resources were not used for the economic development of the territories or for improving the economic and social standards of the indigenous peoples.

"The negative consequences of these foreign investments for the colonial people can be easily observed, especially in territories in the southern part of Africa. Despite the fact that large sums, totalling over 5 billion dollars, have been invested by the imperialist Powers, the indigenous African populations remain in a state of impoverishment."

The report said Africans had no rights to the sub-soil mineral wealth of Angola and Mozambique, although they were the largest and most populated territories in southern Africa. For example, the Angola Diamond Company, South African and Belgian owned, had exclusive rights over more than 1 million square kilometres to prospect for and mine diamonds until 1971. Upon expiration of its contract, which was renewable, it could retail claims of up to 50,000 square kilometres.

Between 1961 and 1965 the total value of diamonds exported from Angola amounted to 3,591 million escudos and the Angola Diamond Company's total profits amounted to 2,000 million escudos of which 765 million escudos went to individual shareholders overseas. In return for the mining rights, the Portuguese government in Angola received a total of 770 million escudos as its share of the profits and dividends together with 72 million escudos as the company's "participation in the defence of the national patrimony". (Some foreign companies had concluded agreements with the government of Portugal operating in both Mozambique and Angola which bound them to support Portugal "in securing peace and order". They had to allocate some of their means to building military barracks and pay the government of Portugal considerable sums of money for the defence of so-called "national property".)

Between 1961 and 1965 the Portuguese government in Lisbon also received 155 million escudos from taxes on dividends paid by the Angola Diamond Company. The Company had also granted the colonial government loans since 1962 amounting to more than 226 million escudos while the major share of the wealth of this company went to shareholders and the colonial government. Africans did not benefit from this mining concession apart from the meagre wages paid to them and some social services provided by company owners. While the company's annual profits rose by 74 per cent between 1961 and 1965, average wages of "salaried workers" in Angola rose by only 15 per cent. ("A Principle in Torment: The United Nations and Portuguese Administered Territories" 1970.)

Similar concessions were given to Belgian, Dutch, Portuguese and American-owned oil companies operating in Angola and Cabinda. The US Cabinda Gulf Oil Company in 1967 found a large off-shore oil field which was predicted to boost Angola's oil production to fourth place in the world. The South African company Bonuskor is involved in the exploitation of a huge oilfield which was opened south of Luanda in December 1967.

In addition to capitalist and imperialist exploitation in the Portuguese territories, there is the question of outright theft of their resources through official corruption. The *Star* reported on July 27, 1974, that "the coup could see the end of corruption and bureaucracy in Mozambique. Under the Caetano regime, with power confined to the ruling elite, corruption was easy and open". The paper reported that millions of escudos in the Portugal bank accounts of senior civil servants had been frozen pending investigations of corruption. "Although not all companies had evidence of corruption, where it occurred, it is likely that the sums involved were large." The likelihood is that South Africa was also regarded as a haven for the proceeds of corruption in Mozambique and Angola, and there is no reason to believe that some South African firms were not also directly involved in corruption in both territories.

One of the biggest spheres of corruption in Mozambique is likely to have been in the handing over to African miners of the deferred pay sent back from South Africa. No records are available to show how this money is paid out in Mozambique. Many workers are forcibly recruited by their chiefs for service in South Africa, and it is probable that in many cases the chiefs also swallow up the deferred payments which are due to their "subjects".

The same considerations apply to Angola, which supplies 40 per cent of the contract labour force in Namibia. However, there is no Angolan Convention corresponding to the Mozambique Convention governing the conditions of labour of the Angolan migrants in South Africa.

IMMEDIATE BENEFITS

Independence for Angola and Mozambique must, in the light of the above facts, bring immediate benefits to the peoples of the two territories.

1. The theft of the resources of the two countries by Portugal will come to an end.
2. The heavy cost and burden of the war will be lifted from the people.
3. The peoples of the two territories will be able to determine how their material and human resources are to be allocated and paid for.

4. An opening will have been created for restricting or ending the power of foreign companies investing and operating in the territories.

A great deal depends on the relationships which develop between the former Portuguese territories and South Africa. Up to the time of writing, all three governments involved had taken up a cautious attitude.

Speaking for Portugal, Foreign Minister Soares told a New York press conference in September 1974 that "if you were to apply fully, at any given point, the system of sanctions (against Rhodesia), the economy of Mozambique would immediately collapse".

Dr Soares also said that, despite its fundamental opposition to apartheid, Portugal had maintained normal bilateral relations by offering a policy of good neighbourliness and non-intervention in South Africa's domestic affairs. Portugal, he said, required the same respect from South Africa for "the problems arising in Mozambique". He praised South Africa's declared policy of not intervening in the white rebellion in Mozambique as "most realistic and most sensible".

The new Mozambique Premier Joaquim Chissano similarly, in his first press conference in Lourenco Marques last September, pledged a policy of non-intervention in the affairs of other countries. Questioned specifically about South Africa, Mr. Chissano said:

"I think it is the duty of the new government to study the real relationships existing between South Africa and Mozambique and to try to decide on a correct policy not only for South Africa but for Rhodesia, Malawi and Tanzania as well – all our neighbouring countries."

