

Government changes-Foreign relations-Currency devaluation

Summary and key dates

Government changes (September 1985; January and July 1986). Relations with Mozambique (August to December 1986). Devaluation of kwacha (Aug. 16, 1986). Conclusion of agreements with Tanzania and Zimbabwe (April 25 and May 9, 1986). Establishment of diplomatic relations with Finland (May 1).

Cabinet reshuffles-New Central-Bank governor

President Hastings Kamuzu Banda dissolved the Cabinet on Jan. 2, 1986, and temporarily assumed all portfolios himself, as he had also done in April 1984 and in January 1985; . On Jan. 16 all the Cabinet members were reappointed, but (in nearly every case) to different portfolios.

In further changes effective from July 1, 1986, President Banda moved Mr Chimwemwe Hara from the post of Minister of Finance to that of governor of the Reserve Bank of Malawi (Central Bank). The Finance portfolio went to Mr Dalton Katopola, who since January had been Minister of Education and Culture, and who was succeeded in the latter post by Mr Solomon T. Phiri.

As a result of these changes, the Cabinet was composed as follows [for full list as of June 1985, see 33708 A]:

President Hastings Kamuzu Banda	External Affairs, Agriculture, Justice, Works and Supplies
Mr Robson Chirwa	Minister without Portfolio
Mr Sidney Somanje	Minister at Large
Mr Edward C. I. Bwanali	Transport and Communications
Mr Dalton Katopola	Finance
Mr Solomon T. Phiri	Education and Culture
Mr Wadson Bini Deleza	Trade, Industry and Tourism
Mr Katola Phiri	Community Services
Mr Louis Chimango	Health
Mr Stanford Demba	Labour
Mr Kapichira Banda	Forestry and Natural Resources
Mr Richard Musa Banda	Local Government

* No change from list.

In August 1985 Mr Poltone Mtenje had left the Cabinet when his Ministry of Youth was abolished. Mr Richard Musa Banda was appointed at that time as Minister of Forestry and Natural Resources to replace Mr George Kandawire [see page 337709] while Mr Chimango had taken on the Education and Culture portfolio.

Resignation of chief of police

The resignation of the police chief, Inspector-General Mac Kamwama, was reported in early 1987; he was replaced by his deputy, Mr L. G. Ngwata. Mr Kamwama had held the post since 1971, and although only 51 was reported to have resigned on account of his age.

His name had earlier been linked, however, with that of Mr John Ngwiri, who was dismissed as Cabinet Secretary in December 1985, also officially because of his age. Unconfirmed reports suggested that he had been implicated along with other senior members of the establishment in financial irregularities. Mr Kamwama was considered to be a close ally of Mr John Tembo, a senior member of the national executive committee of the ruling and sole legal party, the Malawi Congress Party (MCP), who was himself thought of as a possible successor to President Banda.

Relations with Mozambique—Reported expulsion of rebels

Relations with Mozambique were severely strained in the latter part of 1986, largely because of the Mozambique government's belief that the authorities in Malawi were assisting the *Resistencia Nacional Mocambicana* (MNR or Renamo), whose forces were fighting to overthrow the government in Mozambique. See for specific allegations by the then Mozambican armed forces Chief of Staff in July 1986 and subsequent high-level meetings between Malawi and its southern African neighbours, and for President Machel's threat to install missiles along the border with Malawi; and also below for discovery by South Africa of alleged plot by the governments of Mozambique and Zimbabwe to overthrow the regime of President Banda.

It was widely agreed by observers that even if the Malawi government did not overtly assist the MNR, its border with Mozambique was inadequately guarded. Some reports suggested that South Africa's close links with Malawi enabled it to supply those MNR elements which were based in Malawi [see page 34793] In early October 1986 the Zimbabwean daily newspaper, The Herald, reported that “thousands” of MNR rebels were leaving Malawi (although other reports gave much lower numbers), as the result of an “expulsion order” from President Banda. This action was seen as the response to forceful statements made at a meeting in September in Blantyre in southern Malawi when President Machel of Mozambique and President Kaunda of Zambia both warned President Banda that they might close their borders with Malawi unless action was taken against the MNR operating from Malawi. Mr Robert Mugabe, the Prime Minister of Zimbabwe was also present.

The Mozambican daily newspaper, *Noticias*, on Dec. 16 carried a statement by an administrator in the Mozambican province of Zambezia declaring that members of the Malawian armed forces participated in MNR raids into Zambezia, and that white men had also been observed fighting along with the MNR. In cases where such individuals had been captured or killed by the Mozambican forces, however, they were not able to be identified as they carried no documents.

