

# SA AGGRESSION 'HAS COST MOZAMBIQUE US\$5bn'

**Herald Reporter**

PRETORIA'S direct and indirect damage to the Mozambican economy now stands at about US\$5 billion after 11 years of independence that have seen one-tenth of the country's health units and 500 schools destroyed, leaving 90 000 children without classes.

In a document to take stock of the country's economic situation in the wake of the death of the president, Cde Samora Machel, Mozambique's news agency AIM says the trends in the economic situation in Mozambique link up with the political situation, and especially with the destabilisation activity of bandits sponsored by the apartheid regime in Southern Africa.

The Mozambique government had been confronted since independence in 1975 with "very difficult situations arising from the decolonisation process itself".

These included the mass exodus of technicians and skilled workers coupled with a colonial

heritage of few trained Mozambicans, little infrastructure and 93 percent illiteracy among the population above the age of seven.

Soon after independence, the South African government had deliberately and with premeditation, taken a series of measures against Mozambique.

"One hears today of sanctions against South Africa and the retaliatory measures that the apartheid regime might take against its neighbours. The truth is, however, that Pretoria has been applying those sanctions and taking retaliatory measures since Mozambique's independence," says the report.

This action had been on several fronts, including reduction of South African goods traffic through the port of Maputo which was reduced by 84 percent between 1973 and 1983.

The number of Mozambicans working on South African mines dropped from 112 293 in 1970 to

45 941 in 1982, increasing the number of unemployed in the south of Mozambique since it was not possible to create 70 000 jobs to absorb the extra labour. The reduction meant losses of remittance to Mozambique of some US\$568 million.

The Portuguese and South African governments signed an agreement in 1928 under which the Portuguese colonial government could use 60 percent of Mozambican miners' wages to buy gold at the fixed price per ounce of 29,75 rands (then equal to US\$24,13), which was well below the free market price for gold.

"Thus for many years Mozambique bought gold in South Africa which was then transferred to Portugal and the colony of Mozambique was credited in Portuguese currency (escudos) with the equivalent of the buying price.

"With this credit, the Portuguese colonial government paid off debts from trading operations, invisibles and capital

owed to Portugal by the colony of Mozambique."

But on April 10, 1978, the South African government unilaterally stopped selling gold at the fixed price of R29,75.

Since 1975, the report says, Pretoria's destabilisation in Mozambique had caused the destruction through bandits of some 500 schools, leaving 90 000 children without classes and one-tenth of the country's health units destroyed.

Sugar and tea factories and sawmills have been destroyed and powerlines and railways cut. "The Limpopo railway which would normally carry trade for the Bulawayo region of Zimbabwe to Maputo has been closed to international traffic since 1984."

And the last train to carry coal from Moatize in Tete province to Beira in 1982. This had blocked development of the coal fields which under normal circumstances would be exporting over a million tonnes of coking coal a year.

"In 11 years of war,

apartheid and its bandits have taken the lives of 100 000 Mozambicans and the direct and indirect damage to the economy amounts to US\$5 billion."

And looking to the future, the report says though the country is facing enormous economic difficulties, the government is determined to carry out fundamental economic reforms. These will start with rigorous austerity measures based on a rehabilitation programme which is in the final stages of drafting.

"In Mozambique's case specifically, economic dependence on South Africa has been substantially reduced in absolute terms over the last 10 years. But in relative terms it is still very acute, mainly because of the remittances of Mozambican migrant workers... because of the south of the country's 80 percent dependence on energy from South Africa and of port and railway revenue paid by South Africa for the use of Maputo port which amounts to US\$7.5 million."