In the House of Assembly in Cape Town earlier in the month, Premier Vorster had said South Africa accepted the emergence of a black majority government in Mozambique and was prepared to co-operate with such a government. South Africa wanted to maintain the closest possible economic relationships with a Mozambique government, he said. At the same time, Vorster threatened that if South Africa was attacked from Mozambique, she would hit back with all the power at her command. South African troops are on the alert on the borders of Angola and Mozambique.

Clearly, South Africa will not intervene militarily in Mozambique or Angola unless she has to, for it would invite a world reaction with which she couldn't cope. But it is equally clear that South Africa will use all its influence, through BOSS and related agencies of the other

Western powers, to secure the establishment in Mozambique and Angola of governments favourably inclined towards her, and to Western interests generally.

South Africa will do this, not only by using her economic power, but also by a variety of "dirty tricks" on the CIA model. She will try to "destabilise" a Frelimo government, to promote disunity in the ranks of Frelimo, to stimulate tribal divisions and generally to weaken the capacity of any independent government to move in a direction contrary to South African interests.

Already South African press reports have appeared highlighting alleged ideological differences in the Frelimo leadership. The prospect of South African-financed and organised assassination attempts and other forms of counter-revolutionary activity must be anticipated.

WHO HAS THE WHIP HAND?

Not all the economic weapons are in South African hands, however.

South Africa says Mozambique needs South Africa because only South Africa can utilise the electricity generated by the Cabora Bassa hydro-electric project when completed; because Mozambique cannot do without the revenue she gets from the employment of 100,000 Africans each year in the South African mines; and because Mozambique cannot do without the revenue she gets from rail and port traffic and tourism emenating from Rhodesia and South Africa.

But there are two sides to all these arguments.

1. South Africa needs the extra electricity she hopes to get from Cabora Bassa. If Cabora Bassa is lost to her, in addition to forfeiting her original investment she will have to embark on another project elsewhere, at great cost and inconvenience to herself.
2. South Africa desperately needs mine labour from Mozambique, because she is suffering from a severe shortage. Already only 20 per cent of South Africa's mine labour force comes from South Africa, the remaining 80 per cent coming from neighbouring territories, mainly Lesotho, Mozambique and Malawi. Recruiting from Zambia and Tanzania was prohibited years ago, shortly after the two countries obtained their independence.

Recruiting in all neighbouring countries has suffered from the spate of disturbances and clashes on the mines in recent years. In the year ended September 1974, no fewer than 58 Africans had died violent deaths on the mines, most of them from police bullets.

Following the death of 77 Malawians in an air crash in Botswana when on their way home from the mines in April 1974, President Banda suspended all further recruiting of mine labour pending the results of an inquiry. In September 1974, at the annual congress of the ruling Malawi Congress Party in Lilongwe, Banda was unanimously asked to make the suspension permanent. Malawi supplied 110,000 men to the South African mines in 1973.

The factors which make mining unattractive to South African Africans are now also affecting miners from other countries. Mining in South Africa is one of the worst paid and most dangerous jobs in the world. In 1973 a total of 737 miners were killed and over 29,000 injured on South African mines – the overwhelming majority of them Africans. In his book *Labour in the South African Gold Mines,* the economist Francis Wilson records: "Over the period 1936-66, no less than 19,000 men, 93% of them black, died as a result of accidents in the gold mines. And there is evidence for the assertion that the black jobs were somewhat more hazardous than white jobs; for, over this period, the white death rate averaged 0.97 per 1,000 men per annum in service whilst the average rate for blacks was 1.62 per thousand. During 1968, 491 blacks and 18 whites were killed whilst 25,000 blacks and 2,000 whites were disabled for at least 14 days by accidents in the gold mines. More than 98% of these accidents were estimated to have been due to the inherent danger of the work."

As a result of all these factors, the *Financial Mail* reported on September 13, 1974, that there was already a shortage of about 40,000 black miners. If South African action resulted in the supply of 100,000 from Mozambique being cut off, the whole South African mining industry would be in danger of collapse.

3. Tourism, rail traffic and port congestion: If Rhodesian and South African traffic were stopped from passing through Mozambique, the Frelimo Government might lose revenue, but the South African railways and ports would break down from overloading. Already they are stretched to capacity.

As for tourism, most of the tourist amenities in Mozambique are financed by South African companies, who would be the first to suffer from cancellations.

Mozambique is in the throes of transition, and no one can accurately predict what is going to happen. It is possible that colonialism will be replaced by neo-colonialism, as has happened in many African countries since they obtained nominal independence from the metropolitan power, and we have no doubt that South Africa and the imperialist powers will exert every effort to move things that way.

However, the initiative has been transferred from the oppressors to the oppressed, thanks to 10 years of struggle and sacrifice by the freedom fighters of Frelimo. What happens next will depend on both subjective and objective factors – the unity, strength and maturity as well as the ideological direction of the liberation organisations which take power; the pressures of local reactionary forces combined with international capitalism; the prevailing economic relationships inside the country; the extent to which aid will be forthcoming from other African countries, from the socialist countries and all other anti-imperialist quarters; the extent to which the whole Mozambican people can be rallied and mobilised behind the efforts of reconstruction and in crushing the forces of counter-revolution.

The fight for freedom in Mozambique is by no means over. One stage has ended; but another and more complicated struggle has only just begun.