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Southern Africa: History, Money Tie Odd Couple

By David Ottaway
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MAPUTO, Mozambique—The high tension wires strung across Mozambique hum with power these days for the homes and factories of South Africa's northern Transvaal region.

Mozambique workers still line up by the thousands at labor exchanges around Maputo for jobs in the gold mines of South Africa.

The harbor here is once again filled with South African chrome, iron ore, coal and general cargo, and the business magazines of Johannesburg feature ads and articles urging companies to step up their use of Maputo's port.

At the same time, South African newspapers tell of security forces capturing the first black guerrillas trained in Angola and infiltrated back into South Africa via Mozambique, while Maputo is also fast becoming a favorite way station, and often terminus, for black refugees from South Africa traveling the underground railroad to freedom.

In Maputo, meanwhile, the rumor runs that the government is already beginning to increase its outlays for the defense of its southern border with South Africa.

No two African countries at such ideological and political odds are so closely linked by ties of economic necessity and historical happenstance as Mozambique and South Africa. Any visitor to this land of Marxist revolutionaries dedicated to the black nationalist liberation struggle cannot help but wonder how long it will last.

Part of the answer may come shortly.

Sometime early next year, South Africa will make a decision that may cost Mozambique its single largest source of foreign exchange earnings—the gold acquired by its workers in South African mines under an old pre-independence arrangement with Portugal.

The decision on whether to continue this key South African subsidy to the staggering Mozambican economy, amounting to as much as $100 million dollars a year, is likely to be as politieal as it is economic. Pretoria has a lot at stake in its relations with this stridently Socialist African state that is committed wholeheartedly to the end of white minority rule throughout southern Africa.

So far, to everybody's surprise, the principle of peaceful coexistence, so important to rival superpowers as a basis of international relations, has also applied to the day-to-day dealings of Marxist Mozambique with white-ruled South Africa. By an unwritten accord, the two have put off the day of reckoning in their ideological and political accounts with each other.

While neither side has given an inch to the other in its respective ideology, both accepted the strange sort of economic partnership born of the former Portuguese colonial era and carried on after Mozambique's independence in June 1975 with remarkably few alterations.

Only the flood of South African tourists to the beaches and hotels of Mozambique is missing from the landscape here. Indeed, few South Africans are seen in Maputo today, although South African Airways still has an office here and there are several flights a week between Maputo and Johannesburg. A daily passenger train also runs between the two capitals.

Whether this cooperation is expanding or contracting is not altogether clear, for there are signs pointing simultaneously in opposite directions. At the moment at least it persists and this in itself is one of the most fascinating stories of the complex relationship between South Africa and its black-ruled neighbors.

Last summer, the South African weekly, The Financial Mail commented that ties between the two nations had actually strengthened in recent months and speculated that some sort of political agreement was underlying the apparent rapprochement.

It quoted the South African Trade Organization as saying business with Mozambique was picking up and that local exporters were reestablishing themselves in the Mozambican market. Getting export credit was no problem, it reported, adding that the Mozambican government was keeping an account with the Bank of Lisbon in Johannesburg.

Western economists here estimate that Mozambican imports from South Africa may increase from 17 per cent of the country's total imports last year, to about 25 per cent this year. Private businessmen here, meanwhile, say they have no trouble getting permission and hard currency from the government to buy spare parts and other essentials from South Africa to keep their factories running.

The quantity of South African exports and imports passing through the reviving port of Maputo is also reported to be climbing back slowly toward its pre-independence level of 4.4 million tons a year. Of the 347,000 tons of cargo coming and going in July, 191,000 tons carried South African labels.

Another boost to South African-Mozambican economic cooperation came last March when the first of five generators at the new, mammoth Cabora Bassa Dam in Mozambique's northern Teke Porvince began sending power 1,000 miles south to South Africa. That country's Electricity Supply Commission will initially receive 750 megawatts from Cabora Bassa Dam in Mozambique's northern Teke Province By 1979, the amount will rise to 1,760 megawatts, more than 10 per cent of its energy.

It will be some time, however, before Mozambique gets anything out of this deal, arranged between South Africa and an international consortium before Mozambican independence. All the earnings go to the banks and companies that put up the more than $400 million dollars needed to finance the dam and power station.

While trade and the sharing of electric power between the two countries are on the upswing, the number of Mozambican workers heading for South African mines has dropped sharply since independence. Once numbering more than 100,000, the number was down to 38,000 last April and the mines are reportedly recruiting only 35,000 for the new 18-month contracts.

The system by which Portugal and later Mozambique turned these miners into a gold windfall is a curious one that is now coming into serious question. By agreement with Portugal, South Africa transferred 60 per cent of the miners' wages in gold or hard currency to the government in Mozambique, which in turn paid the miners in local currency when they returned home.

For the government in Mozambique, then, the deferred earnings were literally turned into gold at the old fixed rate of $42 an ounce and, before independence, were shipped off to Portugal. Even after gold was turned loose on the free market and soared to an average price of $154 in 1975, South

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