There had been reports in August 1986 of a clash between Malawian and Mozambican troops near the town of Chikwawa, 40 km south-west of Blantyre, in south-west Malawi, which resulted in seven deaths. Mozambican soldiers had reportedly crossed the border in pursuit of MNR rebels. Other incidents of Mozambican troops entering Malawi's territory were also reported.

Further meetings between senior Malawian and Mozambican officials under the terms of the joint security commission which had been established following a meeting in September 1986 culminated in the signature, on Dec. 18, of an accord on mutual co-operation and a protocol covering defence, state security and public order. On Dec. 14 Mr Tembo had announced that the government of Malawi had accepted, in full, proposals from the Mozambican government intended to “normalize” relations between the two countries.

These proposals were thought to include a reduction in Malawi's use of the South African transport system and a re-routing of its trade through the Mozambique system, making use of the Indian Ocean port of Beira, in accordance with the principles and aims of the Southern African Development Co-ordination Conference (SADCC- A, .

In a further development in connexion with the alleged plot by Zimbabwe and Mozambique to destabilize President Banda's regime, a senior Zambian government official was on Jan. 13, 1987, reported as saying that the document produced by Mr Roelof “Pik” Botha, the South African Foreign Minister, as proof of the existence of the plot, was believed to be genuine by President Kaunda of Zambia. According to the unsubstantiated report, President Kaunda had been approached to take part in the plot and had refused.

Return to Mozambique of prisoners released into Malawi by MNR

In a controversial incident the Malawi government handed over to the Mozambique authorities in Maputo (the Mozambique capital) a number of foreign captives who had been released into Malawi by the MNR as a Christmas “gesture of goodwill”.

The MNR had released 57 people (mostly Portuguese) on the border with Malawi on Dec. 17, 1986, and a further eight on Dec. 22. Those in the first group were on Dec. 19 flown to Maputo, reportedly against their will, apparently in order to provide the government with information about the MNR, based on their experiences in captivity over varying periods of time. Diplomats and representatives of the International Committee of the Red Cross protested that the prisoners ought to have been handed over to their own governments' representatives.

Refugee problem

A renewed offensive by the MNR inside Mozambique in the latter part of 1986 [see page 34794] led to a dramatic increase in the number of Mozambican refugees reported to be entering Malawi.

According to Mozambique's national news agency AIM, some 200,000 Mozambicans entered Malawi over the period mid-October to late November, in flight from fighting and guerrilla attacks. The League of Red Cross and Red Crescent Societies, launching on Nov. 14 an emergency appeal, noted that the movement of people across the border into Malawi had occurred for years, but that the frequency of such crossings had increased during 1986, and that approximately 30,000 displaced persons currently needed assistance in Malawi (this figure later being increased to between 70,000 and 80,000). The refugees came largely from Mozambique's Tete and Zambezia provinces, and sought refuge in Dedza and Ncheu, in central west Malawi, and in Mlanje and Nsanje, in the south-east. There were also considerable numbers of Mozambican refugees in Zimbabwe.

Currency devaluation

Mr Katopola (the Minister of Finance) announced a 10 per cent devaluation of the currency, the kwacha, with effect from Aug. 16, 1986, in order to "ensure the competitiveness of the country's exports in the light of continuing transport difficulties". The kwacha was now valued at US\$ 1.00=K 1.99. A further devaluation, of 20 per cent, came into effect from Feb. 7, 1987, the kwacha then being valued at dollars 1.00=K 2.3541.

According to *Africa Economic Digest* of Aug. 23, 1986, Malawi transported some 90 per cent of its external trade through South Africa, at an estimated annual cost of dollars 50,000,000.

Agreements with Tanzania and Zimbabwe

Malawi and Tanzania signed an agreement on April 25, 1986, designed to give Malawi greater access to the Tanzanian port of Dar-es-Salaam. The agreement followed two days of discussions between senior transport officials from both countries, and envisaged joint efforts to raise foreign financing for road construction and improvements to transport links.

At the end of a three-day visit to Malawi by Mr Mugabe, a joint Commission of Co-operation and Friendship was established on May 9, 1986, and agreements were signed covering trade, air services and general co-operation. security matters were also discussed during Mr Mugabe's visit.

Establishment of diplomatic relations with Finland

With effect from May 1, 1986, the governments of Malawi and Finland established diplomatic relations at ambassadorial level, on a non-residential basis. -(BBC Summary of World Broadcasts Africa Research Bulletin Africa Economic Digest-Guardian Times-Standard Chartered Review-UNHCR-Africa Confidential)

(Previous report 33708 A)