

S Africa's Foreign Minister on MNR-Counterfeiting Link

(a) SAPA in English 1046 gmt 16 Mar 85

Text of dispatch datelined Pretoria, 16th March:

Part of an international network of support for anti-Government rebels in Mozambique has been traced by police to banknote counterfeiting operation in Johannesburg, the Foreign Minister, Mr Pik Botha, said today. Mr Botha told a press conference in Pretoria, marking the first anniversary of the Incomati accord, that the Mozambican Government had at no stage accused South Africa of violating the non-aggression pact.

However, he added, South Africa was investigating allegations that assistance to the rebel Mozambican Resistance Movement (Renamo) was still emanating from South African territory. "They (the Mozambican Government) are very suspicious that Renamo is still being supplied with arms and equipment from South Africa, Malawi, even Kenya and other African countries", Mr Botha said.

South Africa police, following up the Mozambican allegations, had uncovered the Johannesburg counterfeiting operation, which was also apparently responsible for printing large volumes of anti-Frelimo propaganda, Mr Botha said. Two of the main counterfeiters, whose fake 50 rand and 100 US dollar notes were allegedly used in smuggling deals, had escaped to a European country, which Mr Botha did not identify. Several other people had been arrested and would appear in court soon.

Mr Botha said the police had seized large amounts of counterfeit money and propaganda sheets. The metal imprint for the fake dollars, however, had not been recovered and was possibly still being used.

South Africa could consider instituting extradition proceedings for the two counterfeiters who had fled the country, Mr Botha added. A further source of Renamo's finance were bankers, financiers and businessmen "with large political and economic interests in Africa, Latin America and Europe", Mr Botha said.

The financiers, whom he refused to identify, were hostile to the Governments of South Africa and Mozambique, Mr Botha said, adding: "I have no illusions about their motives. They are apparently determined to attempt to turn Mozambique into their private economic preserve." Mr Botha said various other governments knew the identity and activities of these people. "My problem is to get those other governments to do what we are doing and that is to stop sources of supply and assistance to Renamo . . . [ellipses as received] and stop accusing South Africa", Mr Botha said.

Mr Botha, who recently returned from a meeting with Frelimo officials in Maputo, said both signatories to the Incomati accord were committed to restoring peace in Mozambique and uncovering "underhand and devious methods" being used to upset the treaty

In a further bid to strengthen the accord, South Africa has also undertaken to transfer or remove altogether troops based on the Mozambican border who might be sympathetic to Renamo's cause, according to Mr Botha. Steps would also be taken to dismiss a pro-Renamo translator who had been employed by the SADF [South African Defence Force].

Mr Botha said although Frelimo had told him that violence in their country had increased in the past year and Renamo was acting over a wider area, it was highly unlikely South Africa would send in troops or police to support Mozambican defence forces. He mentioned, however, the possibility of a force of security personnel assembled by the two countries, and maybe also Portugal, to protect the Cahora Bassa hydroelectric scheme, roads and railways.

Mr Botha and the Minister of Defence, General Magnus Malan, both said they believed Renamo would never be the victors in the Mozambican war, waged since 1975. And although South Africa's present relations with Renamo were "rather bad", Mr Botha said, South Africa would continue to consult between the Frelimo government and the rebels.

(b) Johannesburg home service in English 1115 gmt 16 Mar 85

Excerpt from report:

... In the course of the investigation evidence had emerged suggesting that certain individuals attached to Renamo were responsible for the large-scale smuggling of diamonds, precious stones, (?horns) and ivory from Mozambique to South Africa and other countries in southern Africa. In some instances the counterfeit currency had been used to pay for the contraband. Mr Botha said there were indications that aircraft were being used to remove the contraband from Mozambique, and in one case an American-registered aircraft had been used. He said the contraband served as a source for the financing of Renamo activities. The possibility could not be excluded that arms were being carried into Mozambique on the same aircraft.

Mr Botha said an international network of bankers, financiers and businessmen with strong political and economic ties in Africa, Latin America and Europe appear to be another possible source of Renamo funds. These people appear to be determined to convert Mozambique into their own private haven and were hostile to the Mozambican as well as to the South African Government. Mr Botha said the South African Government had no illusions about the motives of the backers.