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COMMONWEALTH URGES STRICT REPAYMENT TERMS ON SOUTH AFRICA DEBT

By Brian Timms

CANBERRA, Australia, Reuter - Eight Commonwealth foreign ministers agreed Tuesday to put pressure on banks to impose stringent repayment terms on \$12 billion they are owed by South Africa in an attempt to end apartheid.

The action, to coincide with Pretoria's need to reschedule the debt by June 1990, was agreed at a meeting of the Commonwealth Committee of Foreign Ministers on Southern Africa.

"We want to exert the most stringent possible pressure on South Africa at a critical time," the committee chairman, Canada's Joe Clark, told reporters.

The measures, which Clark said would start immediately, include sending a delegation of senior Commonwealth officials to meet member banks of the technical committee coordinating the 1990 rescheduling on behalf of 250 banks world-wide.

The officials will urge charging the highest possible interest rates to South Africa, and rejection of any attempt by it to extend repayment over 10 years.

The ministers -- from Australia, Guyana, India, Nigeria, Tanzania, Zimbabwe and Zambia as well as Canada -- also said they would lobby governments to stop granting credit to South Africa for trade deals, which they said cushioned Pretoria's balance of payments.

They agreed to form a body to monitor South Africa's links with the international financial community, anticipating that public pressure from publicized deals would scare off lenders.

Banks should also demand from borrowing companies outside South Africa details of any South African ownership links, and insist that the loan is not used to circumvent sanctions.

"There is the utmost urgency in pushing ahead with the moves," said Clark, adding that they would get under way before the full Commonwealth heads of government meeting in Kuala Lumpur, Malaysia, in October.

South Africa's current rescheduling agreement, initialled with foreign creditor banks in 1987, requires full repayment on long-term loans, but only token payments on short-term debt which was frozen under a 1985 moratorium.

Pretoria imposed the moratorium after creditor banks cut off loans following pressure from anti-apartheid groups.

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