

AM-COMMONWEALTH-AFRICA; NL BGT 1ST LD; 0467
1ST LEAD - 481 (UPDATES WITH LAUNCH OF BOOK ON FINANCIAL
SANCTIONS)

BY DENNIS PASSA

CANBERRA (CP) - INTERNATIONAL FINANCIAL SANCTIONS, INCLUDING THE TIGHTENING OF CONDITIONS FOR DEBT REPAYMENT, MUST CONTINUE IF APARTHEID IS TO BE ERADICATED IN SOUTH AFRICA, SAID THE CO-AUTHORS OF A NEW BOOK RELEASED TODAY.

THE AUSTRALIAN AUTHORS SUGGESTED SEVERAL WAYS TO STRENGTHEN CURRENT SANCTIONS.

THEY INCLUDE TIGHTENING THE CONDITIONS FOR DEBT REPAYMENT AFTER JUNE 1990, WHEN MANY OF THE CURRENT LOANS TO SOUTH AFRICA COME UP FOR RENEWAL; CONSOLIDATION OF THE EMBARGO ON MEDIUM- AND LONG-TERM LENDING AND EXTENSION OF THE EMBARGO TO INCLUDE SHORT-TERM CREDITS.

TONY COLE, AN AUSTRALIAN GOVERNMENT OFFICIAL, AND KEITH OVENDEN, AN AUSTRALIAN NOW LIVING IN NEW ZEALAND, ARE AUTHORS OF THE BOOK ENTITLED APARTHEID AND INTERNATIONAL FINANCE.

THE LAUNCH OF THE BOOK TODAY WAS PART OF THE AGENDA OF THE FOURTH MEETING OF THE COMMONWEALTH COMMITTEE OF FOREIGN MINISTERS ON SOUTHERN AFRICA.

AT THE COMMONWEALTH HEADS OF GOVERNMENT MEETING IN VANCOUVER IN 1987, AUSTRALIAN PRIME MINISTER BOB HAWKE PROPOSED THAT THE COMMONWEALTH EXAMINE THE LINKS BETWEEN SOUTH AFRICA AND INTERNATIONAL FINANCIAL INSTITUTIONS.

HAWKE, SPEAKING AT THE LAUNCH OF THE BOOK, SAID COLE AND OVENDEN SHOW THAT THE EMBARGO ON LOANS TO SOUTH AFRICA THAT HAS BEEN IN PLACE SINCE 1985 HAS BEEN THE MOST EFFECTIVE TOOL OF INTERNATIONAL PRESSURE TO FORCE THE SOUTH AFRICAN GOVERNMENT TO CONSIDER REFORM.

"IT HAS HAD THE EFFECT OF RESTRICTING ECONOMIC GROWTH IN SOUTH AFRICA BY FORCING A CONTINUATION OF CAPITAL OUTFLOWS AND COMPELLING THE REGIME TO GENERATE ACCOUNT SURPLUSES," HAWKE SAID.

'UNACCEPTABLE RISK'

"IN LATE AUGUST OF 1985, SOUTH AFRICA CAME UNDER SUCH INTENSE PRESSURE FROM ITS CREDITORS THAT IT DEFAULTED ON A PORTION OF ITS INTERNATIONAL DEBT AND AS A RESULT . . . BECAME AN UNACCEPTABLE RISK."

"CLEARLY, HERE WAS A WEAKNESS IN THE SOUTH AFRICAN SYSTEM THAT POSED A VERY REAL THREAT TO ITS VERY EXISTENCE," HAWKE SAID.

A SPOKESMAN FOR EXTERNAL AFFAIRS MINISTER JOE CLARK SAID THAT CANADA IS EXCEEDING THE GENERAL COMMONWEALTH AGREEMENT ON FINANCIAL SANCTIONS.

THE SPOKESMAN SAID THE CANADIAN MEASURES INCLUDE A BAN ON NEW CORPORATE INVESTMENT IN SOUTH AFRICA; A VOLUNTARY BAN ON NEW BANK LOANS; AND A REQUEST TO CANADIAN BANKS TO MAKE LOAN RESCHEDULING TERMS AS SHORT AS POSSIBLE.

LATER TODAY, A REPORT ON TRADE SANCTIONS COMMISSIONED BY THE FOREIGN MINISTERS AT THEIR LAST MEETING IN HARARE, ZIMBABWE, WILL BE RELEASED.

ON MONDAY, CLARK ANNOUNCED HE HAS REFUSED TO ALLOW SOUTH AFRICA'S AMBASSADOR TO APPEAR BEFORE THE MEETING AFTER SAYING HE REGRETS THAT SOUTH AFRICA STOPPED AN ANTI-APARTHEID ACTIVIST FROM COMING TO THE CONFERENCE.

CLARK IS CHAIRMAN OF THE THREE-DAY MEETING THAT BEGAN MONDAY.
THE MINISTERS PARA 3 - 481